

INTERIM REPORT H1 2023

1.1.2023 - 30.06.2023

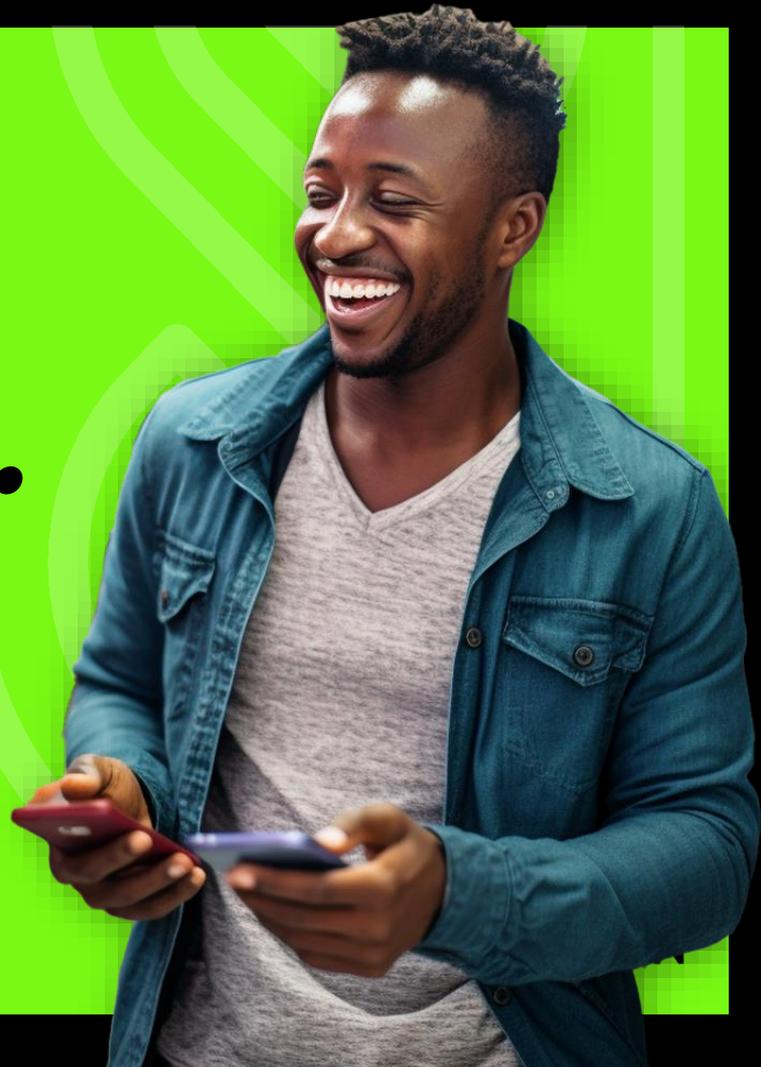


SPENN Technology A/S
Company Registration Number: 26518199

Njalsgade 76, 4
2300 Copenhagen S
Denmark



***MOBILE BANKING.
JUST BETTER.***





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SPENN Technology A/S

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DATE OF FORMATION:
1 February 2002

FINANCIAL YEAR:
1 January 2023 – 31 December 2023

30 AUGUST 2023:
Interim Financial Report

EXECUTIVE BOARD:
Jens Glaso, CEO

BOARD OF DIRECTORS:
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Bjørn Kjos
Petrus Johannes van der Walt
Magne Fretheim
Jan Fredskilde Andersen

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SPENN TECHNOLOGY

MISSION

Bridging financial principles
through digital asset innovation.

VISION

Economic opportunity for everyone.



2023 Interim Financial Highlights – SPENN Group

DKK '000	H1-2023	H1-2022
Gross revenue*	93,884	70,348
Gross Cost of sales	-68,677	-60,325
Net revenue	26,376	10,023
Cost of sales	-6,849	-1,848
Gross profit	18,358	8,175
Other Income	764	676
Employee expenses	-12,441	-15,356
G&A expenses	-16,025	-15,118
Adjusted EBITDA**	-9,344	-21,623
Expenses for raising capital	-2,290	-597
Disputed expenses for which credit is due	-4,695	-
EBITDA	-16,329	-22,220

The SPENN Group continues to build on its target of breakeven with revenue for the period increasing to DKK 93.9 million, up from DKK 70.3 million in 2022. Kazang leads the growth in revenue, contributing with DKK 91.8 million to the group's gross revenue for the period. DKK 2.1 million is represented by the group's other subsidiaries.

Net revenue for the period was DKK 26.4m resulting in a DKK 16.4m increase from revenue for 2022 which was DKK 10m.

For 2023, EBITDA ended with DKK -16.3m which was an improvement from 2022 which was DKK -22.2m.

KAZANG

Kazang Zambia has continued its growth in 2023, with a gross profit for the first half year increasing over 140% compared to first half of 2022. This growth has been fuelled by more than 8,000 POS machines deployed in the market, combined with a strong organic growth of transaction volume. EBITDA for the first half of 2023 was DKK 9.3m, an increase of almost 200% compared to the same period in 2022.

Management adjustments to EBITDA

The company has been invoiced for, and expensed, preliminary invoices for services in relation to product development, which have not been fulfilled or delivered. The company will receive credit after the period for these invoices.

* Management uses gross revenue as a metric to monitor the performance of the company. Gross revenue is total sales made by the group during the year. Revenue is shown net of cost of sales in the Income Statement

** Operational EBITDA for continuing business, less non-recurring or changed items.

LETTER FROM THE CEO

Towards a brighter financial tomorrow

We're on a fast track, with every sign pointing to our ambitious goal: Reaching break-even and beyond.

Kazang, since joining the SPENN family, has truly been transformative, we're unlocking growth and setting new standards for the industry. This acquisition was a strategic masterstroke for SPENN Technology. Not only has Kazang blended seamlessly into the SPENN ecosystem, but it's also been instrumental in propelling our growth. Together, we're not just expanding; we're reshaping industry standards and unlocking synergies that benefit the entire group.

