



ANNUAL REPORT

1.1.2021 - 31.12.2021

SPENN Technology A/S
Company Registration Number: 26518199

Njalsgade 76, 4
2300 Copenhagen S
Denmark



Mobile Banking
built for you.



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SPENN Technology A/S

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DATE OF FORMATION:
1 February 2002

FINANCIAL YEAR:
1 January 2021 - 31 December 2021

18 MARCH 2022:
2021 Annual Report

07 APRIL 2022:
2021 Annual General Meeting

11 AUGUST 2022:
Interim Financial Report

EXECUTIVE BOARD:
Jens Glaso, CEO

BOARD OF DIRECTORS:
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Adiam Nardos Negassie
Petrus Johannes van der Walt
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SPENN Technology

MISSION

Connecting individuals and communities with the global economy through advanced technology.

VISION

Creating a world where everyone has equal financial opportunities.



LETTER FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

Building a robust, disruptive platform



In an eventful year, SPENN has taken new steps building a platform that will benefit millions of people around the world and empower the financial sector.

On behalf of the Board of Directors, I would like to congratulate the SPENN team on their achievements in a year filled with extraordinary challenges. During my years as Chairman of Board of Directors, I have had the pleasure of visiting our markets and meeting SPENN employees in Rwanda, Zambia and Tanzania. These are dedicated and exceptional people that have done a great job in building a user base and excelling SPENN Technology as a company.

A big thank you also to the SPENN team led by CEO Jens Glasø, and to other directors of the board. 2021 was the year when SPENN went public and drew a large number of investors on Nasdaq First North.

In February, ABG Sundal Collier published a report and independent valuation of SPENN Technology. The report provides an in-depth analysis of SPENN, its management team, the markets, and the risks and potential of SPENN Technology. We encourage all current and potential shareholder to study this report to gain a deeper understanding of SPENN.

I would also recommend that you read the full SPENN Company Description, which was submitted as part of the Nasdaq approval process in the fall of 2021.

Trust is paramount for any company in the financial sector. We are pleased to have I&M Bank and Access Bank as SPENN's partner banks. These banks are not only solid and well-run, but also trusted by the regulator and their communities. SPENN management has good relationships with the banks' executive management teams in each country.

Rest assured that SPENN's offering is fully compliant with local and international Know-Your-Customer (KYC) and Anti Money Laundering (AML) regulations. We appreciate our compliance team and their efforts to ensure that SPENN is compliant with applicable law and professional expectations.

LETTER FROM THE CEO

Strong growth during difficult times

Based on the great results delivered by the SPENN organization during the pandemic, I am eager to learn what we can accomplish when life returns to normal.

The number of SPENN users more than tripled during the pandemic. SPENN had approximately 300,000 registered users when the pandemic hit. Two years later, the number has surpassed 1 million!

With a ground crew already operational in three African markets – Rwanda, Tanzania and Zambia – when the pandemic broke out, we were able to recruit more users and increase our standing, even during difficult times.

We are proud of how our staff members have conducted themselves during the pandemic, ensuring a safe working environment while dutifully performing their tasks. When life returns to normal, we expect growth to accelerate even more.

Growth will come in existing markets and in new markets. During the first six weeks of 2022 alone, we signed agreements to enter two new markets, Uganda and Ghana, and we are continuously exploring new markets. We are keen on introducing SPENN in new countries on the African continent and other continents, to include more people in the financial system, and to offer products and services that are affordable for ordinary people and profitable for SPENN.

We spent our time and resources wisely in 2021, continuously developing the SPENN app to enhance user experience and user value. We added new products and services, such as a completely new app for Agents, savings account, lending, USSD (feature phone) services, and e-commerce payment tools. This added to all the previous services, such as payment of bills, purchase of airtime, and deposits via credit or debit cards. All features add to the SPENN ecosystem and increase the retention rate.

Going forward, we have made a strategic move to target businesses more than end-users. By focusing on onboarding businesses that use SPENN to make salary payments and other services, we ensure more and recurring transactions. This translates to more active users, to more transactions, and ultimately – to higher revenues.

Implementing a more profitable business strategy, and then going for scale, should prove to be an exciting growth strategy. We believe we are on the right track, and we are looking forward to ramping up our operations in 2022.

We are pleased to have you come along for the ride!



UN Sustainable development goals

ESG is at the core of our business

Mobile money services can help lift people out of poverty and contribute to the achievement of the SDG's as financial inclusion is considered a key objective in eight of the seventeen goals.

SPENN'S DIRECT AND INDIRECT IMPACT



Source: United Nations Department of Economic and Social Affairs

NO POVERTY

Ensure equal rights to economic resources, technology and financial services

By empowering the unbanked and underbanked population with free access to financial services, SPENN Technology helps households lift themselves out of poverty and to become more resilient to financial shocks.

GENDER EQUALITY

End all forms of discrimination against women and girls everywhere

The SPENN platform is truly inclusive. In all our markets SPENN Technology actively promotes gender equality and empowerment of women. The SPENN platform empowers unbanked women by giving them access to free financial services without the gender bias that women face.

PARTNERSHIP FOR THE GOALS

Encourage and promote effective partnerships building on the experience and resourcing strategies of partnerships.

SPENN Technology works with multiple partners and stakeholders in innovating and developing products to meet the needs of customers regardless of their financial status, from low-income households to businesses.

DECENT WORK AND ECONOMIC GROWTH

Support productive activities, decent job creation and entrepreneurship

The SPENN platform enables businesses of all sizes to make and receive digital payments, increasing their productivity and as a result creating employment opportunities.

Equal pay for equal value of work

The SPENN platform enables businesses of all sizes to make and receive digital payments, increasing their productivity and as a result creating employment opportunities.

SPENN Technology recruits and develops a diverse talent pool with over 100 employees in 6+ offices spread across 3 continents around the world. SPENN Technology is proud to maintain 100% pay equality across all our roles and divisions.

SPENN Technology Company Structure



SPENN TECHNOLOGY A/S

Parent company,
Denmark

Subsidiary

Associated company



Norway, 98.44%

NETPOSTEN A/S

Denmark, 100%



Zambia, 60%

BLOCKBONDS
GLOBAL LTD

UK, 100%

SPENN RWANDA
LTD

Rwanda, 100%

SPENN ZAMBIA
LTD

Zambia, 99.9%

SPENN TANZANIA
LTD

Tanzania, 99%

EAK SPENN
LTD

Kenya, 100%

SPENN PH
INC

Philippines, 40%



2021 AT A GLANCE

SPENN TECHNOLOGY
ACQUIRED



ZAMBIA LIMITED

SPENN TECHNOLOGY
SIGNED AGREEMENT
WITH



BANK ZAMBIA

KEY FIGURES SPENN GROUP 2021:

REGISTERED CONSUMERS: INCREASE YOY:
1,000,000+ | **35%**

REGISTERED AGENTS:
11,000+

TRANSACTIONS:
70,000,000+

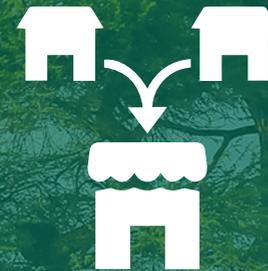
TRANSACTION VOLUME (USD):
230,000,000+



SPENN AGENT
APP LAUNCHED



ENABLED USSD
ACCESS TO
SPENN



REVERSE ACQUISITION
OF BLOCKBONDS BY
NPINVESTOR.COM A/S
AND RENAMED TO

SPENN TECHNOLOGY A/S

SIGNED AGREEMENT WITH



ETHEREUM PLATFORM



WINNER



Introducing KAZANG Zambia

THE BUSINESS

Kazang Zambia Ltd (“Kazang”) is a B2B supplier of vendor terminals to agents and merchants, which facilitate mobile airtime purchases, data bundles, electricity, TV subscriptions, cash in and cash out (“CiCo”) services and processing of merchant payments at supermarkets, restaurants and gas stations. Kazang has more than 10,000+ active vendor terminals and processes more than 100,000 transactions per day and is currently growing at a rate of 500 vendor terminals per month.

Kazang’s agents use the vendor terminal to sell these services to end customers which generates commission revenue to Kazang. Kazang share part of this revenue with the agent that generated the sale which represents the majority of the cost of sales in the business. Kazang merchants use the vendor terminal to accept mobile payments from customers for which Kazang earns a transaction fee.

KAZANG’S UNIQUE POSITION

Kazang has a unique position as a payment facilitator in the Zambian market through its 10,000+ vendor terminals. As Kazang is bank- and wallet provider agnostic, it is uniquely placed to be able to accept all Merchant Payments and CiCo from all parties in the Zambia financial system. In addition, Kazang was the first non-bank to complete an integration to the National Financial Switch (“NFS”) governed by the central bank of Zambia. Kazang currently processes USD 12 million per month through NFS, but is still in its infancy in Zambia and it is expected by Kazang’s management that those volumes will grow significantly in the coming years.

The position of Kazang in the Zambian market has significantly strengthened the SPENN ecosystem and value proposition for SPENN users in Zambia.

KEY FOCUS SINCE ACQUISITION BY SPENN TECHNOLOGY

Since SPENN Technology acquired control of Kazang, focus have been on unlocking the synergies between the companies in the group, improving cost management and increasing revenue. This has been achieved by introducing Early Contract Management which monitors and interacts with customers daily to ensure targets are met. Kazang is on a strong growth path, the company achieved profitability in 2021 and gross profit margin grew to 8.4% from 8.0% in 2020.



2021 Financial Highlights SPENN Group

DKK 000	2021	2020
Revenue	18,222	455
Cost of sales	-16,013	-76
Gross profit	2,209	379
Employee expenses	-22,998	-10,670
G&A expenses	-42,765	-12,000
EBITDA	-63,555	-22,290
Other income	19,296	116
Other expenses	-4,086	-2766
Profit/loss before tax	-48,344	-24,941
Income tax expense	-44	-
Profit/loss for the year	-48,389	-24,941

The SPENN Group achieved its targets for 2021 and revenue for the period increased to DKK 18.2 million from DKK 0.5 million in 2020, driven by the successful acquisition of Kazang Zambia Ltd, which contributed with DKK 17.2 million to the groups revenue in 2021. DKK 1 million is represented by the groups other subsidiaries.

The SPENN Group reported a loss of DKK 48.4 million in 2021 compared to a loss of DKK 24.9 million in 2020 mainly driven by the increase in Operating expenses to support the Company's growth. Employee expenses amounted to DKK 23 million as headcount in the SPENN group increased from 66 to 229 employees. General and administrative expenses amounted to DKK 42.7 million.

SPENN Group operations

SPENN Technology A/S (“SPENN Technology”) is a FinTech group providing electronic banking and payments services through its Software as a Service (SaaS) solution, the SPENN platform. SPENN is an advanced financial platform built on blockchain technology which targets financial inclusion through mobile banking applications and empowering businesses through payment services. SPENN Technology’s banking and payments solutions are fully operational and live in Rwanda, Tanzania, and Zambia.

The SPENN platform is developed by SPENN Technology subsidiary Blockbonds and licensed to top tier bank partners in the markets where the SPENN platform is launched. Launching the SPENN platform in partnership with a bank fast tracks the route to market, builds a stronger brand and initial presence in the market.

SPENN Technology’s most recent addition to the group is Kazang, which is a large payment and purchase processor through its vendor terminals for agents and merchants, with a strong foothold in Zambia. Jointly, the products and services offered by the group strengthens the banking and payments proposition across customer segments.

TARGET MARKETS

SPENN Technology’s target markets are in the introductory phase towards mobile payments and online banking. The cost of traditional banking services has prevented a large part of the population to access financial services.

The increasing mobile service penetration in emerging markets, growing smartphone ownership, rise of the e-commerce industry and increased adoption of mobile payments are all drivers that the SPENN platform is uniquely placed to take advantage of. The market opportunity is very large, and competition remains low but increasing.

The digitised, efficient onboarding process that the SPENN platform has created for both consumers and businesses mean that it is the platform that will drive the trend toward a cashless society in SPENN Technology’s markets. As the population of the markets in which SPENN Technology operates have become increasingly aware of the benefits that digital financial products can bring them, the SPENN platform is becoming the clear number one solution for them. By introducing free real-time payments and transfers, the SPENN platform is reimagining the way in which users can manage their finances in emerging markets. Furthermore, the SPENN platform is transforming the way businesses can manage their finances through its innovative but easily operated business services.



INTEROPERABLE FINANCIAL ECOSYSTEM

The SPENN platform is a full-service financial platform that enables users to spend, save and manage their money all in one place. SPENN Technology is continually improving its existing product suite and rolling out new products that increase the ability for businesses and consumers to manage all their finances and interact with the financial ecosystem.

COMMERCIAL PARTNERSHIPS

SPENN Technology’s core commercial partnerships are with top-tier banks in its target markets. SPENN Technology has a stable relationship with partner banks that offers the product to the markets in Rwanda, Tanzania, and Zambia, endorsed by the respective Central Banks. SPENN Technology is partnered with Access Bank in Zambia and I&M Bank in Rwanda and Tanzania.

In addition, SPENN Technology works with other key commercial partners that enable it to build the financial ecosystem. Through its current relationships, SPENN Technology has demonstrated a product/market fit and ability to work with multiple different stakeholders in innovating and developing products to meet the needs of customers regardless of their financial status, from low-income households to businesses.

SPENN BUSINESS SERVICES

In 2021, SPENN Technology placed a strategic focus on the development and marketing of its SPENN Business services; SPENN Connect and SPENN Flow. These services are crucial to the financial ecosystem which the SPENN platform is creating as they seamlessly connect businesses and consumers.

SPENN Connect links businesses with the SPENN platform, enabling users to transact directly with businesses from their SPENN wallet. The value of the SPENN platform lies in enabling its users to use their SPENN wallet for all necessary financial transactions, and SPENN Technology’s business services facilitate this.

SPENN Flow enables businesses to disburse funds to SPENN users in an efficient and automated manner. The value lies in the additional SPENN services that beneficiaries can easily access when receiving payments directly into their SPENN wallet.

COMPETITION

SPENN Technology is forging its own path by providing users with free transactions and developing a suite of business services that enable customers to conduct instant payments and interact with the financial ecosystem. The current market is dominated by mobile network operators who are dependent on charging high transaction fees to end users for their mobile money services.

By being network agnostic, users of the SPENN platform are not tied to a specific mobile network and through its partnerships with reputable banking partners, SPENN Technology is able to offer a broader set of products to consumers and businesses to capture a larger cross section of society.



SPENN Group outlook for 2022

In 2022, SPENN Technology will continue to leverage the strong partnerships with bank partners in its markets to continue developing the SPENN financial ecosystem where businesses, consumers, agents, and banks can transact seamlessly and instantly.

SPENN Technology will continue to work on unlocking synergies and operational efficiencies between SPENN Zambia and Kazang. The target for Kazang is to roll out at least 8,000 new vendor terminals throughout Zambia in 2022. Kazang 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 are currently planning to introduce the Kazang vendor terminals and its business model to other markets where SPENN Technology is operational.

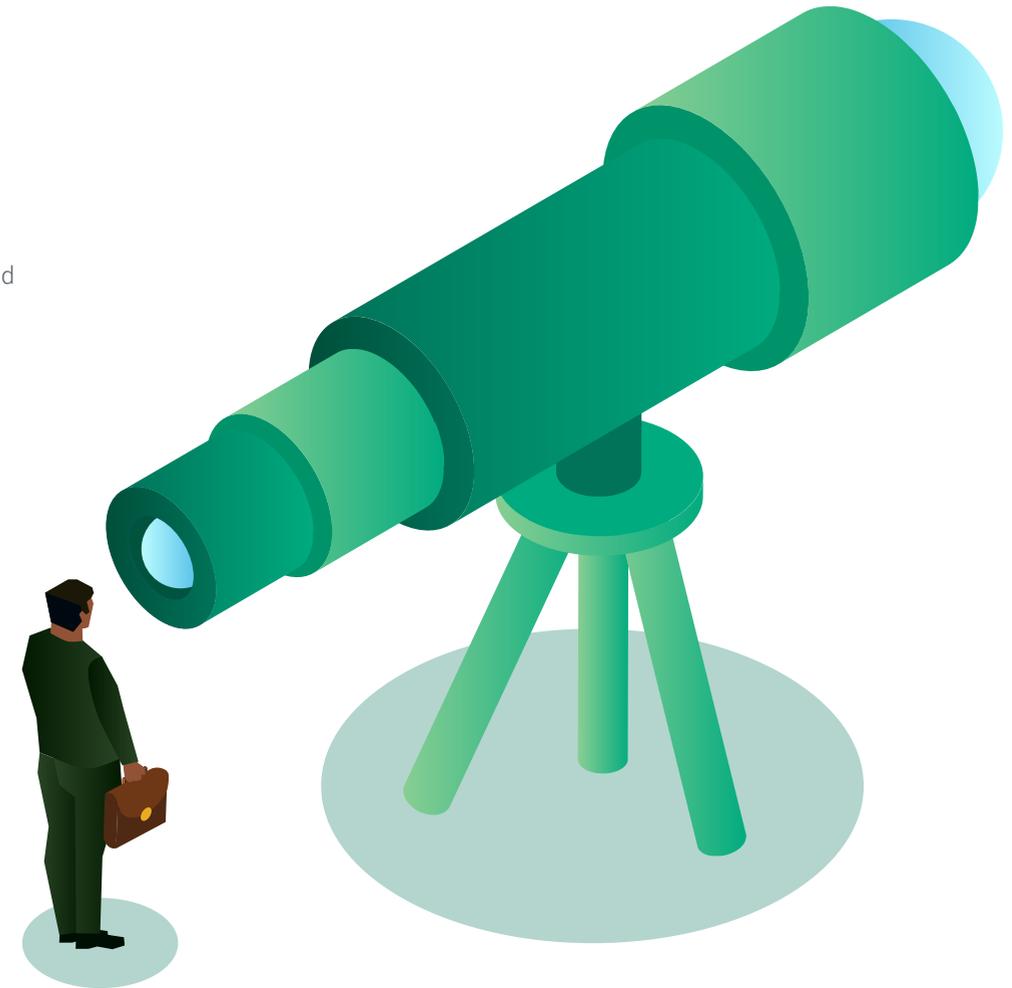
SPENN Technology will also continue to execute the growth strategy towards businesses through SPENN Business Services, due to the direct revenue generated by this segment and the contribution to lowering the customer-acquisition-cost for consumers through the SPENN Flow product. SPENN Business Services is expected to generate strong revenue growth in 2022.

SPENN Technology will also maintain its strategy of leveraging government initiatives for financial inclusion along with its partner bank's own community strategies towards the consumer segment, which value proposition has been significantly strengthened in 2021 by launching USSD access to the SPENN platform. This is due to the increased customer reach of the SPENN platform as a result of the significant increase of the addressable market enabled by USSD.

SPENN Technology is also looking to increase its strategic partnerships with either local or regional footprint as the foundation for building the wider SPENN ecosystem of consumers, merchants, and agents.

The easing restrictions on transaction limits and digitisation of KYC process spurred by the Covid-19 pandemic has highlighted the benefits of moving to a cashless society. SPENN Technology expects this trend to continue in a post-pandemic world and SPENN Technology aims to be at the forefront of driving digitisation of the financial ecosystem.

These growth strategies, coupled with new products like SPENN Agent App, SPENN Loans, and others in the pipeline, will give more value-added services to both businesses and their employees, while automating manpower-intensive processes, and put SPENN Technology in a good position for growth in 2022.



SPENN Group outlook for 2022

PRODUCT DEVELOPMENT - SPENN LOANS

SPENN Rwanda started piloting SPENN Loans in Q4 2021 and launched the product to the wider public in Rwanda on 10th March 2022. The SPENN Loans product is SPENN Technology's first credit facility, delivered in partnership with I&M Bank Rwanda, and gives SPENN users the ability to obtain credit on short notice based on collateral held within their SPENN Savings Account. Eligible customers can take out loans of up to RWF 500,000, cost-free for the first 14 days. SPENN Technology expects the lending product to be an important revenue driver in 2022.

PRODUCT DEVELOPMENT - CRYPTO & REMITTANCES

SPENN Technology is positioning itself to take advantage of the exponential growth of use of crypto currencies on the African continent. Crypto currencies can provide a low cost, secure alternative to African diaspora wanting to remit money as expensive broker fees are no longer required. Enabling remittances using crypto currencies is one avenue SPENN Technology is pursuing to provide this service to its customers.

MARKET EXPANSION

The nature of the uniquely scalable SPENN platform is that market expansion is a crucial part of SPENN Technology's ongoing growth strategy and development. SPENN Technology has demonstrated its ability to successfully launch and scale across three different markets to date and has already announced its intention to launch in Uganda where an agreement with a bank partner has been signed. Ghana is also a high priority to finalise an agreement as the management consider the financial inclusion and business demographics to be favourable for a SPENN platform market entry there. SPENN Technology is also working towards launching the Philippines under the same model implemented in its African markets. SPENN Technology is projected to access a first mover advantage when entering new markets and continue to drive user growth, financial inclusion, and revenue.

MERGERS AND ACQUISITIONS

SPENN Technology's acquisition of Kazang in 2021, is part of a broader strategy that the management want to take further in 2022. This strategy will consist of making timely acquisitions that will enhance and enable the SPENN platform's value proposition. SPENN Technology will look to continue to make acquisitions that will generate synergies for its core product offering and provide quick access to market for complementary products and solutions.

CAPITAL RAISE

To capitalise on the position that SPENN Technology has established and maximise the long-term value creation for the current shareholders, SPENN Technology intends to complete a capital raise during 2022 in order to maintain the growth momentum and further expansion to new markets. This will enable SPENN Technology to secure the foundation for continued high growth rates in 2023 and beyond.

FORWARD-LOOKING STATEMENTS

Statements about the future expressed in the annual 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.



Analyst coverage



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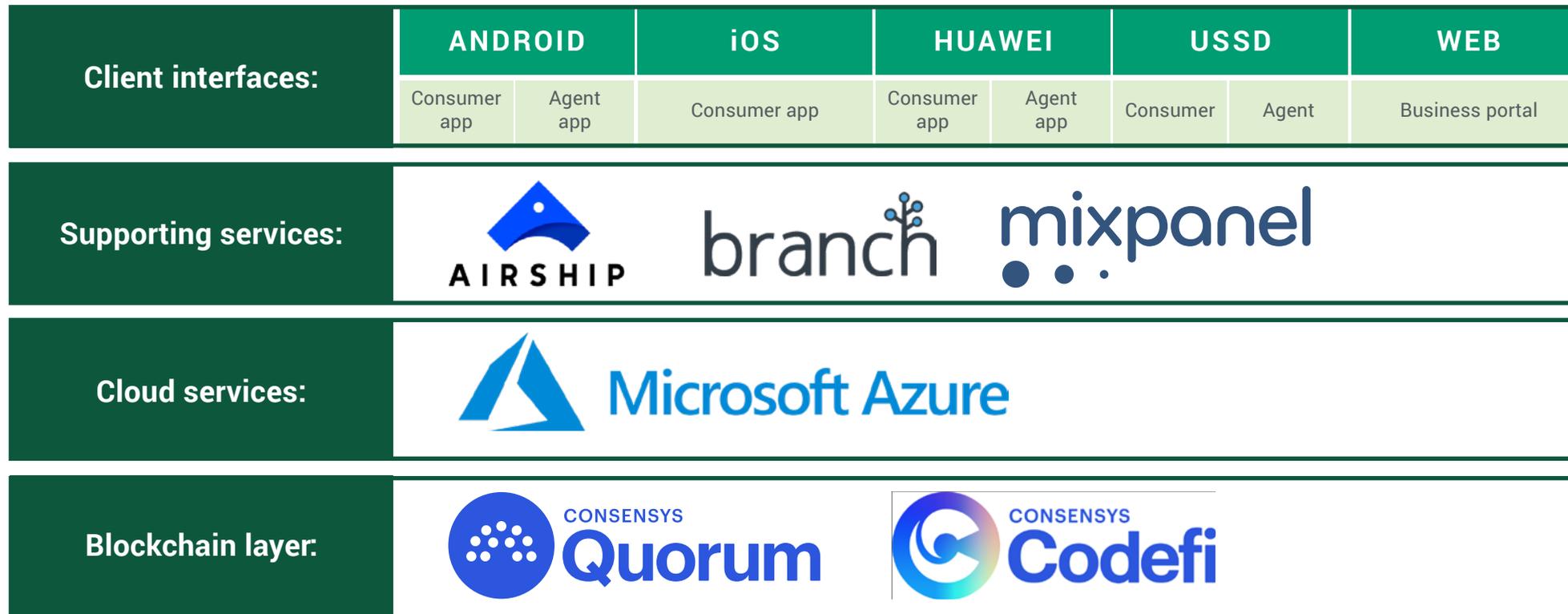
Link to SPENN's Introduce page:

<https://www.introduce.se/foretag/spenn-technology/start/>

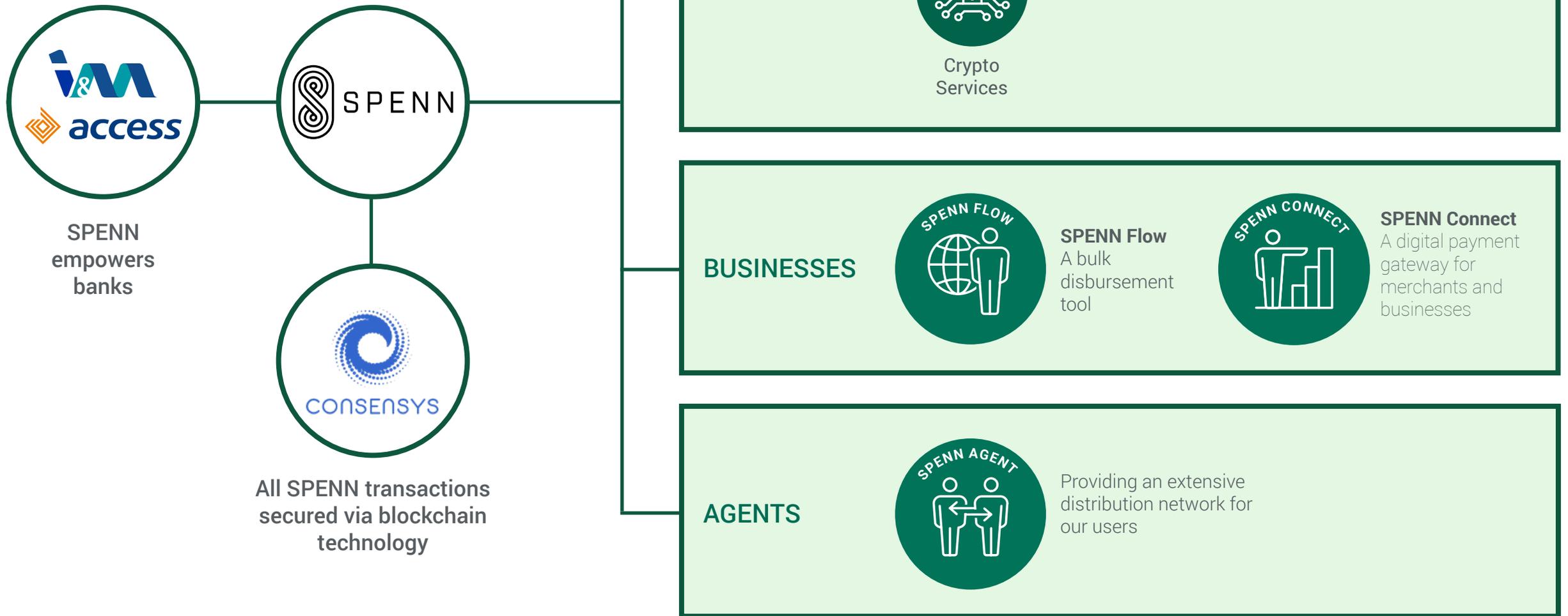
SPENN Technology stack

SPENN platform runs on Microsoft Azure, a cloud platform offering scalability and stability.

All transactions are handled by the Consensys ethereum-based blockchain platform. Integrations with industry leaders give value added supporting services like push, customer engagement and insight. On top the client facing stack covers all the dominant mobile platforms, as well as feature phones and web.