Thanks to the latest updates to our platform, sales are rising across all markets. And we're just getting started. Enhanced with full interoperability, our latest features are more than just upgrades; they're game-changers. We've only scratched the surface, and with the momentum we've gained, we anticipate even stronger revenue growth and operational advancements in the coming quarters.

In Nigeria, we're making strong headway. This success has also paved the way for our exciting new venture in Sierra Leone. We're partnering with big players to launch SPENN Sierra Leone Limited.

Our joint venture with NASENI-SPENN isn't just a joint venture; it's a powerful move to reshape salary disbursements. NASENI-SPENN is now actively facilitating salary disbursements for NASENI, having gathered invaluable insights from the NASENI-SPENN mobile application users. Our mission is to soon achieve full-scale operation, enabling NASENI to effortlessly transfer salaries to employees, cater pension payouts and support pivotal research and developmental beneficiaries.

NASENI-SPENN, a joint venture between the Nigerian National Agency for Science and Engineering Infrastructure (NASENI) and SPENN Technology, was crafted to provide a dedicated disbursement tool and app, catering to salaries, pension payouts, social projects, and various developmental finance schemes. SPENN Technology A/S holds the majority at a 70:30 ratio in this groundbreaking partnership. With our eyes set on scaling further next year, the horizon looks promising.

In March, as a crowning moment on our growth trajectory, SPENN Technology's CEO and the Chairman of the Board proudly rang the 'opening bell' in New York. This symbolized our ascendancy to the top tier of the US OTCQX Market, not just as a testament to our rapid expansion but as a strategy to unlock broader horizons. However, every journey has its challenges. Our non-eligibility for DTC momentarily slowed our momentum. But in line with our ethos of seeing challenges as opportunities, we've decided to integrate this factor into our upcoming IPO, ensuring the best potential, liquidity and returns for our shareholders.

Having Bjørn Kjos with us is a major win. With his expertise, we're well-positioned to make a big splash in the remittance market, especially in Africa. High fees will soon be a thing of the past. SPENN is here to offer better, cost-effective solutions. In a nutshell: SPENN Technology is growing, innovating, and ready to redefine the future of finance. Our mission? To deliver the best for our stakeholders and create a world where finance is accessible and fair for all.

Our trajectory is marked with persistent growth, collaboration, and an unyielding commitment to innovation. As we stride forward, our focus remains: empowering our stakeholders and redefining the financial landscape. Join us on this exciting journey!



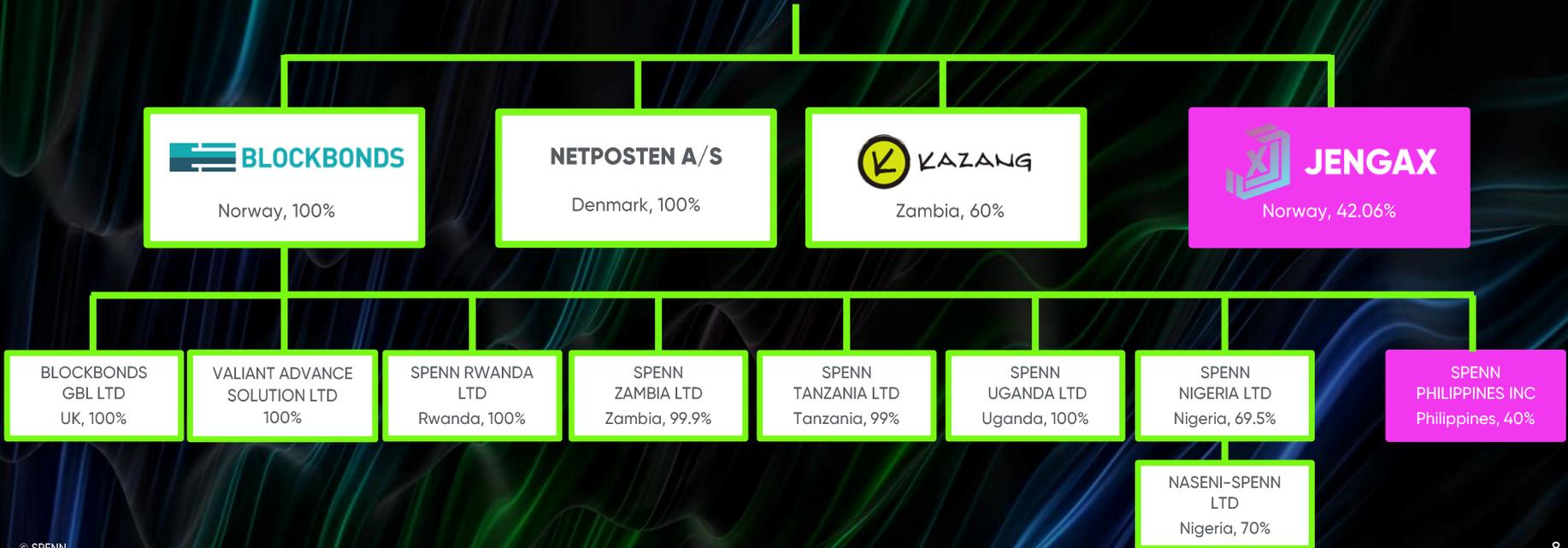
SPENN TECHNOLOGY Company Structure



SPENN TECHNOLOGY A/S
Parent company, Denmark

Subsidiary

Associated company



SPENN Group outlook for 2023

At SPENN Technology we view our role as forging the future of payments in Africa by bridging financial principles with digital asset innovation to achieve our vision of economic opportunity for everyone. In H2 – 2023, SPENN Technology will continue to build on the accomplishments of the first six months such as the launch of full interoperability with other mobile money and bank accounts, and accelerate the execution of its growth strategy towards businesses through SPENN Business Services due to the direct revenue generated by this segment, the contribution to lowering the customer-acquisition-cost for consumers, and improved retention of consumer users receiving their salary into a SPENN account.