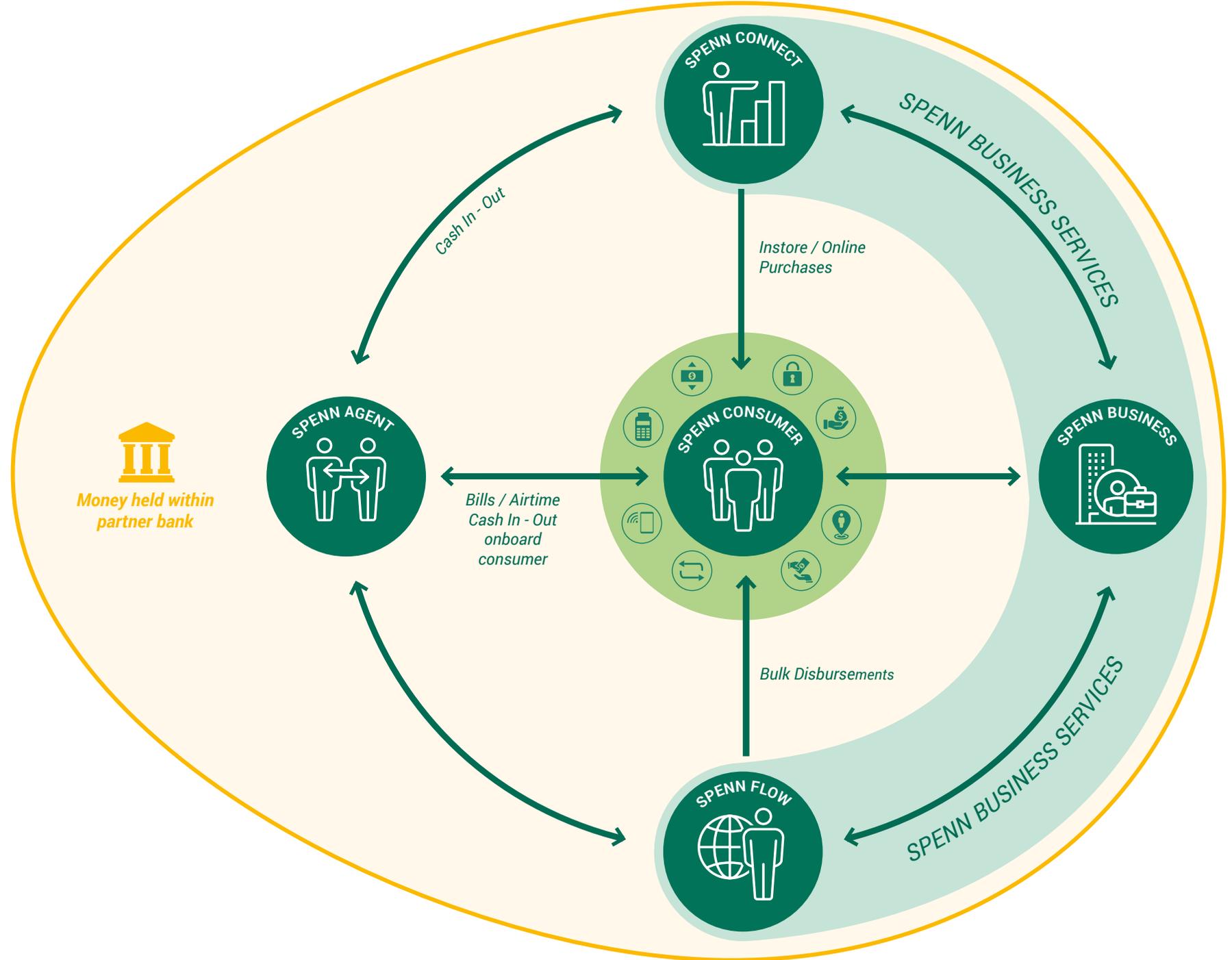


SPENN platform product solutions



The SPENN Ecosystem

The growing SPENN ecosystem creates a network effect where customer segments can transact seamlessly and therefore reinforce each other leading to greater adoption, revenue and trust in the SPENN platform.



SPENN's business model and revenue streams

The SPENN platform creates a financial ecosystem where consumers, agents, businesses, and banks can transact seamlessly. This creates a network effect where each of the customer segments reinforce each other leading to greater adoption, retention, and revenue. The model is underpinned by the partnership with a top-tier bank which licenses the SPENN platform in the market.

Launching the SPENN platform in partnership with a bank fast tracks the route to market, builds a stronger brand and initial presence in the market. The partnership also provides a crucial trust component for customers as the bank is known and offers secure storage of the customer funds held in the SPENN platform.

The cost to open and maintain bank accounts in emerging markets is generally expensive, making it unavailable for the unbanked. Through the SPENN platform, a key issue is solved for banking partners by turning the cost of onboarding users into an income. The SPENN platform is easily integrated through APIs with the bank's core banking system.

SPENN Technology generates the bulk of its revenue through fees charged to its partner banks for operating the SPENN platform. Additional revenue streams are generated by providing electronic banking and payments services to each customer segment using the platform.



SPENN PRODUCTS AND SERVICES

Consumer App

SPENN offers consumers the ability to freely transact with others and securely hold their funds in their SPENN account. Users can send, receive, and request money from other users in the SPENN ecosystem completely cost-free.



Transfers

SPENN users can freely transact with one another. There are no limits on the volume of transactions allowed per user.



Spending Account

Users can purchase goods and services from any merchant accepting payments through SPENN or directly in the SPENN app. E.g., pay electricity and water bills, purchase airtime, airline tickets etc.



USSD

SPENN's USSD functionality enables feature phone users to own a SPENN account and adopt all the core functionalities of a regular SPENN account.



SPENN Savings

Users can earn interest on funds that they deposit in their SPENN Savings account. SPENN's partner banks provides the interest on these accounts. Users can move deposits freely between the savings accounts and the spending accounts, and there is no withdrawal limit.



SPENN Loans

Users are able to take loans at a competitive rate on behalf of SPENN's partner banks. The loans are interest free if paid back within 14 days. Applications take as little as 5 minutes and are paid out instantly on approval.

SPENN Business Services

THE NEXT GENERATION FINANCIAL PLATFORM BUILT FOR YOU.

SPENN's Business tools are a powerful and reliable set of tools giving you complete control over your business finances all in one place, be it for disbursements (SPENN Flow) or payment processing (SPENN Connect). The business tools sit on a simple and easy platform which is fully integrated with the entire SPENN ecosystem



Instant Payments

Successfully pay and keep track of thousands of transactions, instantly!



Transaction History

Have better visibility and transparency across all in and out-going payments.



User-Friendly

Simple and easy platform which is fully integrated with the entire SPENN ecosystem!



Real-Time Dashboard

Modernise your payments suite with real-time payment processing capabilities.



Affordability

Competitive pricing so that you never end up spending more than you budgeted for.



Full Service

Simplify your online payments with our open API - access sandbox testing, and our technical team is ready to support in every step.

SPENN Connect - Customer story

YELLOW CARD - A SPENN CUSTOMER

Yellow Card Financial is a US-based cryptocurrency exchange with operations in over 10 African countries. Their platform is built on their mission “Financial Inclusion for All”. Yellow Card strives to offer a variety of payment methods for their customers to buy and sell cryptocurrencies with local currencies.

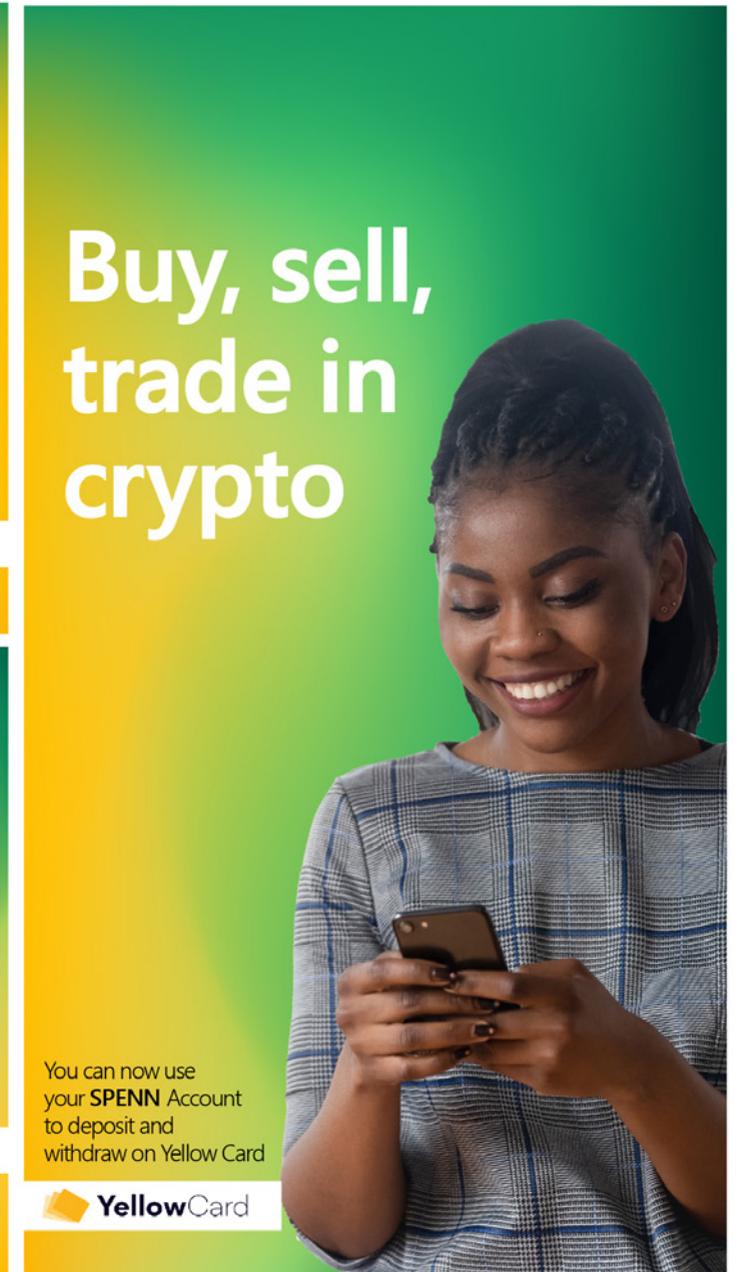
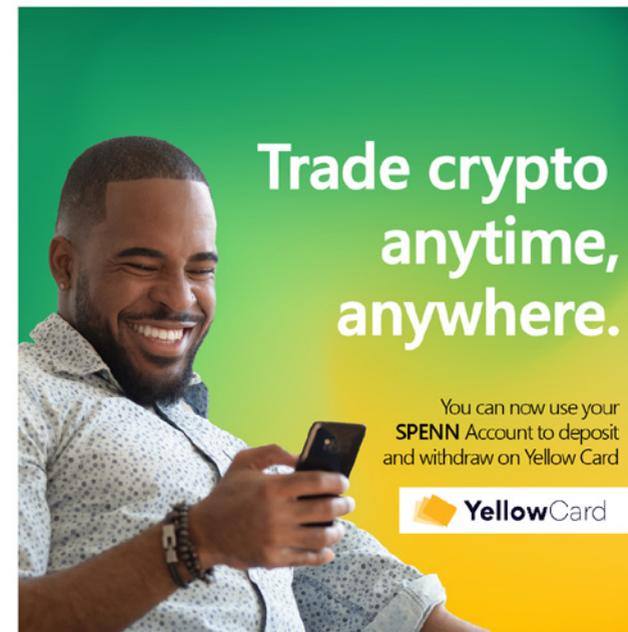
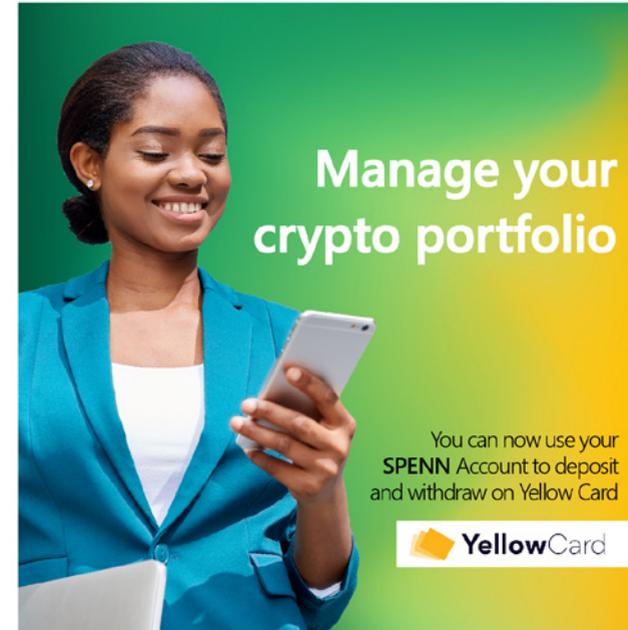
In Q3 2021, SPENN Rwanda and SPENN Zambia onboarded Yellow Card as a customer for the SPENN Connect product to provide payment processing for Yellow Card. SPENN Connect generates fees for every transaction processed through SPENN while also generating float revenue from the account balance that Yellow Card hold in their SPENN account.

“Working with SPENN will not only allow us to solidify our presence in the market but will also provide an opportunity for us to reach more consumers.”

– *Chris Maurice, CEO at Yellow Card Financial*

In December, the first month of full operations in both Rwanda and Zambia, there were close to 2,000 transactions processed. SPENN expects this customer continue growing and to drive significant revenue.

This customer is a great example of the potential for SPENN Connect in our markets.



SPENN Agent

DEVELOP A LOYAL SET OF CUSTOMERS IN YOUR COMMUNITY.

The SPENN Agent App is a dedicated mobile app that provides a fast and secure platform for registered SPENN Agents to process financial requests on behalf of customers in their area. Agent services include cash in, cash out, transfer, purchase of airtime, payment of utility bills and adding of new users.



Earn Commission

Receive a monthly commission based on how many customer interactions you provide.



Reliable Customer Service

Send us an email, give us a call, live chat on the website or visit our local office.



Transaction History

Have better visibility and transparency across all in and out-going payments.



SPENN RWANDA

Registered customers
19% increase YoY



In 2021, with Covid-19 restrictions in strict force for much of the year, SPENN Rwanda faced many obstacles but has made great progress across all facets of the business. SPENN was voted the winner of the “product innovation of the year - Gold Award” at the Global SME awards 2021 organized by IFC, demonstrating the impact SPENN Rwanda is having on businesses and is an insight into the promising future.’