SPENN Technology will continue to work on unlocking synergies and operational efficiencies between SPENN Zambia and Kazang Zambia. The target for Kazang Zambia is to roll out 15,000 new vendor terminals throughout Zambia in H2 – 2023. Kazang Zambia expect significant growth in all product lines, most notably through NFS transactions and leveraging its network to increase traffic for SPENN Zambia. Furthermore, SPENN Technology has introduced additional capability to the Kazang Zambia vendor terminals to further strengthen the value proposition to agents and merchants such as QR code capabilities for smoother transactions for merchants and customers alike.

SPENN Technology will also continue to cultivate its strong partnerships with bank partners in both its current and future markets to add additional products and services and continuously build and strengthen the SPENN ecosystem where businesses, consumers, agents, and banks can transact seamlessly and instantly.

Furthermore, in H1 – 2023, SPENN announced an ambition to acquire a majority stake in NBX which would open for low-cost cross-border remittances and the introduction of credit cards with a crypto kick-back to users.

These growth strategies, coupled with new products like a multi-currency wallet, and others in the pipeline, will give more value-added services to both businesses and their employees. This strategy combined with a capital raise in H2 – 2023 will allow the company to realise its expansion and growth plans and put SPENN Technology in a good position to reach its revenue target for 2023.

Looking towards 2024, SPENN Technology will focus on cementing its position in current markets including delivering on the targets for Naseni-SPENN in Nigeria. With increased market penetration, coupled with launching SPENN in additional markets, the future for SPENN is bright.

FORWARD-LOOKING STATEMENTS

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



Market update: Zambia

SPENN ZAMBIA

Business growth
+80% increase YoY

The first half of the year for SPENN Zambia has resulted in the re-introduction of YellowCard as a partner for remittance via the app. Yellow card is a leading cryptocurrency exchange within the African markets. Additionally, JengaX went live with its cryptocurrency app, which is also interfaced via the SPENN app. These two customers have contributed to an 80% increase of new business customers YoY compared to H1 – 2022.

The group have high expectations for Zambia as a revenue market, noting a strong increase in active users, primarily driven by the addition of SPENN to the Zambian National Financial Switch (NFS). SPENN Zambia was also nominated for 2 E-commerce awards in the first half of the year, being Fintech Innovation of the Year and eCommerce Innovation of the Year.



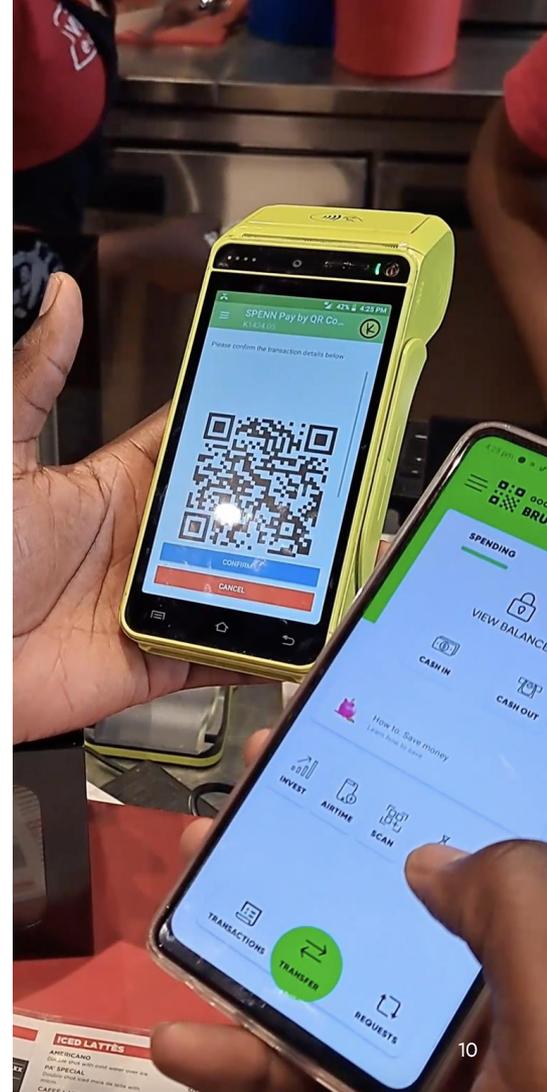
Gross profit growth
+140% increase YoY

Kazang continues to increase its revenue and profits by growing its network of agents and merchants that can process payments. After the first six months, Kazang is tracking behind on its target of deploying another 30,000 vendor terminals due to being more selective in which agents and merchants it is targeting. Although it is impacting the pace of roll out, it will ultimately strengthen both Kazang and SPENN Zambia in the market as Kazang will have even higher quality agents and merchants.

In addition to the increased revenue derived from growing the agent and merchant network, a key revenue driver for Kazang during H1 – 2023 has continued to be the NFS integration, although it has been adversely affected during Q2 when Zanaco, the largest bank in Zambia was suspended by the NFS due to technical issues.

SPENN Zambia and Kazang has also deployed the SPENN Agent app onto the Kazang vendor terminals as well as enabled them to present the SPENN QR code for seamless payments. Through the SPENN Agent app, any Kazang vendor terminal can now be used to onboard additional SPENN users to further drive usage for both Kazang and SPENN Zambia.

With the synergies between SPENN Zambia and Kazang, Zambia as a market is close to breaking even.



Market update: Rwanda, Tanzania and Nigeria

SPENN RWANDA

Business growth
+90% increase
YoY



2023 has had a busy start for SPENN Rwanda, with full interoperability with all other mobile money and financial institution accounts being launched. This allows users to send and receive seamlessly from any enabled funds source throughout the country. Rwanda has also seen close to a 100% increase of new business customers YoY compared to H1 – 2022.

The microlending product, which was launched last year, has now surpassed RWF 3.8bn lent across +11,400 transactions. With the introduction of a lending scorecard based on usage of the application, recoverability of the partner banks' capital has increased dramatically. With the lessons learned through this process, SPENN will look at other markets for suitability to roll this product out to.