Several new products and features were added to the platform in partnership with I&M Bank Rwanda and there was a successful pivot toward the new strategy of focusing more on businesses. As a result of new features and functionalities added to the app, it is more user friendly, and with USSD it is now available to a much larger portion of the Rwandan population.

SPENN TANZANIA

Registered customers
64% increase YoY



2021 was a tough year for SPENN Tanzania typified by the inability to connect to the National ID Database for almost 9 months, the Covid-19 pandemic, and its accompanying collapse of key industries. During this time, SPENN Tanzania’s ability to onboard customers and agents was severely limited and in addition, all forms of marketing were suspended setting back its brand building efforts.

However, SPENN Tanzania has emerged strengthened from these challenges and has among other things enabled USSD access giving customers with featurephones a means to benefit from the SPENN platform. SPENN Tanzania’s partnership with CRDB also continues to allow our agents to deposit and transact. In addition to CRDB, SPENN is also leveraging its partnership with Selcom to reach and transact with over 20m Mobile Money customers and 75,000 merchants nationwide, and it is currently working on a new integration with Selcom that would enable SPENN users to access Selcom’s network of 50,000+ agents.

SPENN ZAMBIA

Registered customers
43% increase YoY



SPENN Zambia had a successful year in 2021 despite the impact of the Covid-19 pandemic being felt strongly in Zambia. SPENN Technology through its subsidiary signed a new commercial partnership with Access Bank in Zambia, added USSD functionality, dramatically increased merchant pay availability and onboarded many businesses to SPENN Business services.

Furthermore, through the acquisition of Kazang, SPENN Zambia has dramatically increased the distribution network available to SPENN users. As a result, SPENN Zambia is positioned favourably to continue scaling up operations in 2022 and beyond.

Corporate Governance

The management structure of SPENN Technology is two-tiered and consists of the Board of Directors and the Executive Management. Board of Directors is ultimately responsible for the conduct of SPENN Technology.

The Board of Directors of SPENN Technology is responsible for its management and organisation, which means that the board is responsible for, among other tasks, establishing goals and strategies, ensuring that procedures and systems are in place for the evaluation of decided goals, continuously evaluating the financial position and result, and evaluating the Executive Management. The Board of Directors is also responsible for ensuring that the annual report, financial statements of the Group and interim reports are prepared on time.

The Board of Directors hold meetings according to a schedule established in advance. In addition to these meetings, extraordinary meetings can be convened to address issues which cannot be postponed until the next scheduled meeting. In addition to the board meetings, the chairman of the Board of Directors and the CEO continuously discuss the management of SPENN Technology. The Board of Directors currently consist of five Directors elected at the general meeting, and the proportion of non-executive members is as per the corporate governance code. All Board members are highly skilled professionals with extensive relevant experience in legal, financial, business operations and technology matters.

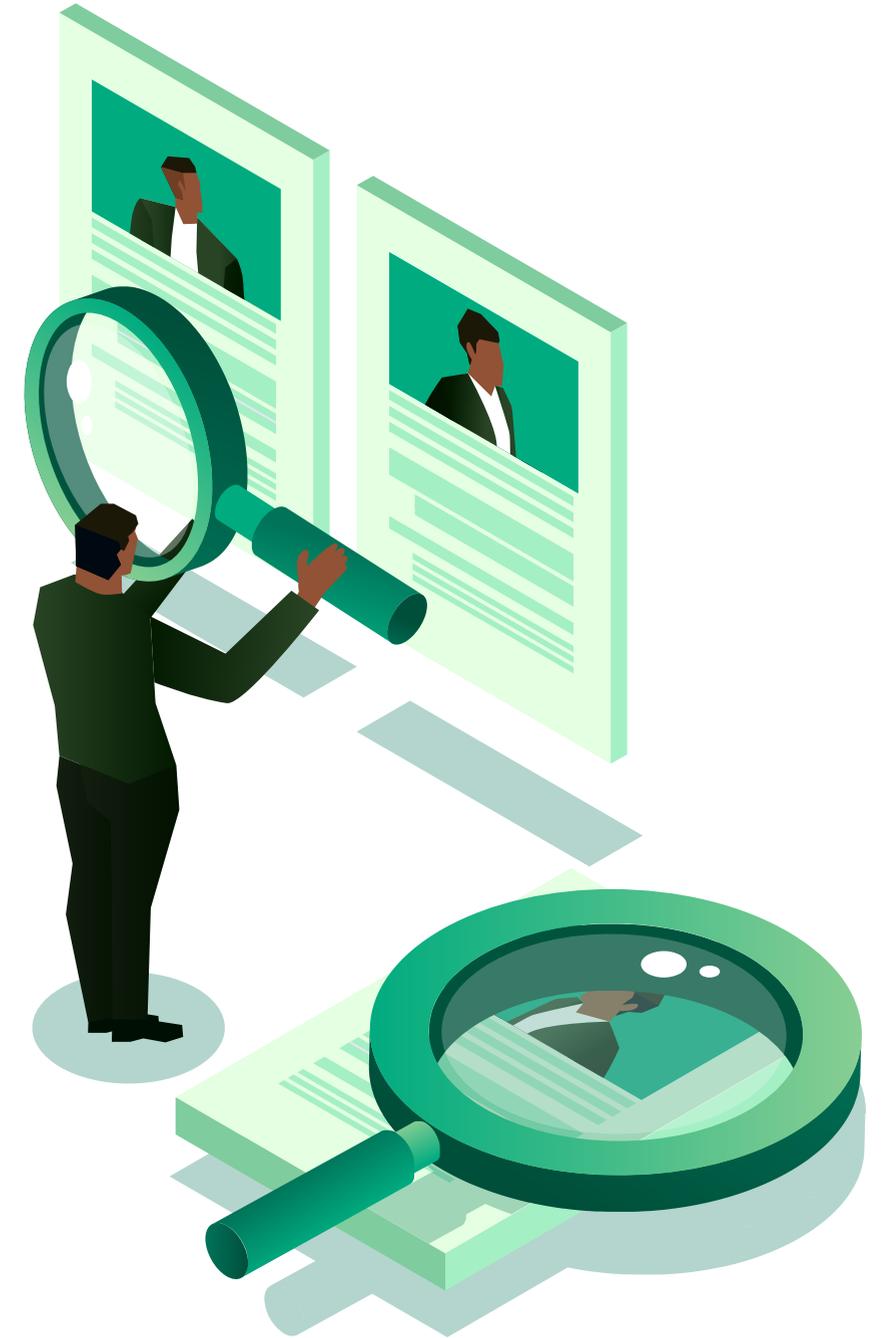
C-level management undertakes day-to-day management of SPENN Technology's operations. It consists of CEO, CFO, COO, CTO, CLO, CMO and CPO.

INTERNAL CONTROL

To fulfil an internal control function, a Head of Compliance is present for SPENN Technology and the entire SPENN Group, reporting directly to the Board of Directors on a quarterly basis, and ad hoc if needed. The Head of Compliance ensures risks are identified and addressed and that there are sufficient internal controls and formalised routines to ensure that established principles for financial reporting and internal controls are followed.

Head of Compliance also ensures effective systems are in place to monitor and control operations and the risks associated with the business.

The compliance role is supported by an Internal Control Department.



Corporate Governance



DANISH CORPORATE GOVERNANCE RECOMMENDATIONS

In its conduct, SPENN Technology and its subsidiary companies, follow the recommendations for good corporate governance from “The Committee for Good Corporate Governance” (Komitéen for god Selskabsledelse”).

ANNUAL SHAREHOLDERS MEETINGS AND SHAREHOLDERS’ INITIATIVE

At general shareholders’ meetings shareholders exercise the supreme authority of SPENN Technology. Annual General Meetings are held within five months after the end of each financial year.

The Board issues notice to convene the Annual General Meeting, and the shareholders have a right to attend and cast their vote. Shareholders have the right to have matters considered at the General Meeting.

Extraordinary General Meetings may also be convened.

Changes to the articles of association require that at least two-thirds of the share capital are represented at the annual general meeting and that any proposals to the changes of the Articles of Association are approved by two thirds of the voting share capital represented at the Annual General meeting.

Board of Directors

The Company's Board of Directors currently consist of five members, including the chairman, without deputies. The Board was elected at the General Meeting on 26 March 2021.

Board members are elected for a term of a year and may be re-elected. The Board of Directors select a chairman. In case of parity the chairman has the casting vote.

Majority of the Board Members (including the Chairman) are independent from the management. No Member of the Board represent a controlling shareholder. All the members have experience relevant to the industry.

Director	Competences	Directorships
 <p>Karl-Anders Grønland</p> <p>Chairman of the Board since 2021</p> <p>Cand. Jur from the University of Oslo (Law)</p> <p>Owns 57,956,778 shares, equal to 2.42%</p>	<ul style="list-style-type: none"> - Lawyer and partner at SBG Storløkken AS, former judge - Additional education in economics (Norwegian School of Economics and Business Administration) - Former secretary for the Norwegian Public Limited Liabilities Companies Act Commission that submitted its report to the new Norwegian Public Limited Liabilities Companies Act, NOU 1996:3 - Author of several books and articles on legal matters - Is on the board of 13 companies, of which he is the chairman in ten 	<ul style="list-style-type: none"> - Ola Lompa AS (NO) - Ola Lompa Eiendom AS - Advokatfirmaet Sgb Storlykken AS (NO) - Blockbonds Global LTD (UK) - R-Venture AS (NO) - 24Seven Office Group (publ.) (SE) - Montebello Vinselskap og invest AS - Blockbonds AS (NO) - Prodvance AS (NO) - Norwegian Association of Small & Medium enterprises (SMB Norge) (NO) - Form/Funk Gruppen AS (NO) - Holmrís Form/Funk AS (NO) - Sitma AS (NO)
 <p>Petrus J. van der Walt</p> <p>Board member since 2021</p> <p>B.Comm & Honns. B.Acc. & M.Comm., North-West University</p> <p>Executive Master's Degree in Social Science - HEC School of Management, Paris</p> <p>Chartered Accountant (SA) Public Accountants and Auditor's Board</p>	<ul style="list-style-type: none"> - Experienced banking executive and community developer with an extensive career at top-level positions at various banks in South Africa and Zambia - From 2018 served as an Executive Consultant and later CEO of Cavmont Bank Ltd in Zambia - Expert in corporate leadership and the areas of operational and commercial banking, deep understanding of the importance of financial inclusion for low-income communities <p>Petrus J. van der Walt was elected as a member of the Board of Directors on 9th of December 2021</p>	<ul style="list-style-type: none"> - Tunica Trading 14 (Pty) Ltd (ZA) - MSGD Investment Holdings (Pty) Ltd (ZA) - Strategic Leadership Partners (Pty) Ltd (ZA) - Forward Capital Partners (Pty) Ltd (ZA) - FWCP Services (Pty) Ltd (ZA)

Director	Competences	Directorships	Director	Competences
 <p>Magne Fretheim</p> <p>CTO, board member since 2021</p> <p>Bachelor's degree in Engineering (IT), Høgskolen i Gjøvik, Norway</p> <p>Owns 44,984,704 shares, equal to 1.88%</p>	<ul style="list-style-type: none"> - More than 20 years of experience within IT, working within sectors such as banking and telecoms - Strong knowledge of database systems, outsourcing, insourcing and IT operations. Worked extensively with distributed teams - Broad experience from regulatory tech discussions - Member of The European Crowdfunding Network's Blockchain Working Group. 	<p>Distinct AS (NO)</p>	 <p>Adiam Negassie</p> <p>Board member since 2021</p> <p>Degree in Computer Engineering</p> <p>Owns 8,135,226 shares equal to 0.34%</p>	<ul style="list-style-type: none"> - More than 15 years' experience from the oil & gas and IT industry, with extensive experience in operations, business development and strategy - Held various positions within project management, business development and management, including project manager and tender manager of engineering projects (EPC) in a large oil & gas company. - Successfully built the APAC division of a large Norwegian IT company OneOcean AS, a subsidiary of the OneOcean Group Ltd, where she served as CEO. - Passionate about sustainable technologies and is currently serving as a business development director for a waste to energy company.
 <p>Jan F. Andersen</p> <p>Board member since 2016</p> <p>Master of Science degree in Economics and Business Administration, MSc (Econ) from Copenhagen Business School in 1992 and certificate of IAA</p> <p>Owns 1,067,500 shares, equal to 0.04%, 30,663,047 warrants</p>	<ul style="list-style-type: none"> - Experience within management, business development, operation, finance and investment in digital and internet-based soft-ware, financial, consultancy and media companies - Co-founder of Adpepper Media International N.V., which was listed on the Frankfurt Stock Exchange and member of its Board of Directors for 11 years - Co-founder of the investment company, DK Trends Invest A/S, which was listed on the Copenhagen Stock Exchange in 2007 and director therein between 2007-2011 - Holds various positions within the Company's subsidiaries; Netposten A/S and NPinvestor Fondsmæglerselskab A/S i likvidation (under liquidation). 	<ul style="list-style-type: none"> - Netposten A/S (DK) - F. Andersen Management ApS (DK) - MarkZero ApS (DK) 		

Risk Management

Responsibility for managing risk within the company lays on the Executive Management, with the support and expertise of a risk management team. Risk management, including risk mitigation is uniform throughout all the companies and executed on the basis of the Risk Policy. The following risks are deemed particularly relevant to SPENN Technology.

RISK: Risk relating to SPENN mobile banking application growth and development	
Description	Mitigation
<p>SPENN is in a commercialisation phase and if the efforts to grow the SPENN platform in existing markets is not capable of achieving results to the expected extent, this will result in lower earnings and reduced future prospects for the Group. There is a risk that planned new product functionalities do not attract new customers to a sufficient extent for the Group to be able to achieve breakeven status in these markets.</p> <p>There is also a risk that the Group is unable to quickly expand SPENN into new markets, reducing the total potential earnings capacity for the Group. There are several factors including access to capital that must align for a market to be suitable for the Group to launch the SPENN mobile banking application.</p>	<p>SPENN continuously seeks new opportunities and create networks to understand and potentially enter new markets, based on its development strategy.</p> <p>In existing markets, SPENN engaged its own sales representatives, as well as enter new partnership with distributors. Distributors and sales personnel is being trained and have access to appropriate support and knowledge.</p> <p>Dedicated Product department constantly develops the product offering, observing customer needs, addressing financial inclusion challenges, and ultimately expanding the customer base.</p> <p>Key to the product expansion efforts are stable and positive relationships with financial institutions in every local market.</p>

RISK: Risk relating to SPENN's reliance on local banking partners and other third-party service providers	
Description	Mitigation
<p>The Group's strategy in relation to the SPENN mobile banking platform involves its SPENN subsidiaries working with local banking partners to hold SPENN customer funds. SPENN subsidiaries drive a core part of their revenue through interest earned on the total funds held with its banking partners, and so it is imperative that the Group maintains a good working relationship with the local banking partners. The Group and its SPENN subsidiaries are exposed to the individual strategies and financial objectives of its banking partners which are at risk of not being aligned wholly with the Group's own strategy. Difficulty or conflict in the relationship may lead to run down or termination of the partnership which will affect the future earnings capability in the market.</p> <p>The Group also has limited visibility into the operations of its local banking partners and cannot ensure that they are complying with local or international laws and regulations. If a banking partner becomes insolvent, this would adversely affect the Group's cash flows and future earnings capacity in addition to causing significant reputational damage to SPENN and its ability to fulfil customer obligations.</p> <p>The Group also relies on third-party service providers for the provision of commission earning services within the SPENN platform. Therefore, interruption in their services or breakdown in the working relationship could negatively impact the future earnings capability of the Group.</p>	<p>SPENN enters into agreements with local banks upon a thorough due diligence being conducted on potential partners. Only reputable, well-established institutions are considered.</p> <p>Relationship is regulated by written agreements prepared by dedicated legal department with vast experience in financial sector. Risks related to these agreements are managed through contractual stipulations, as well as maintaining close cooperation between the bank and SPENN teams.</p> <p>To balance any dependency, SPENN seeks to widen its customer base and geographical footprint through new product features and new distributor relationships and partnerships.</p>

RISK:
Regulatory Risks

RISK:
Group's IP rights, know-how and confidentiality

Description	Mitigation	Description	Mitigation
<p>Changes in applicable law and regulation in the jurisdictions where the Group has activities with SPENN may have a material adverse effect on its business, performance and prospects. Operational constraints or increasing compliance obligations on the Group's activities, may affect the ability of SPENN Technology to maintain local subsidiaries' relationship with the partner banks and have an adverse effect on operations and earnings.</p> <p>Changes in tax regulations can have a negative impact on earnings for SPENN Technology's and the industry in general. There might be new tax reforms, subject to new regulation and reporting that may result in increased costs and lower earnings.</p> <p>The Group is exposed towards risk relating to international sanctions, in particular sanctions on trade and im-port/export, anti-bribery/anti-corruption laws through its operations in and trade across multiple jurisdictions.</p>	<p>SPENN actively engages in dialogue with the relevant authorities to mitigate such risk.</p> <p>SPENN has a dedicated legal and compliance department, who monitors any possible changes in the regulations, as well as cooperate with the legal and compliance departments of partner banks, to ensure that the internal procedures and any new functionalities are in line with the laws and regulations.</p>	<p>The Group has developed proprietary technology, software and intellectual property that the Group relies on to generate revenue through its SPENN mobile banking application. Third parties' infringement or abuse of the Group's intellectual property rights or business secrets, which the Group cannot fully protect itself from, may cause material damage and negatively affect the Group's future businesses, earnings and financial position.</p> <p>The Group's products, software or solutions, as well as hardware, software and services provided by strategic partners, software vendors and channel partners, could contain undetected errors or defects that could adversely affect the performance of the products, software or solutions and negatively impact the demand. Any such errors or defects could result in adverse client reactions and negative publicity, because many of the Group's customers are sensitive to defects in the products, software or solutions they use.</p> <p>There is a risk that, as the business offerings of SPENN Technology involve the collection and storage of confidential customer information, funds and other personal data are susceptible to a cyberattack by a third party. There is a risk that a successful attack could significantly damage the reputation to correctly manage confidential information damaging confidence in SPENN Technology from consumers and third parties alike.</p>	<p>The Group ensures that in markets where it operates, available level of IP protection is secured. Information System Contingency Plans, Business Continuity Plans, as well as other technical security measures are implemented to ensure that any disruption is addressed and resolved.</p> <p>Blockchain technology used is tamper-proof and storage of data is designed in a way minimising any risk of data breach or data loss.</p>

RISK: Competitors		RISK: Reputational risk	
Description	Mitigation	Description	Mitigation
<p>Despite the SPENN platform not currently having any direct competitors there is a risk that new products by competitors, lack of or changed demand as a result and increased price competition could have an impact on the Group's operations and earnings.</p>	<p>SPENN constantly monitors the competitive situation and initiatives in the markets, ensuring ability to answer any potential threats promptly.</p> <p>Additionally, SPENN protects its IP rights by ensuring available level of IP protection is secured and confidentiality agreements are in place where necessary.</p> <p>Furthermore, SPENN constantly develops its product offering to maintain competitiveness and attract new customers.</p>	<p>There is a risk that product users could use it to commit fraud which could damage the reputation of SPENN Technology and Group and hinder its ability to grow quickly. Certain level of risk is also associated with implementation of know your customer (KYC) procedures in emerging markets, e.g. African markets where the SPENN platform is being introduced, due to, for instance, lack of digital identification.</p> <p>Ultimate responsibility for KYC and AML/CFT in markets is on the licensed entity (banks), with which SPENN partners to enrol its product. However, SPENN manages the KYC verifications and AML/CFT prevention as per the agreement with the respective bank (arrangements vary between markets).</p>	<p>Companies within the Group have processes and procedures to counter fraud. This includes a comprehensive compliance management program, AML/CFT/ anti-bribery policies and procedures, internal control policies and procedures, as well as documents relating to internal system contingency planning.</p> <p>Dedicated and highly skilled Legal, Compliance and Internal Control personnel is responsible for the continuous effectiveness of Compliance Management System, working in synergy to achieve best results.</p> <p>The Compliance Management System has been endorsed by central banks of each country where the SPENN platform is live.</p>

For more information on other risks relevant to SPENN, please refer to the Company Description available at:

<https://investor.spenn.com/wp-content/uploads/2021/10/Company-Description-SPENN-FINAL-kopi.pdf>

SPENN Technology A/S Consolidated and Parent Company

FINANCIAL STATEMENTS

SPENN Technology Group Structure

SUBSIDIARIES

SUBSIDIARIES NAME	REGISTERED OFFICE	SHARES HELD
Netposten A/S	Denmark	100%
Blockbonds AS	Norway	98.44%
Kazang Zambia Ltd (Kazang)	Zambia	60%

SUBSIDIARIES OF BLOCKBONDS AS

SUBSIDIARIES OF BLOCKBONDS AS	REGISTERED OFFICE	SHARES HELD
Blockbonds Global Ltd	United Kingdom	100%
EAK SPENN Ltd	Kenya	100%
SPENN Rwanda Ltd	Rwanda	100%
SPENN Zambia Ltd	Zambia	99.9%
SPENN Tanzania Ltd	Tanzania	99%

Subsidiaries are included in the consolidation.

ASSOCIATED COMPANIES

ASSOCIATED COMPANIES NAME	REGISTERED OFFICE	SHARES HELD
SPENN PH Inc.	Philippines	39.99%

Associates are recognised under the equity method.

INVESTMENTS

INVESTMENTS NAME	REGISTERED OFFICE	SHARES HELD
JengaX AS	Norway	10%

Investments are recognised at book value unless otherwise stated.



Management's Statement

The Board of Directors and the Executive Board have today discussed and approved the Annual Report of SPENN Technology A/S for the financial year 1 January – 31 December 2021.

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 31 December 2021 and of the results of the Group's and the Company's operations and cash flows for the financial year 1 January – 31 December 2021.

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

The Annual Report is submitted for adoption at the Annual General Meeting on 7 April 2022.

Copenhagen, 18 March 2022

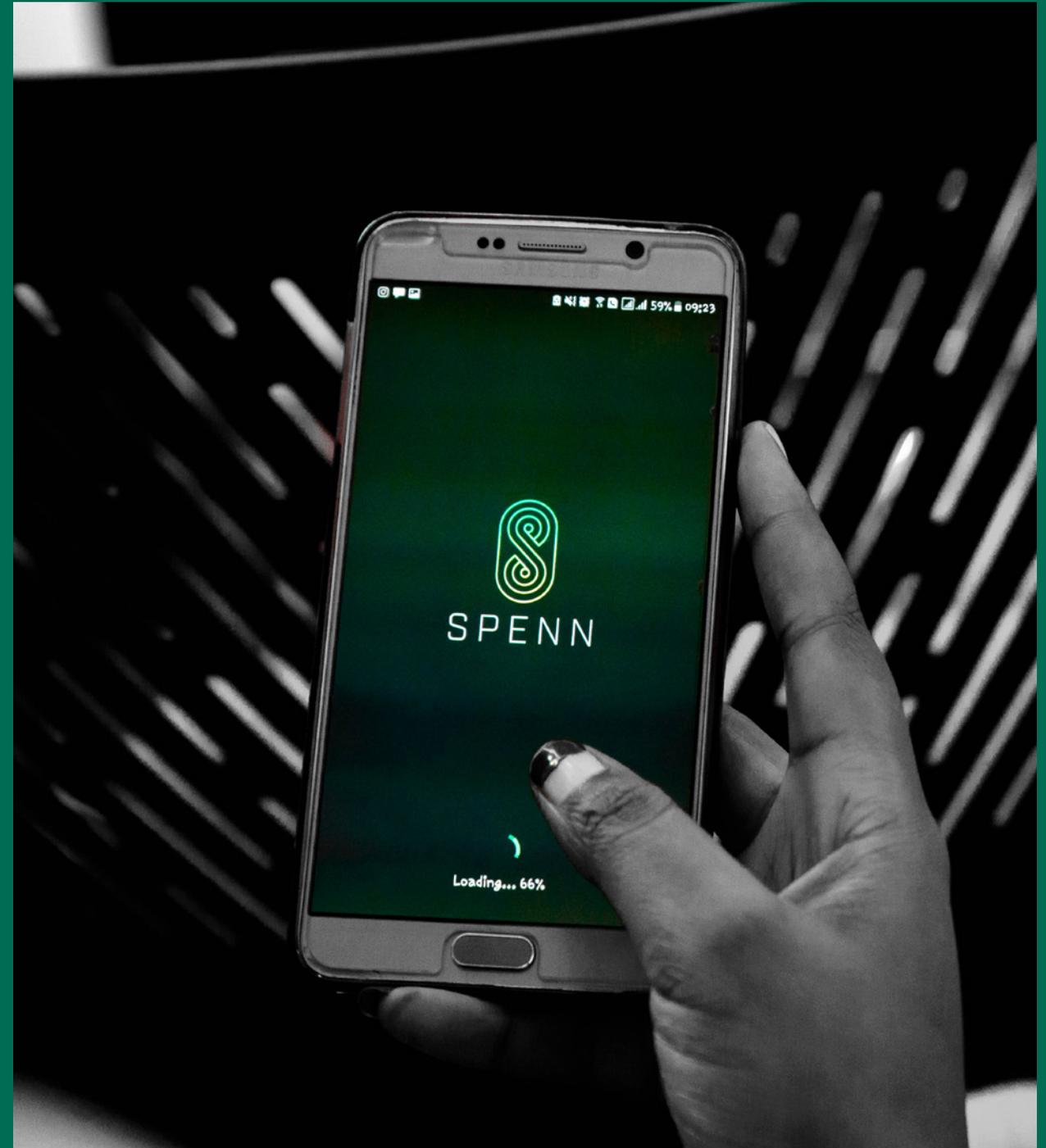
EXECUTIVE BOARD:

CEO, Jens Bjarne Glasø

BOARD OF DIRECTORS:

Karl Anders Gronland (Board Chairman)		Adiam Nardos Negassie
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.



Independent Auditor's Report

To the Shareholders of SPENN Technology A/S

OPINION

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of SPENN Technology A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows for the Group. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared under the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021, and of the results of the Group and Parent Company operations as well as the consolidated cash flows of the Group for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit

of the Consolidated Financial Statements and the Parent Company Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MANAGEMENT'S RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE PARENT COMPANY FINANCIAL STATEMENTS

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of Consolidated Financial Statements and Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Parent Company Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing

the Consolidated Financial Statements and the Parent Company Financial Statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE PARENT COMPANY FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Parent Company Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements and Parent Company Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Parent Company Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Consolidated Financial Statements and the Parent Company Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements and the Parent Company Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our

conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Parent Company Financial Statements, including the disclosures, and whether the Consolidated Financial Statements and the Parent Company Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

STATEMENT ON MANAGEMENT'S REVIEW

Management is responsible for Management's Review.

Our opinion on the Consolidated Financial Statements and the Parent Company Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Parent Company Financial Statements, our responsibility

is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Consolidated Financial Statements or the Parent Company Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 18 March 2022

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70
Brian Olsen Halling
State Authorised Public Accountant
MNE no. mne32094

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.

DEVELOPMENT IN ACTIVITIES AND FINANCIAL AND ECONOMIC POSITION

On 30 June 2021, the Company executed a share swap transaction (“the Transaction”) with Blockbonds AS, org. no. 937894538 (“Blockbonds”), a leading Norwegian fintech within digital banking and payment services operational in Africa and Asia. As a result of the transaction, the Company issued 2,380,819,815 shares, each with a nominal value of DKK 0.10, equivalent of DKK 238,081,981.5 in share capital. The Company’s share capital post the transaction increased to DKK 239,088,084.90. Blockbonds was a subsidiary of the Company from the date of the Transaction and the Company owns 98.44% of the total share capital in Blockbonds. A full Company Description was published on the 4th of November 2021 explaining the Transaction and the new structure and activities in more detail.