SPENN TANZANIA



SPENN Tanzania is currently undergoing an enhancement phase in collaboration with I&M Bank, as the Bank of Tanzania (BOT) has provided an opportunity for I&M Bank to further refine its license for SPENN. This proactive step aligns with our unwavering dedication to adhering to the highest standards and regulations. As a testament to our commitment to our stakeholders, we've initiated a seamless transition period to ensure I&M Bank meets these updates smoothly. We are excited about this development and are optimistic about swiftly resuming our services with even more robust and compliant frameworks in place.



NASENI~SPENN

NATIONAL AGENCY FOR SCIENCE AND
ENGINEERING INFRASTRUCTURE



During H1 – 2023 the team worked diligently to finalise the preparations of the app in order to launch in Nigeria on target. In May, the first official disbursement was made in March, marking the conclusion of the "proof of concept" period.

Features available to Nasesi-SPENN users are currently limited to P2P transfers and ability to transfer funds to mobile money and bank accounts. During H2 – 2023, the focus will be on enabling incoming transfers from mobile money and bank accounts as well as finalising the regulatory process to also avail value added services.

In parallel to continuing the development of the product the team is onboarding the remaining Nasesi employees and starting the process of onboarding beneficiaries of the social intervention fund.

SPENN Business Services – Customer Stories



A SPENN FLOW CUSTOMER

"We chose SPENN Business for its payroll efficiency, but it has gone above and beyond. Our employees enjoy significant savings, payment of utilities and airtime, and it is making their financial experience truly exceptional"

- Antoine Kagenza, AbakundaKAWA Rushashi Cooperative



A SPENN FLOW CUSTOMER

"Since integrating SPENN Business into our logistics company, we've witnessed a remarkable improvement in financial control and communication efficiency. This platform is a must-have for any transportation business"

- Alex Sabiti, Nine United Traders



- A SPENN FLOW CUSTOMER

Taj Pamodzi is the premier hotel in Lusaka, Zambia and part of the Taj Group. The hotel historically paid its casual workers in cash, a costly and time-consuming process. Not to mention unsecure for its workers. With SPENN, the hotel saw an opportunity to digitise this process by using SPENN Flow. SPENN Flow generates a monthly subscription fee while also generating float revenue from the account balances that Taj Pamodzi and its workers hold on SPENN.

To date, SPENN Zambia has onboarded more than 200 casual workers to SPENN with a total wage bill of more than USD 21,000 per month. The hotel also has Kazang vendor terminals which allows for payments using SPENN.

"SPENN flow has made it convenient for us to make payments, transfer money, and keep track of the expenditure we would ordinarily spend in cash. With its user-friendly interface and secure features, we can easily keep track of our expenses and truly go cashless!"

- Nchimunya Mukulumwa, Taj Pamodzi Hotels

Looking ahead SPENN Zambia is continuing to work with the hotel to use SPENN for additional payments such as payroll for permanent staff and payments to vendors.



SPENN Technology A/S Consolidated and Parent Company

FINANCIAL STATEMENTS

Management's Statement

The Board of Directors and the Executive Board have today discussed and approved the Interim Financial Report of SPENN Technology A/S for the financial period 1 January – 30 June 2023.

The Financial Statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Group's and the Company's assets, liabilities and financial position at 30 June 2023 and of the results of the Group's and the Company's operations and cash flows for the financial year 1 January – 30 June 2023.

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

The Interim Financial Report is unaudited.

Copenhagen, 30 August 2023

EXECUTIVE BOARD:

CEO, Jens Glaso

BOARD OF DIRECTORS:

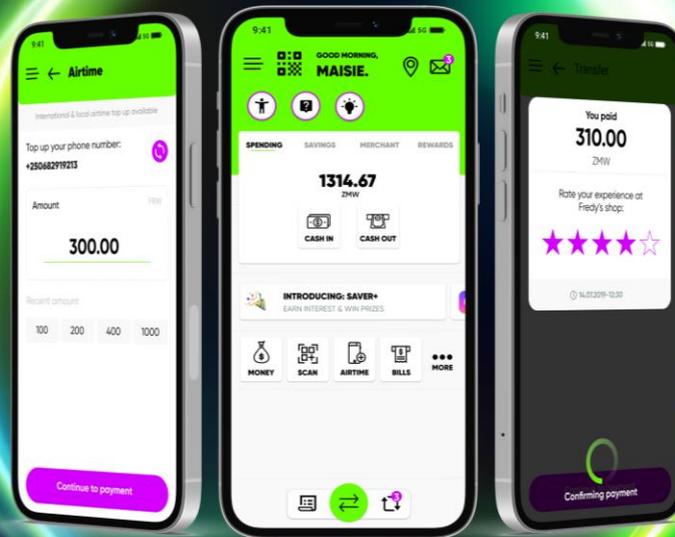
Karl Anders Gronland (Board Chairman)

Bjørn Kjos

Petrus Johannes van der Walt

Magne Fretheim

Jan Fredskilde Andersen



Document has been signed digitally and all signatures are present at the end of this report.

Management Commentary

PRINCIPAL ACTIVITIES

SPENN Technology A/S ("The Company") is a public company incorporated under the laws of Denmark, CVR no. 26 51 81 99. The Company's principal activities are development, maintenance, licensing or sale of IT-systems and consultancy services. Furthermore, the Company intend to invest in companies which can enhance demand of its developed software and IT-systems or companies providing complimentary services. The Company is also financial media through its subsidiary Netposten A/S. The Company has been listed on Nasdaq First North Growth Market Denmark since 17 January 2018.

Kazang Zambia is an agnostic bank and wallet provider and B2B supplier of vendor terminals to agents and merchants used to process mobile money payments. 60% of Kazang Zambia was acquired by SPENN Technology A/S on 4 November 2021.