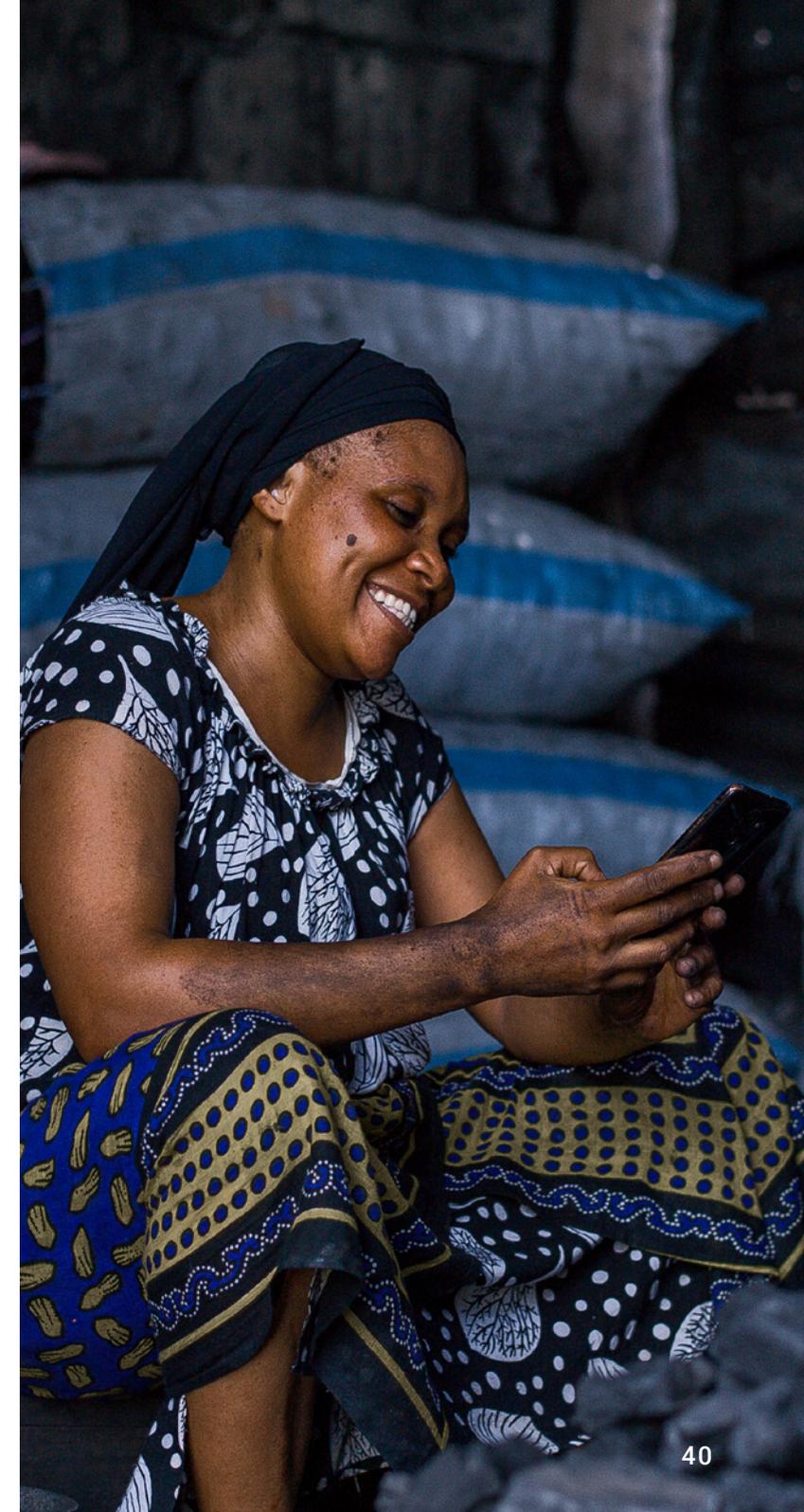
On the 4th of November, the Company acquired 60 percent of shares in Kazang Zambia Limited (“Kazang”), a leader in prepaid value-added services and cash transactions in Zambia. The Company has significantly increased its presence in Zambia through the subsidiaries SPENN Zambia Ltd and Kazang and have become the largest cash in and cash out distributor in Zambia.

On the 1st of September 2021, the Company acquired a minority stake of 19 percent of the shares in JengaX AS, a Norwegian crypto exchange company. The Company sold part of its shares in JengaX AS during the year, leaving its holding on the 31st of December 2021 at 10 percent of the shares in JengaX AS. The Sale of the shares realised a profit of DKK 12.4 million in 2021.

On the 13th of December 2021, the Company completed the sale of 100 percent of its shares in CPH Crypto A/S to JengaX AS for DKK 36.6 million. The DKK 36.6 million was split into DKK 5.0 million in cash and DKK 31.6 million of future crypto exchange services to be delivered by JengaX AS.

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 in 2022. In 2022 the Company will be conducting a review of the Business Intelligence systems used across the SPENN Group including those currently used by the Company.



2021 FINANCIAL RESULTS

The Company reported a loss of t.DKK 48,389 in 2021 compared to a loss of t.DKK 24,941 in the prior year mainly driven by the increase in Operating expenses to support the Company's growth. Revenue for the period increased to t.DKK 18,222 from t.DKK 455 in 2020, driven by Kazang at t.DKK 17,244, t.DKK 698 from Blockbonds Group and t.DKK 280 from Netposten A/S. Employee expenses amounted to t.DKK 22,998 (2020: t.DKK 10,670) as headcount in the SPENN group increased from 66 to 229 (105 excluding Kazang) employees. General and administrative expenses amounted to t.DKK 42,765 (2020: t.DKK 12,000).

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

Basic Earnings per Share (DKK)	-0.04
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ASSETS

As of 31 December 2021, the Company's total assets amounted to t.DKK 116,598 (2020: t.DKK 25,262). The Company's intangible assets at the period end were t.DKK 53,328 (2020: t.DKK 16,312) where Goodwill from the acquisitions during 2021 represented t.DKK 33,635. Current assets at the period end were t.DKK 47,070 (2020: t.DKK 8,565). The Company had cash and cash equivalents at the period end of t.DKK 16,336 (2020: t.DKK 6,867).

EQUITY AND LIABILITIES

As of 31 December 2021, total shareholder's equity amounted to t.DKK 75,664 (2020: t.DKK 22,037). The increase in equity is mainly due to the transaction between the Company and Blockbonds completed on 30th of June 2021. Total liabilities at the period end amounted to t.DKK 40,935 (2020: t.DKK 3,225), consisting largely of trade payables at t.DKK 29,446.

CASH FLOW AND INVESTMENTS

Cash flow from operating activities amounted to t.DKK -55,557 mainly due to the loss incurred in 2021. Cash flow from financing activities for the period was t.DKK 75,270, mainly attributed to capital increases in the group during 2021. The total net cash flow for the period ending was t.DKK 16,336 (2020: t.DKK 6,867).

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

On the 28th of December 2021, Jens Bjarne Glasø (CEO), Bård Bjerås (CLO), Karl-Anders Grønland (Chairman) and Daniel Aanonsen (employee) exercised warrants in Blockbonds. As a result of the warrant exercise the Company's ownership of Blockbonds will be diluted to 98.1% once registered. Upon registration Blockbonds new share capital will increase with NOK 88,385 to NOK 24,517,130 split in 24,517,130 shares, each with nominal value of NOK 1.

On the 31st of January 2022, the board of directors in the Company resolved to issue 40,884,063 warrants in accordance with the authorization from the general meeting dated 26.03.2021. Each warrant entitles but does not obligate the warrant holders to subscribe for one new share in the Company nominally DKK 0.1. More details relating to the issued warrants are disclosed in note 22.

In February 2022, the Company's subsidiary Blockbonds demerged 19% of its share capital which was subsequently merged with JengaX AS. The total amount of outstanding shares in the Blockbonds post the demerger remained unchanged at 24,428,745 shares. The Company will, through its subsidiary Blockbonds, post the merger increase the group holdings with 3,333,330 shares in JengaX AS.

On the 1 February 2022, Blockbonds AS signed a new agreement with I&M Bank (Uganda) Limited to launch the SPENN platform agreement in



Uganda. The Board of Directors and the Executive Management see the signed agreement as a further proof of its product market fit with its SPENN platform and are confident that a Uganda launch will enable the Company to accelerate its growth and add further shareholder value.

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.

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.

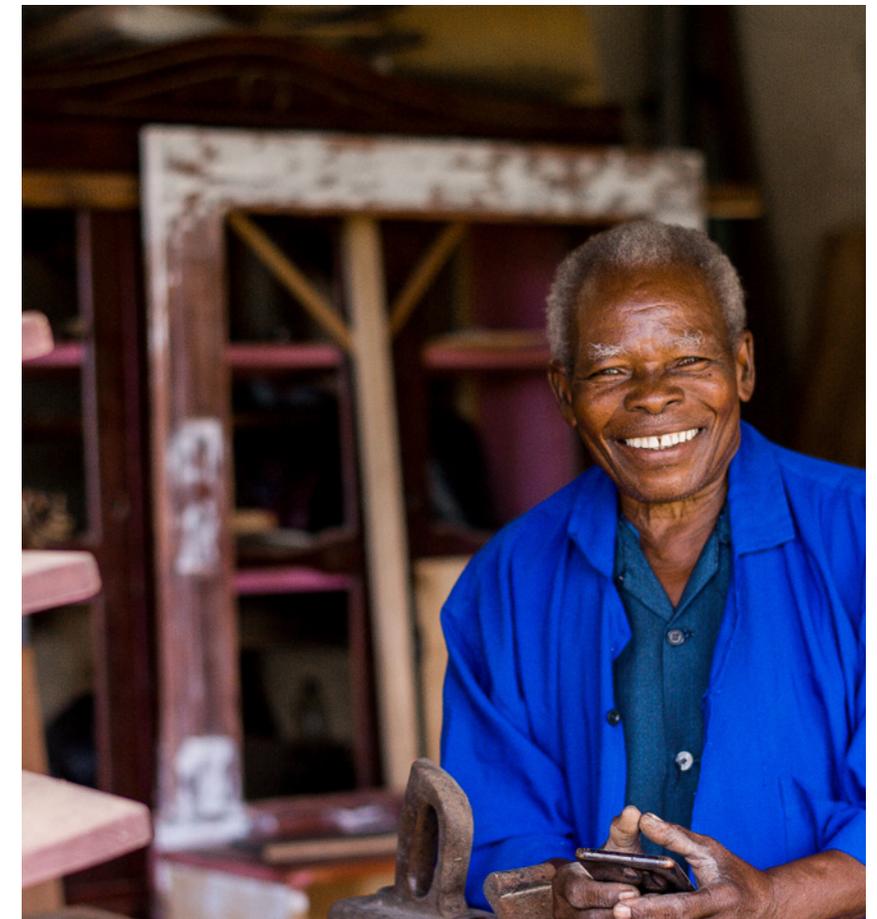
LIQUIDITY RISK

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

GOING CONCERN

Retaining sufficient liquidity and capital to withstand market pressures remains central to the Company's strategy. The cash flows from the subsidiaries in the group have developed in line with expectation in 2021 and the Company is well positioned for future growth. However, there is still uncertainty attaches to how cash flow will develop in future. Specifically, the existing and potential effects of COVID-19 on the operational capacity of the business, access to liquidity

and capital, contractual obligations, asset valuations, other critical accounting judgements, forecast uncertainty and how these can affect liquidity have been considered. The Company will need to raise capital in 2022 to fully support its expansion and growth plans but the Company also have access to loan facilities and have investments that could be sold to extend the near term need for a capital raise. Taking the above factors into consideration, the management considers that the going concern conditions are satisfied and the business is operated on this basis.



Income Statement

1 January – 31 December 2021

DKK '000	SPENN GROUP		PARENT COMPANY		
	Note	2021	2020	2021	2020
REVENUE	1	18,222	455	0	0
Cost of sales	2	-16,013	-76	0	0
GROSS PROFIT/LOSS		2,209	379	0	0
Employee expenses	3	-22,998	-10,670	-1,295	-1,850
Administrative expenses		-42,765	-12,000	-3,864	-1,162
Depreciation, amortisation		-2,993	-1,903	-169	-300
Other income		97	0	0	0
OPERATING PROFIT/LOSS		-66,450	-24,193	-5,328	-3,312
Income from investments in group enterprises	4	5,087	0	-51,182	-3,007
Income from investments in associates	5	-441	-413	0	0
Income from other investments and receivables classified as non-current	6	12,659	0	12,659	0
Other financial income	7	1,453	116	229	205
Financial expenses	8	-640	-450	-273	-20
Loss on disposal		-12	0	0	0
PROFIT/LOSS BEFORE TAX		-48,344	-24,941	-43,895	-6,134
Tax on profit/loss for the year	9	-44	0	0	0
PROFIT/LOSS FOR THE YEAR	10	-48,389	-24,941	-43,895	-6,134

Balance Sheet on 31 December 2021

DKK '000	SPENN GROUP		PARENT COMPANY		
	Note	2021	2020	2021	2020
ASSETS					
Research and Development		19,692	16,312	0	0
Goodwill		33,635	0	0	150
Intangible assets	11	53,328	16,312	0	150
Property, plant and equipment		9,366	340	28	47
Property, plant and equipment	12	9,366	340	28	47
Investments in subsidiaries	13	0	0	212,967	2,791
Investment in associates	14	0	45	0	0
Participating interests, Govt bonds	14	6,799	0	0	0
Other investments	14	36	0	36	0
Financial non-current assets		6,835	45	213,003	2,791
NON-CURRENT ASSETS		69,528	16,697	213,031	2,988
Inventories	15	5,342	0	0	0
Trade and other receivables		22,365	1,698	13,121	0
Other Assets		8	0	0	0
Deferred Tax Assets	16	2,037	0	0	0
Prepayments		981	0	0	0
Cash and Cash equivalents		16,336	6,867	100	127
CURRENT ASSETS		47,070	8,565	13,221	127
TOTAL ASSETS		116,598	25,262	226,252	3,115
EQUITY AND LIABILITIES					
Share capital	17	240,138	1,006	240,138	1,006
Share premium		0	16,346	0	4,184
Reverse acquisition reserve	18	-237,076	0	0	0
Reserve for development cost		19,692	16,312	0	0
Retained earnings		51,531	-11,626	-22,779	-4,695
Minority interests		-1,085	0	0	0
Exchange rate adjustments		2,463	0	-16	0
EQUITY		75,664	22,037	217,343	495
Investments in associates		42	0	0	0
Other long-term liabilities		69	0	64	132
Non-current liabilities	19	111	0	64	132
Trade payables	20	29,446	1,568	478	111
Debt to Group enterprises	21	8,285	0	8,285	2,152
Short Term Debt		2,086	0	0	0
Other liabilities		1,007	1,277	82	225
Deferred income		0	379	0	0
Current liabilities		40,824	3,225	8,845	2,488
LIABILITIES		40,935	3,225	8,909	2,620
EQUITY AND LIABILITIES		116,598	25,262	226,252	3,115

Statement of Changes in Equity 2021 - 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 2021	1,006	16,346	-11,626			16,312		22,037
Profit for the year, allocated			-47,764				-625	-48,389
Transactions with owners								
Capital increase, paid in		76,162						76,162
Capital increase, reverse acquisition	238,082			-237,076				1,006
Capital increase, Kazang	1,050	21,794						22,844
Development cost			-3,381			3,381		0
Other legal bindings								
Change of investments, net exchange differences					2,463		-460	2003
Transfers								
Share Premium Movement		-114,301	114,301					0
Equity at 31 December 2021	240,138	0	51,531	-237,076	2,463	19,692	-1,085	75,664

Statement of Changes in Equity 2021 - Parent Company

DKK '000	PARENT COMPANY				
	Share-capital	Share Premium	Retained Earnings	Reserve, exchange rate	Total
Equity at 1 January 2021	1,006	4,184	-4,695		495
Profit for the year, allocated			-43,895		-43,895
Transactions with owners					
Capital increase, reverse acquisition	238,082				238,082
Capital increase, Kazang	1,050	21,627			22,677
Other legal bindings					
Change of investments, net exchange differences				-16	-16
Transfers					
Share Premium Movement		-25,811	25,811		0
Equity at 31 December 2021	240,138	0	-22,779	-16	217,343

Cash Flow Statement

1 January – 31 December 2021

DKK '000	SPENN GROUP	
	2021	2020
Profit/loss for the year before tax	-46,002	-24,940
Depreciation and amortisation	2,993	1,903
Loss on disposal	12	0
Adjustment of profit from associates (SPENN PH Inc)	441	413
Adjustment of profit from investments	-5,216	0
Tax on profit/loss	153	0
Change in inventories	693	0
Change in receivables	-10,187	951
Change in other provisions	22	0
Change in other liabilities	1,515	-1,622
CASH FLOWS FROM OPERATING ACTIVITIES	-55,577	-23,295
Purchase of intangible assets	-4,387	-691
Purchase of property, plant and equipment	-6,323	-170
Sale of property, plant and equipment	317	6
Investments	-6,835	0
Sale of subsidiary	5,072	0
Associated Companies	-396	241
CASH FLOWS FROM INVESTING ACTIVITIES	-12,552	-614
Capital Increases	66,985	28,682
Loans received	8,285	0
CASH FLOWS FROM FINANCING ACTIVITIES	75,270	28,682
Exchange rate adjustments from opening balance sheet	2,327	-1,374
CHANGE IN CASH AND CASH EQUIVALENTS	9,469	3,399
Cash and cash equivalents at 1 January	6,867	3,468
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	16,336	6,867

Notes To The Financial Statements

ACCOUNTING POLICIES

BASIS OF PREPARATION

The Annual Financial Report for the Company has been prepared in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions of the Danish Financial Statements Act applying to reporting class C. The Annual Financial Report is a summary of the continuing operations of SPENN Technology A/S (formerly NPinvestor.com A/S) group for the year ended 31 December 2021.

Due to the dissolution of NPinvestor Fondsmæglerselskab A/S, the company no longer prepare the financial statements in accordance with "Bekendtgørelsen om finansielle rapporter for kreditinstitutter og fondsmæglerselskaber m" - "the Danish FSA's Executive Order on Financial Reports for Credit Institutions and Investment Companies." The accounting policies are besides the above consistent with the policies last year.

Under the Danish Financial Statements Act the reverse acquisition is interpreted under IFRS 3. Therefore, the 2020 comparative financial statements for the group reflect the consolidated financial statements of the Blockbonds group. CPH Crypto A/S was disposed of during the year and is too considered as a discontinuing activity. Furthermore, as a result of the Kazang transaction, the financial statements of Kazang have been consolidated in the Company's consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements include the financial statements of all subsidiaries from the date on which control over the operating and financial decisions is obtained and cease to be consolidated from the date on which control is transferred out of the Group. Control exists when the Company has the power, directly, or indirectly, to govern the financial and operating policies of an entity so as to obtain economic benefits from its activities.

On 30 June 2021, SPENN Technology A/S underwent a re-organisation by virtue of which 98.44% of Blockbonds shareholders exchanged their shares for shares in SPENN Technology A/S, which became the ultimate parent company of the Group. Notwithstanding the change in the legal parent of the Group, this transaction has been accounted for as a reverse acquisition and the consolidated financial statements are prepared on the basis of the new legal parent having been acquired by the existing Group. All intercompany balances and transactions, including recognised gains arising from inter-group transactions, have been eliminated in full. Unrealised losses are eliminated in the same manner as recognised gains except to the extent that they provide evidence of impairment.

The Consolidated Financial Statements have been prepared under the historical cost principle. Income is recognised in the consolidated statement of profit or loss and other comprehensive income as it is earned, including value adjustments of financial assets and

liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the period are recognised in the consolidated statement of profit or loss and other comprehensive income, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the consolidated statement of financial position when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the consolidated statement of financial position when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably. At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the consolidated statement of financial position date.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

No critical accounting judgements have been made in the process of applying the Company's accounting policies that have had a significant effect on the amounts recognized in the financial statements. There are no key sources of estimation uncertainty in the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year.

CURRENCIES PRESENTED

Items included in the financial statements are measured and presented in Danish Krone (DKK). All monetary assets and liabilities denominated in currencies other than DKK are translated into DKK at the rates ruling at the reporting date. Transactions and non-monetary assets and liabilities denominated in currencies other than DKK are recorded at the rates prevailing at the dates of the transactions. All translation differences are taken through the statement of comprehensive income. Realised exchange differences are recognised in the statement of comprehensive income are presented in 'Other expense' and unrealised exchange differences are presented in 'Other comprehensive income/(loss)'.

INCOME STATEMENT

Revenue and revenue recognition

Revenues are recognised when the promised goods or services are delivered to the Company's customers, in an amount that is based on the consideration the Company expects to receive in exchange for those goods or services when such amounts are not probable of significant reversal.

Cost of Sales

Cost of Sales comprise costs, including wages and salaries and write-off, incurred to achieve the revenue for the year. Commercial enterprises recognise cost of sales, and the manufacturing enterprises recognise production costs equal to the revenue for the year, including direct and indirect costs of raw materials and consumables, wages and salaries, rent and leasing and depreciation of production plant.

Amortisation of capitalised development and research costs and the development costs, that do not fulfil the criteria for capitalisation, are also recognised in Cost of Sales.

Impairment losses are recognised in connection with expected losses on project contracts.

Administrative expenses

Administrative expenses recognise costs incurred during the year regarding management and administration of the Group, inclusive of costs relating to the administrative staff, executives, office premises, office expenses, etc. and related amortisation.

Other operating income

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security, etc. for the Company's employees. Repayments from public authorities are deducted from staff costs.

Investments in subsidiaries and associates

The Income Statement of the Parent Company recognises the proportional share of the results of each subsidiary after full elimination of intercompany profits/losses and deduction of amortisation of goodwill.

The Income Statement of the owner company recognises the proportional share of the results of each associate after proportional elimination of intercompany profits/losses and deduction of amortisation of goodwill.

Profits from sale are recognized, if the economic rights related to the sold Equity interests are transferred. However, not before the profit is realised or regarded as realisable. Moreover, realised losses besides impairments are recognized, when they are demonstrated.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised in the Income Statement by the amounts, that relate to the financial year.

Income tax

The tax expense represents the sum of the tax currently payable. The tax currently payable is calculated based on taxable profit for the year. Taxable profit may differ from profit/(loss) before income tax as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date. Current tax is charged or credited in the statement of comprehensive income.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and limited to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Current tax assets are offset against current tax liabilities when there is a legally enforceable right to set off current tax assets against current tax liabilities and the Company intends to settle its current tax assets and current tax liabilities on a net basis or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and current tax liabilities on a net basis.

Amortisation and impairment of tangible and intangible assets

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight-line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful Life	Residual Value
Completed Development Projects	10 years	0%
Concessions, patents, licenses, trademarks and other similar rights	5 years	0%
Other fixtures and fittings, tools and equipment	2-8 Years	0%

Profit or loss resulting from the sale of intangible or tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Consolidated statement of profit or loss and other comprehensive income under other operating income or expenses.



BALANCE SHEET

Intangible assets

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 10 years. The period of amortisation is determined based on an assessment of the acquired company's position in the market and earnings profile, and the industry-specific conditions.

Development costs comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the Group's development activities and which fulfil the criteria for recognition. The SPENN Platform qualifies as an intangible asset as it is identifiable and will bring future economic benefit to the Group.

Capitalised development costs are measured at the lower of cost less accumulated amortisation or recoverable amount.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. It is expected that a 10-year useful life is a fair representation of the platform and the economic benefits that will flow to the Company. Intangible assets are generally written down to the lower of recoverable value and carrying amount.

Profit or loss from sale of intangible assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Property, plant and equipment

Tangible assets are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses. The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the data of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued. In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs. The cost of composite assets is disaggregated into components, which are separately depreciated if the useful lives of the individual components differ.

Equity Investments

Equity investments in group enterprises and associates Investments in group enterprises and associates are recognised in the consolidated statement of financial position at the proportionate share of the equity value of the enterprises, calculated according to the parents accounting policies with the deduction or addition of unrealised intercompany profits or losses and with the addition or deduction of the remaining value of positive or negative goodwill, calculated according to the purchase method.

Subsidiaries having a negative equity value are recognised at DKK 0, and any amounts receivable from those enterprises are written down by the parents share of the negative equity value to the extent that the amounts are deemed to be uncollectible.

If the negative equity value exceeds receivables, the remaining amount is recognised as a provision to the extent that the parent has a legal or constructive obligation to cover the negative balance of the relevant subsidiary.

Inventories

Inventories are measured at cost using the FIFO method. If the net realisable value is lower than cost, the inventories are written down to the lower value.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes costs of raw materials, consumables, direct payroll cost and indirect production cost. Indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, costs of factory administration and management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Cash

Cash comprises balances with original maturities of three months or less, that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

Goodwill

In connection with every acquisition of businesses, goodwill and a non-controlling interest (minority) are recognised as follows: Goodwill relating to the entity acquired comprises a positive difference, if any, between the consideration paid plus the fair value of previous held interest in the acquiree and the fair value of the total net assets for accounting purposes. Goodwill is recognised in intangible assets. It is amortised on a 10 year straight line basis. Sold or liquidated entities are recognised up to the date of disposal.

Offsetting of financial assets and financial liabilities

Where there is a currently legally enforceable right to set off the recognised amounts and an intention to either settle on a net basis or to realise the asset and the liability simultaneously, financial assets and financial liabilities are offset and the net amount is presented on the statement of financial position. In the absence of such conditions, financial assets and financial liabilities are presented on a gross basis.

Other provisions for liabilities

Other provisions for liabilities include the expected cost of warranty commitments, loss on work in progress, restructuring, etc. and deferred tax.

Warranty commitments include liabilities for improvement of work within the warranty period of 1 to 5 years. The provision for liabilities is measured and recognised on the basis of experience with warranty work.

When it is likely that the total costs will exceed the total income on the contract work in progress, a provision is made for the total loss, that is anticipated for the contract.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet at the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates, that, under the legislation in force on the Balance Sheet date, will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax resulting from changes in tax rates are recognised in the Income Statement, except from items recognised directly in Equity.

Liabilities

Financial liabilities are recognized at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost

equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the term of loan.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies, that are not settled on the Balance Sheet date, are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

On recognition of foreign subsidiaries that are not independent entities, but integrated entities, monetary items are translated at the exchange rate on the Balance Sheet date. Non-monetary items are translated at the rate at the time of acquisition or at the time of subsequent revaluation or write-down of the asset. The items of the Income Statement are translated at the rate on the transaction date, items derived from non-monetary items being translated at the historic rates of the non-monetary item. Exchange rate differences are recognised in the Income Statement under financial income and expenses.

Exchange rate differences are recognised in the Income Statement under financial income and expenses.

The income statements of foreign subsidiaries and associates fulfilling the criteria for being independent entities are translated at an average exchange rate for the month and Balance Sheet items are translated at the rate of exchange on the Balance Sheet date. Exchange differences arising from translation of the Equity of foreign subsidiaries at the beginning of the year to the rates of the Balance Sheet date and from translation of income statements from average rate to the rates of the Balance Sheet date are recognised directly in the Equity.

Exchange adjustments of intercompany accounts with foreign subsidiaries that are deemed to be an addition to or deduction from the Equity of independent subsidiaries are recognised directly in Equity.

Exchange rate differences recognised in Equity are accumulated in a fair value reserve for currency translation of foreign entities and are transferred to the Income Statement when object of the currency translation is realised or ends. An exception is exchange rate differences arising from translation of Equity interests, which are recognised at Equity value, where the whole value adjustment, including exchange rate differences, are included in the reserve for net valuation according to the Equity value method.

CASH FLOW STATEMENT

The cash flow statement shows the company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:

Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:

Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:

Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Reverse Acquisition transaction

Under the Danish Financial Statements Act the reverse acquisition is interpreted under IFRS 3. Under IFRS 3 "Business Combinations", the Transaction between Blockbonds AS by SPENN Technology A/S has been accounted for as a reverse acquisition and the consolidated IFRS financial information of the Company is therefore a continuation of the financial information of Blockbonds AS. As a result, any financial information after 30 June 2021 represents consolidated financial information of the Group. Prior to this date the historical financial information represents the financial information of the Blockbonds subsidiaries.

In the above transaction the operating entity in this case Blockbonds AS (the operating company) has been acquired by a listed company NP Investor/SPENN. The resulting shareholding often indicates that the operating company is the accounting acquirer and the listed shell company the accounting acquiree. In this transaction Blockbonds is the legal subsidiary and SPENN the legal parent but Blockbonds is the accounting acquirer and SPENN the accounting acquiree.



Blockbonds AS is the accounting acquirer as the former shareholders of the legal subsidiary as a group retain the largest portion of voting rights in the new combined entity, the relative size (assets, revenues) of the legal subsidiary is significantly greater than that of the legal parent, as the former senior management of Blockbonds is the senior management of the subsequent combined entity.