DEVELOPMENT IN ACTIVITIES AND FINANCIAL AND ECONOMIC POSITION

On December 9, 2022, SPENN Technology did a capital increase of 8,785,437 shares at DKK 0,20 per share for a total price of DKK 1,757,087.50 to Monex Group Inc. The amount was paid in cash and announced on January 5, 2023. As part of the transaction, SPENN Technology issued 8,785,437 new shares. Following the transaction, the total number of shares in SPENN Technology was 2,481,836,141.

On February 10, 2023, the Board of Directors decided to execute on the decision taken during the extraordinary general meeting on January 25th to do a reverse share split of the company's ordinary shares of DKK 0.1 through a reverse share split at a consolidation rate of 100:1.

On March 10, 2023, SPENN Technology began trading on the top tier of US marketplaces (OTCQX) for trading over-the-counter stocks. SPENN upgraded from the OTCQB Venture Market. Graduating to the OTCQX Market marks an important milestone for companies, enabling them to demonstrate their qualifications and build visibility among US investors.

On March 10, 2023, NASENI SPENN Limited informed about going officially live and has started salary disbursements for the Nigerian Government. NASENI-SPENN has begun testing out salary disbursements for NASENI directly as a way to verify the payment flows and gain valuable feedback directly from users of the NASENI SPENN mobile application.

On March 20, 2023, two leading Norwegian blockchain companies signed an agreement to exploit synergies and increase market shares. Norwegian Block Exchange, with the founder of Norwegian Bank and Norwegian Airways Bjørn Kjos as the majority owner, and SPENN Technology, have signed the agreement that will generate remittance payment for SPENN and give NBX access to the African market through the SPENN connect product.

On April 25, 2023, SPENN Technology signed an agreement with R.F. Lafferty, an investment bank in the US, to buy 1,240,000 warrants issued with an exercise price of USD \$2.36 per share, corresponding to DKK 16 per share, for a total value of DKK 19.85 million. R.F. Lafferty will assist SPENN with its strategy raise institutional capital in the US, and to meet listing requirements for the NYSE or Nasdaq before the end of 2024.



On April 25, 2023, SPENN Technology announced a major development in its partnership with R. F. Lafferty. The company's board of directors has authorized (authorization given in General Meeting 26.03.21) a private placement towards a group of professional investors amongst others Bjorn Kjos with a total value of DKK 14 203 850, with a share price of DKK 10.

2023 FINANCIAL RESULTS

The Company reported a loss of t.DKK 30,965 in the first half 2023 compared to a loss of t.DKK 17,770 in the first half of 2022, mainly driven by the disposal of group assets during the first half of 2022, resulting in gains during the period. Adjusted Operating expenses Gross revenue increased to t.DKK 93,884, from t.DKK 70,348 in 2022, primarily driven by a record first half from Kazang.

Net revenue for the period increased to t.DKK 26,376 from t.DKK 10,023 in 2022, driven by Kazang adapting to the market dynamics in Zambia, and providing a full period of NFS electronic cash transactions. Employee expenses amounted to t.DKK 12,447 (2022: t.DKK 15,356), driven by currency, some overhead headcount reductions and some adjustments in the markets. Gross general and administrative expenses amounted to t.DKK 21,590 (2022: t.DKK 15,715), as the company has incurred costs in relation to capital raising. Included within this number is services (t.DKK 4,695) that has been credited after June 30th.

RESEARCH AND DEVELOPMENT

The company continues to selectively spend on developing its application and services within. This is expected to continue as new services and products are brought online, and different market dynamics present different product opportunities.

EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY DURING THE YEAR

Basic Earnings per share for the year ended 30.06.23* (DKK)	-1.24
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*Using the share capital issued at the reporting date, post reverse split

FUTURE DEVELOPMENTS

The SPENN Group is growing and continuing its expansion to further countries through its subsidiaries. It is expected that the Company's assets will grow and investing activities will increase further in the last part of 2023 and onwards. The group expects revenue to grow as it continue to scale in current markets (especially Nigeria) and enters new markets, as it increases its userbase and as Kazang Zambia increases its agent network.

ASSETS

As of 31 December 2023, the Company's total assets amounted to t.DKK 247,695 (2022: t.DKK 373,303). The Company's intangible assets at the period end were t.DKK 107,231 (2022: t.DKK 279,654) It is noted that the 2022 comparative period included the intangible assets of JengaX, which was fully consolidated during that period. Current assets at the period end were t.DKK 53,934 (2022: t.DKK 86,796). The Company had cash and cash equivalents at the period end of t.DKK 9,346 (2022: t.DKK 33,787).

EQUITY AND LIABILITIES

As of 30 June 2023, total shareholders equity amounted to t.DKK 152,929 (2021: t.DKK 303,487). The decrease in equity is attributable to a decrease in retained earnings, from adjustments made in 2022, and reduced non controlling interests, as JengaX is no longer consolidated. Total liabilities at the period end amounted to t.DKK 94,766 (2022: t.DKK 69,816), consisting largely of trade payables at t.DKK 29,346.

CASH FLOW AND INVESTMENTS

Cash flow from operating activities amounted to t.DKK -33,572 due to invoices received at end of 2022, and settled in early 2023. Cash flow from financing activities for the period was t.DKK 20,318, mainly attributed to further loans received in the group during 2023. The total net cash flow for the period ending was t.DKK -24,440 (2022: t.DKK 1,640).



TREASURY SHARES

The company has 630 ordinary shares held in treasury. The shares have the same voting rights as all other ordinary shares. The company also holds 104,985 ordinary shares on behalf of investors. Voting rights are deferred to the beneficial owners of these shares.

SIGNIFICANT EVENTS AFTER 30 JUNE 2023

In the General Meeting on the 7th of July Bjorn Kjos was elected as a member of the board of directors. He replaced Aidiam Negassie.

REVERSE SHARE SPLIT

On 10 February 2023, the company executed a reverse share split, consolidating 100 shares into 1, and thereby increasing the nominal value of each share from DKK 0.1 to DKK 10. Orphan shares were purchased back by the company, but not cancelled, and as a group converted at the same rate.

RISK MANAGEMENT

The Company seeks to identify, assess, monitor and manage each of the various types of risk involved in its business activities, in accordance with defined policies and procedures.

The Company continues to assess its own risk management policy framework and progress towards optimisation of the risk management within the SPENN Group. Risk is an inherent part of the Company's business activity and the following are the core risks identified by management.

FOREIGN EXCHANGE RISK

Revenue generated in the Group's international subsidiaries are denominated in the local currencies of each subsidiary. Therefore, changes in the value of the local currencies relative to the Danish Krone could affect the operating results of the Group. There is a risk that, owing to these exchange rate fluctuations, operating results may differ from forecast and thus expectations of investors and alike. The company has taken forward currency contracts to mitigate the cash risk associated with this. The forward contracts are carried at fair value through the profit and loss.

LIQUIDITY RISK

The liquidity risk is managed centrally by the finance function, budgets are set and agreed by the directors in advance, enabling the company cash requirements to be anticipated. The company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The directors of the company will assess cash flow projections on a monthly basis as well as information regarding cash balances. These projections are used to indicate that the company expects to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances. Given that the company is in a rapid expansion phase with geographical expansion in multiple markets simultaneously and similarly within products, the company has a significant funding need to cover investments and running expenses, as the Company is currently not generating any positive cash flow. This poses a liquidity risk for the Company, as lack of funds could jeopardise expansion plans, commercialisation as well as the going concern itself.

CREDIT RISK

There is an element of credit risk in the Company, through its loans to subsidiaries as they develop towards breakeven. Even though the directors are confident of the quality of its products and its development, the Company is exposed to changes as a result of the market conditions, such as Covid-19, which could affect performance of the subsidiaries and thus the credit risk of the Company. The notes to the Company's financial statements include details of its credit risk and provide further information, not included here.



Income Statement 1

January – 30 June 2023

DKK '000

SPENN GROUP

	Note	2023	*Restated 2022
REVENUE	1	26,376	10,023
Cost of sales	2	-8,018	-1,848
GROSS PROFIT		18,358	8,175
Employee expenses	3	-12,441	-15,356
Administrative expenses		-23,009	-15,715
Depreciation, amortisation		-10,186	-8,062
Other income		764	676
OPERATING PROFIT/(LOSS)		-26,514	-30,282
Associated companies		-2,929	-75
Income from other investments		-	4,825
Other financial income		3,043	8,185
Finance costs from group enterprises		0	0
Other finance costs		-4,584	-410
TOTAL FINANCE INCOME/(LOSS)		-1,541	12,600
Gain/(loss) on disposal		1	-12
PROFIT/LOSS BEFORE TAX		-30,984	-17,769
Tax on profit/loss for the year		-689	-1
PROFIT/LOSS FOR THE PERIOD		-31,673	-17,770
DISTRIBUTION OF RESULTS			
Minority interest		1,345	-600
Profit attributable to parents		-33,018	-17,170
Distribution of profit		-31,673	-17,770

Balance Sheet at 30 June 2023

DKK '000	SPENN GROUP			
	Note	2023	*Restated 2022	31 December 2022
ASSETS				
Research and Development		27,905	165,094	26,565
Goodwill		55,974	87,005	58,116
Other intangible assets		23,352	27,555	24,753
Intangible assets	4	107,231	279,654	109,434
Property, plant and equipment	5	21,131	11,478	14,396
Property, plant and equipment		21,131	11,478	14,396
Investment in associates		57,706	0	60,630
Participating interests, Govt bonds	6	7,793	8,699	6,646
Financial non-current assets		65,499	8,699	67,276
NON-CURRENT ASSETS		193,761	299,831	191,106
Inventories		7,298	6,011	5,017
Trade and other receivables		30,459	45,570	37,192
Other Assets		985	1,103	944
Deferred Tax Assets		0	240	0
Prepayments and accrued income		5,756	2,573	9,856
Cash and Cash equivalents		9,346	17,975	33,787
Financial Instruments	9	90	0	0
CURRENT ASSETS		53,934	73,472	86,796
TOTAL ASSETS		247,695	373,303	277,902
EQUITY AND LIABILITIES				
Share capital	7	248,184	242,638	248,184
Share premium		0	500	0
Reverse acquisition reserve		-90,561	-85,682	-90,561
Reserve for development cost		27,905	29,817	26,565
Retained earnings		-35,857	48,668	-1,499
Minority interests		587	68,197	-758
Exchange rate adjustments		1,963	-1,540	1,885
Share based payment reserve		0	889	0
EQUITY		152,222	303,487	186,816
Investments in associates		2,369	71	0
Long term debt		20,648	0	0
Other long term debt		2,206	0	0
Deferred tax liabilities		0	0	518
Financial Instruments	8	236	0	0
Non-current liabilities		25,459	71	518
Trade payables		29,346	25,356	54,539
Short term debt	9	31,420	97	19,072
Other liabilities		7,643	43,365	4,761
Financial Instruments	8	65	574	2,562
Accruals		1,540	353	1,347
Debt to group enterprises		0	0	11,287
Current liabilities		70,014	69,755	93,568
LIABILITIES		95,473	69,816	94,086
EQUITY AND LIABILITIES		247,695	373,303	277,902

Statement of Changes in Equity 2023 – SPENN Group

DKK '000	SPENN GROUP							
	Share capital	Share Premium	Retained Earnings	Reverse Acquisition Reserve	Reserve, exchange rate	Reserve, development costs	Minority interests	Total
Equity at 1 January 2023	248,184	0	1,063	-90,561	1,885	26,565	-758	186,378
Restatements*	0	0	-2,562	0	0	0	0	-2,562
Equity at 1 January 2023 *Restated	248,184	0	-1,499	-90,561	1,885	26,565	-758	186,378
Profit for the year, allocated			-33,018				1,345	-31,673
Transactions with owners								
Capital increase, paid in		1,590						1,590
Recognition of assets within acquisition reserve								0
Development cost			-1,340			1,340		0
Other legal bindings								
Change of investments, net exchange differences					79			78
Transfers								
Share Premium Movement		-1,590						-1,590
Equity at 30 June 2023	248,184	0	-35,857	-90,561	1,964	27,905	587	152,929

Statement of Changes in Equity 2022 – SPENN Group

DKK '000	SPENN GROUP								
	Share capital	Share Premium	Retained Earnings	Reverse Acquisition Reserve	Reserve, exchange rate	Reserve, development costs	Minority interests	Share based payment reserve	Total
Equity at 1 January 2022	240,138	0	51,531	-237,076	2,463	19,692	-1,085	0	75,663
Restatements*	0	0	28,801	774	0	0	0	0	29,575
Equity at 1 January 2022 *Restated as per audited 2022 accounts	240,138	0	80,332	-236,302	2,463	19,692	-1,085	0	105,238
FX restatements**	0	0	-4,369	0	0	0	0	0	-4,369
Equity at 1 January 2022 *Restated	240,138	0	75,963	-236,302	2,463	19,692	-1,085	0	100,869
Profit for the year, allocated			-17,170				-600	889	-16,881
Transactions with owners									
Capital increase, paid in	2,500	500							3,000
Recognition of assets within acquisition reserve				150,620^					150,620
Development cost			-10,125			10,125			0
Other legal bindings									
Change of investments, net exchange differences					-4,003				-4,003
Non-controlling interest							69,882^		69,882
Equity at 30 June 2022	242,638	500	48,668	-85,682	-1,540	29,817	68,197	889	303,487

Cash Flow Statement

1 January – 30 June 2023

	DKK '000	SPENN GROUP
	2023	2022
Profit/loss for the year before tax	-30,984	-17,770
Depreciation and amortisation	10,186	8,062
(Gain)/loss on disposal	-1	12
Impairment expense	0	2,480
Adjustment of profit from associates	2,929	75
Adjustment of profit from investments	-	0
Non cash movements in financial liabilities	-2,349	-3,795
Changes in working capital:		
Change in inventories	-2,281	-699
Change in receivables	6,096	8,466
Change in other assets	-	-2,925
Change in payables	-17,168	-2,659
CASH FLOWS FROM OPERATING ACTIVITIES	-33,572	-8,723
Purchase of intangible assets	-1,340	-5,245
Purchase of property, plant and equipment	-11,470	-5,934
Sale of property, plant and equipment	1	0
Proceeds from the disposal of JengaX shares	0	4,825
Net cash acquired as a result of JengaX transaction	0	10,818
Associated Companies	-119	-75
CASH FLOWS FROM INVESTING ACTIVITIES	-12,928	4,389
Capital Increases	0	0
Loans received	20,385	0
Loans repaid	-58	0
Treasury shares acquired as a result of share consolidation	-9	0
Other cashflows from financing activities	0	889
CASH FLOWS FROM FINANCING ACTIVITIES	20,318	889
Exchange rate adjustments from opening balance sheet	1,741	5,084
CHANGE IN CASH AND CASH EQUIVALENTS	-24,440	1,640
Cash and cash equivalents at 1 January	33,787	16,336
CASH AND CASH EQUIVALENTS AT 30 JUNE	9,347	17,975

Notes To The Financial Statements

ACCOUNTING POLICIES

BASIS OF PREPARATION

The accounting policies adopted in these interim financial statements are identical to the those adopted in the Group's most recent audited annual financial statements for the year ended 31 December 2022, which are available at investor.spenn.com.

RESTATEMENT OF 30 JUNE 2022 INTERIM AND 2022 ANNUAL RESULTS

The interim and annual financial statements have been restated for an error in regard to forward currency contracts that were omitted from the annual report. The forward currency contracts were changed from spot contracts in December 2021, in response to the volatility in the Zambian Kwacha. The currency contracts are used to provide operational funding to the markets in Africa, they do not provide any hedging for the balance sheet.

As a result of this restatement the following changes have been reflected in the financial statements. The values represent the mark-to-market value of each contract at period end date.

2022 Interim Financial Statements

In t.DKK

Retained earnings carried forward from 2021 4,369

Financial Liabilities (574)

Financial income (3,795)

2022 Annual Financial Statements

Closing retained earnings 2,567

Financial Liabilities (2,567)

There is no tax impact in regard to these changes.

2022 Annual Financial Statement restatements, with respect to opening balances

Management has also prepared an adjusted Statement of Changes in Equity, reflecting the changes made to opening equity for the 2022 Annual Financial Statements. Any opening adjustments to the balance sheet, as detailed in the 2022 Annual Financial Statement have also been retrospectively adjusted in the 2022 Interim Financial Statements presented within this report.

All of these changes are detailed further in the 2022 Annual Financial Statements.

COMPARISON TO 2022 INTERIM FINANCIAL STATEMENTS - JengaX

Management would like to draw attention to the accounting for JengaX in the 2022 Interim Financial Statements, where it was a fully consolidated subsidiary. During the second half of 2022, the group sold part of its share in JengaX, resulting in it not being fully consolidated, but equity accounted at the end of 2022. JengaX was a fully consolidated subsidiary for the first half report in 2022.

Key changes are within the recognition of non-controlling interest, intellectual property and intergroup loans.



NOTE 1 REVENUEDKK '000 SPENN Group

	2023	2022
Blockbonds Group	1,965	457
Netposten	65	465
Kazang Zambia	24,346	9,101
Total	26,376	10,023

NOTE 2 COST OF SALESDKK '000 SPENN Group

	2023	2022
Blockbonds Group	165	36
Netposten	0	1
Kazang Zambia	7,853	1,811
Total	8,018	1,848

NOTE 3 EMPLOYEE EXPENSES

DKK '000	SPENN Group	
	2023	2022
Salaries	10,253	12,775
Social Security	1,886	1,173
Pension	302	519
Share based payment expense	0	889
	12,441	15,356

NOTE 4 INTANGIBLE ASSETSDKK '000 SPENN Group

	R&D	Goodwill	Other	Total
Cost at 1 January 2023	35,567	62,039	28,022	125,628
Transfer	0	0	0	0
Additions	3,173	0	0	3,173
Cost at 30 June 2023	38,740	62,039	28,022	128,801
Amortisation at 1 January 2023	-9,002	-3,923	-3,269	-16,194
Amortisation for the year	-1,833	-2,142	-1,401	-5,376
Amortisation at 30 June 2023	-10,835	-6,065	-4,670	-21,570
Carrying amount at 30 June 2023	27,905	55,974	23,352	107,231

NOTE 5 PROPERTY, PLANT & EQUIPMENTDKK '000 SPENN Group

	Fixtures	Equipment	Total
Cost at 1 January 2023	376	26,516	26,892
Additions	0	11,470	11,470
Disposals	0	-21	-21
Cost at 30 June 2023	376	37,965	38,341
Depreciation at 1 January 2023	-284	-12,212	-12,496
Reversal of Depreciation of assets disposed of	0	3	3
Depreciation for the year	-12	-4,805	-4,817
Depreciation and Impairment losses at 30 June 2023	-296	-17,014	-17,310
Carrying Amount at 30 June 2023	80	20,951	21,031

NOTE 6 GOVERNMENT BONDS

DKK '000	SPENN Group	
	2023	2022
Government Bonds held - Zambia	7,793	8,699

NOTE 7 SHARE CAPITAL

DKK '000	SPENN Group	
	2023	2022
Balance at the start of the year	248,184	240,138
Increase in Capital	0	8,046
Total	248,184	248,184

NOTE 8 FINANCIAL INSTRUMENTS

DKK '000	SPENN Group	
	2023	2022
Current Asset	90	0
Current liability	-236	0
Non-current liability	-65	-573
Total	-211	-573

The company has contracts to buy Zambian Kwacha (ZMW) and Rwandan Francs (RWF), with maturity dates in September 2023, October 2024 and February 2025. (2022: September 2022, December 2022, March 2023, September 2023) The contracts are valued against the spot rate at the period end. In 2022, the company also had contracts to purchase Tanzanian Shillings (TZS), but have since exited these contracts to a third party during H1 2023, at zero cost, and zero gain.

If the currency rates were to move adversely 10%, the company would recognise a loss of t.DKK 1,264.

NOTE 9 LOANS PAYABLE

DKK '000	SPENN Group	
	2023	2022
Loans payable to JengaX	13,346	0
Convertible debt	18,074	0
Total	31,420	0

Convertible debentures were issued on 29 December 2022. They bear interest at 8% and are convertible to shares at an average of a 30-day trading period, preceding the conversion date determined by the company board. The debentures were issued in both DKK and NOK, with 2.75m DKK and 23m NOK of debentures being issued. The mandatory redemption or conversion date is 18 months after the bond monies were received, however the bond holder can convert at any time, with prior notice to the company. The company also has the discretion to early settle the facility.

Shareholder Information

INVESTOR RELATIONS

The company's share capital at 30th of June 2023 was DKK 248,183,620 divided into 24,818,362 shares of nominally DKK 10 each. The shares belong to the same share class and are paid in full. All shares in the Company have the same rights. The shares are listed on the Nasdaq first north growth market Denmark. As of 30 June 2023, the share price was DKK 8,44.

The following are the major shareholders in SPENN Technology A/S:

Shareholder	Holdings, No. of shares	Holdings percentage	Beneficial owner	Position/Country
JAC INVEST AS	4,999,945	20.15%	Jens Glasø (1)	CEO / NOR
JANUS INVEST AS	1,220,780	4.92%	Bård Bjerkås	CLO / NOR
DAVID JAMES CHAPMAN	1,198,898	4.83%	David James Chapman	Investor / HK
GIS HOLDING AS	792,269	3.19%	Jørgen Gismervik	Investor / NOR
DIAGEN INTERNATIONAL INC. AS	658,738	2.65%	Vidar Lindberg	Investor / NOR
MONTEBELLO VINSELSKAP OG INVEST AS	606,573	2.44%	Karl-Anders Grønland	Chairman of the Board / NOR
BØEN INVEST AS	516,461	2.08%	Kjell Apeland	Investor / NOR
ETOS PATOS LOGOS AS	513,910	2.07%	Rune Glasø	Previous board member / NOR
SAVOCA AS	479,313	1.93%	Ole Harry Sandvold	Investor / NOR
SAAMAND AS	444,454	1.79%	Olav Bryn	Investor / NOR

OWN SHARES

SPENN Technology A/S holds a total 630 of its own shares.

SHARE PRICE DEVELOPMENT

SPENN Technology A/S's opening share price at the start of 2023 was DKK 16.36. Trading was closed on 30th June 2023 at a share price of DKK 8.44. (Comparable share prices used).

On the 21st of February 2023 SPENN Technology A/S did a reverse share split of the share, 100 to 1. The first settlement date for trading of the new share was 23rd February, with a par value of DKK 10.00.

(1) Jens Glasø personally holds an additionally 191,797 shares in SPENN Technology A/S corresponding to 0.77%, thus a total of 5,198,242 shares corresponding to 20.95 % of the Company's share capital is controlled by Jens Glasø.

Ownership of other Board Members or Executive Managers, not listed: 1. Helge Dalen owns 800 shares equal to 0.003 % of the Company's share capital through Solvbukta Invest AS. 2. Jan F Andersen; owns 10.675 shares equal to 0.04 % of the Company's share capital post Transaction through F. Andersen Management ApS.

INTERIM FINANCIAL REPORT

NAME:
SPENN Technology A/S

COMPANY REGISTRATION NUMBER:
26518199

FINANCIAL YEAR:
1 January 2023 – 31 December 2023