Consequently, the previously recognised book values and assets and liabilities have been retained and the consolidated financial information for the period to 31 December 2021 has been presented as if the Company had always been the parent company of the Group. The share capital for the period covered by these consolidated financial statements and the comparative periods is stated at the nominal value of the shares issued pursuant to the above share arrangement. Any differences between the nominal value of these shares and previously reported nominal values of shares and applicable share premium issued by Blockbonds AS have been transferred to the reverse acquisition reserve.

Kazang Zambia Limited Transaction

On 4 November 2021, the group acquired a 60% controlling stake in Kazang Zambia Limited ("Kazang"). Kazang is a distributor of agent terminals, seller of prepaid electronic services in Zambia and was strategically acquired transforming the SPENN group into the largest cash-in, cash-out distributor in Zambia.

Details of the purchase consideration, the net assets acquired, and goodwill are as follows:

Purchase consideration was DKK 30.9 million. The Purchase consideration was split into cash and equity. Total amount paid in cash was DKK 7.9 million and DKK 30.9 million settled via equity issuance.

Goodwill: t.DKK 30,515

The goodwill is attributable to the new geographical access the business gives the group, the distribution network that Kazang possesses and key strategic partnerships and licences that provide efficient market access for the group. It will not be deductible for tax purposes and will be amortized on a straight-line basis over 10 years. The fair value of acquired trade receivables is t.DKK 11,656.

The group recognises non-controlling interests in an acquired entity either at fair value or at the noncontrolling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in Kazang Zambia Ltd, the group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets. As per the terms of the acquisition non-controlling interest in Kazang Zambia Ltd is 40%.

The acquired business contributed revenues of t.DKK 17,244 and net loss of t.DKK 702 to the group for the period 4 November 2021 to 31 December 2021. If the acquisition had occurred on 1 January 2021, consolidated pro-forma revenue for the year ended 31 December 2021 would have been t.DKK 110,202 and net profit of t.DKK 10. These amounts have been calculated using the subsidiary's results and adjusting them for:

- differences in the accounting policies between the group and the subsidiary, and
- the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from 1 January 2020, together with the consequential tax effects.



NOTE 1 REVENUE

DKK '000	SPENN Group	
	2021	2020
Blockbonds Group	698	455
Netposten	280	0
Kazang	17,244	0
Total	18,222	455

Revenue attributed to SPENN Technology A/S from Kazang is consolidated from the transaction date of 4th November 2021 as per Kazang 2021 audited accounts.

NOTE 2 COST OF SALES

DKK '000	SPENN Group	
	2021	2020
Blockbonds Group	-44	-76
Kazang	-15,969	0
Total	-16,013	-76

DKK -42,241 in SPENN subsidiaries is mainly attributed to SELCOM gateway charges in Tanzania (2020: NIL). Cost of Sales attributed to Kazang is consolidated from the transaction date of 4th November 2021 as per Kazang Zambia 2021 audited accounts.

NOTE 3 EMPLOYEE EXPENSES

DKK '000	SPENN Group		Parent Company	
	2021	2020	2021	2020
Salaries	-20,346	-9,905	-1,216	-1,759
Social Security	-2,146	-495	-19	-6
Pension	-506	-269	-60	-85
	-22,998	-10,670	-1,295	-1,850
Average Number of Employees	229	66	2	2
Remuneration to Management	-7,823	-2,448	0	0

Average number of employees in 2021 of 229 is represented by 124 employees in Kazang and 105 employees in the rest of the SPENN Group.

NOTE 4 INCOME FROM INVESTMENT IN ASSOCIATES

DKK '000	SPENN Group		Parent Company	
	2021	2020	2021	2020
Sale of CPH Crypto A/S	5,072	0	5,072	0
Result from FMS	0	0	-114	-1,488
Result from CPH A/S	0	0	-327	-538
Result from Netposten A/S	0	0	-214	-981
Result from Kazang (60%)	15	0	198	0
Result from Blockbonds Group (98.44%)	0	0	-48,862	0
Blockbonds Goodwill Amortization	0	0	-6,461	0
Kazang Goodwill Amortization	0	0	-474	0
Total	5,087	0	-51,182	-3,007

On the 13th of December 2021, the Company sold 100% of its shares of CPH A/S to JengaX AS for total cash received of t.DKK 5,072.

NOTE 5 INCOME FROM INVESTMENT IN ASSOCIATES

DKK '000	SPENN Group	
	2021	2020
Share of SPENN PH Inc Result for the year	-441	-413
Total	-441	-413

Blockbonds AS owns 39.99% of SPENN PH Inc. and as such the result for the year is apportioned to take into account the share of ownership that the group has in SPENN PH Inc.

NOTE 6 INCOME FROM OTHER INVESTMENTS AND RECEIVABLES CLASSIFIED AS NON-CURRENT

DKK '000	SPENN Group		Parent Company	
	2021	2020	2021	2020
Sale of JengaX Shares	12,691	0	12,691	0
Cost of JengaX Shares	-33	0	-33	0
Total	12,658	0	12,658	0

The sale of part of the Company's holdings of JengaX during the year generated a profit of DKK 12.658m. A total of 450,372 shares were sold for DKK 12,691m.

NOTE 7 FINANCE INCOME

DKK '000	SPENN Group		Parent Company	
	2021	2020	2021	2020
Finance Income	1,453	116	0	0
Finance income from group enterprises	0	0	229	205
Total	1,453	116	229	205

NOTE 8 FINANCE EXPENSES

DKK '000	SPENN Group		Parent Company	
	2021	2020	2021	2020
Finance Expenses	-640	-450	-165	-15
Finance Expenses from group enterprises	0	0	-128	-5
Total	-640	-450	-273	-20

NOTE 9 TAX ON PROFIT/LOSS FOR THE YEAR

DKK '000	SPENN Group	
	2021	2020
Kazang	11	0
EAK SPENN	-55	0
Total	-44	0

NOTE 10 PROPOSED PROFIT ALLOCATION

DKK '000	SPENN Group		Parent Company	
	2021	2020	2021	2020
Profit attributable to parent	-47,764	-24,941	-43,895	-6,134
Minority Interests 'share of Profit/Loss	-625	0	0	0
Total	-48,389	-24,941	-43,895	-6,134

NOTE 11 INTANGIBLE ASSETS

DKK '000	SPENN Group		
	R&D	Goodwill	Total
Cost at 1 January 2021	16,312	0	16,312
Transfer	0	0	0
Additions	9,332	33,635	42,967
Cost at 31 December 2021	25,644	33,635	59,279
Amortisation at 1 January 2021	-3,867	0	-3,867
Amortisation for the year	-2,084	0	-2,084
Amortisation at 31 December 2021	-5,951	0	-5,951
Carrying amount at 31 December 2021	19,692	33,635	53,328

Intangible assets are capitalized at cost and depreciated over their estimated useful lives. If the fair value is assumed to be lower than the depreciated cost, a write-down is made to fair value. Intangible assets during the year apply to the capitalization of development costs related to the SPENN platform and intangible assets held within Kazang Zambia Ltd. As the digital solutions have been launched in some countries via Blockbonds subsidiaries, the products have helped to create cash flows. As of the 31/12/2021 the assessment of the company is that there is no need to write down the values. It is argued with the expectation of increasing cash flows and future earnings in the future.

In line with the Danish Financial Statements act a reserve for development costs must be denoted. As per below t.DKK 19,386 relates to the development costs associated within the SPENN platform.

Goodwill at 31 December 2021 has a carrying value of t.DKK 33,635. It is amortized over 10 years on a straight line basis.

NOTE 12 PROPERTY, PLANT & EQUIPMENT

DKK '000	SPENN Group		
	Fixtures	Equipment	Total
Cost at 1 January 2021	402	2,869	3,271
Additions	248	14,147	14,395
Disposals	-81	-236	-317
Cost at 31 December 2021	569	16,780	17,349
Depreciation at 1 January 2021	-210	-5,717	-5,927
Reversal of Depreciation of assets disposed of	42	153	195
Depreciation for the year	-102	-2,149	-2,251
Depreciation and Impairment losses at 31 December 2021	-270	-7,713	-7,983
Carrying Amount at 31 December 2021	299	9,067	9,366

The Carrying amount at 31 December 2021 includes t.DKK 8,568 which is attributed to Kazang and mostly relates to vendor terminals.

DKK '000	Parent Company	
	Equipment	Total
Cost at 1 January 2021	97	97
Additions	0	0
Disposals	0	0
Cost at 31 December 2021	97	97
Depreciation at 1 January 2021	-50	-50
Reversal of Depreciation of assets disposed of	0	0
Depreciation for the year	-19	-19
Depreciation and Impairment losses at 31 December 2021	-69	-69
Carrying Amount at 31 December 2021	28	28

NOTE 13 INVESTMENTS IN SUBSIDIARIES

DKK '000	Parent Company
Investment in Subsidiaries as at 1 January 2021	2,791
Npinvestor Fondsmæglerselskab	
Liquidation of Npinvestor Fondsmæglerselskab A/S	-2,791
Npinvestor Fondsmæglerselskab A/S as at 31 December 2021	0
Blockbonds	
Blockbonds Equity (98.44%)	116,092
Blockbonds Goodwill	121,990
Blockbonds Cost	238,082
Blockbonds Result	-48,862
Depreciation	-6,461
Blockbonds as at 31 December 2021	182,759
Kazang Zambia	
Kazang Equity (60%)	-360
Kazang Goodwill	30,859
Kazang Cost	30,499
Kazang Result (60%)	183
Depreciation	-474
Kazang as at 31 December 2021	30,208
Investment in Subsidiaries at 31 December 2021	212,967

NOTE 14 PARTICIPATING INTERESTS AND GOVERNMENT BONDS

DKK '000	SPENN Group		Parent Company	
	2021	2020	2021	2020
Kazang	6,799	0	0	0
JengaX	36	0	36	0
Investments in associates	0	45	0	0
Total	6,835	45	36	0

NOTE 15 INVENTORY

DKK '000	SPENN Group	
	2021	2020
Kazang stock for re-sale	5,342	0
Total	5,342	0

Inventory held within the group relates wholly to the inventory that Kazang holds for resale to Kazang agents. This consists of vendor terminals that are sold directly to Kazang agents.

NOTE 16 DEFERRED TAX ASSETS

DKK '000	SPENN Group		Parent Company	
	2021	2020	2021	2020
Deferred Tax Asset – SPENN Zambia Ltd	1,814	0	0	0
Deferred Tax Asset – Kazang Zambia Ltd	223	0	0	0
Total	2,037	0	0	0

Deferred Tax Assets: Deferred tax assets are computed in Zambia using the income tax rate of 35%. The gross movement on the deferred income tax account is as follows.

KAZANG ZAMBIA LTD

DKK '000	SPENN Group 2021
Balance at the start of the year	1,102
Charge for the year	-879
Balance at the end of the year	223

SPENN ZAMBIA LTD

DKK '000	SPENN Group 2021
Balance at the start of the year	1,327
Charge for the year	2,505
Income Tax Credit	-2,017
Balance at the end of the year	1,814

NOTE 17 SHARE CAPITAL

DKK '000	SPENN Group	
	2021	2020
Balance at the start of the year	1,006	1,006
Increase in Capital	239,132	0
Total	240,138	1,006

NOTE 18 REVERSE ACQUISITION RESERVE

DKK '000	SPENN Group	
	2021	2020
Reverse Acquisition Reserve	-237,076	0
Total	-237,076	0

Under the Danish Financial Statements Act the reverse acquisition is interpreted under IFRS 3. The share capital for the period covered by these consolidated financial statements and the comparative periods is stated at the nominal value of the shares issued pursuant to the above share arrangement. The difference the nominal value of the shares issued and previously reported nominal values of shares and applicable share premium issued by Blockbonds has been transferred to the reverse acquisition reserve in the consolidated statement of equity.

NOTE 19 NON-CURRENT LIABILITIES

DKK '000	SPENN Group			
	Total debt 31/12/2021	Repayment next year	Debt outstanding after 5 years	Total 31/12/2020
Investments in associated companies	42	0	0	0
Long Term debt to parent	69	69	0	0
Total	111	69	0	0

DKK '000

	Parent Company			
	Total debt 31/12/2021	Repayment next year	Debt outstanding after 5 years	Total 31/12/2020
Provisions for investments in group enterprises	64	0	0	132
Total	64	0	0	132

NOTE 20 TRADE PAYABLES

DKK '000	SPENN Group		Parent Company	
	2021	2020	2021	2020
Kazang	27,707	0	0	0
Blockbonds AS	1,261	1,457	0	0
SPENN Technology	478	111	478	111
Total	29,446	1,568	478	111

NOTE 21 DEBT TO GROUP ENTERPRISES

DKK '000	SPENN Group		Parent Company	
	2021	2020	2021	2020
Debt to group enterprises	8,285	0	8,285	2,152
Total	8,285	0	8,285	2,152

As at 31/12/2021 the company has an outstanding loan to JengaX of DKK 8.3m.

NOTE 22 SHARE-BASED PAYMENTS

Costs of share-based payments are recognised as staff costs with a corresponding effect in equity. At 31st of December 2021 the Parent Company did not have any outstanding warrants and has not activated any amount corresponding to share-based payments in 2021.

On the 31st of January 2022, the board of directors in the Company resolved to issue 40,884,063 warrants in accordance with the authorization from the general meeting dated 26.03.2021. Each warrant entitles but does not obligate the warrant holders to subscribe for one new share in the Company nominally DKK 0.1. As a result of the issued warrants the fully diluted shares outstanding in the Company is 2,442,263,494 as of the 31st of January 2022. Details of the issued warrants are outlined in the table below.

Warrant holder	Grant date	Expiry Date	Exercise Price (DKK)	No. of Warrants	Nominal Amount (DKK)
Jan F. Andersen (Board member)	31st Jan 2022	31st Dec 2023	0.1	30,663,047	3,066,304.70
Jesper Bender (Employee)	31st Jan 2022	31st Dec 2023	0.1	6,132,609	613,260.90
Carsten N. Bach (Previous Board Member)	31st Jan 2022	31st Dec 2023	0.1	2,044,203	204,420.30
Michael J. Rugaard (Previous Board Member)	31st Jan 2022	31st Dec 2023	0.1	2,044,203	204,420.30
Total				40,884,063	4,088,406.30

Blockbonds Warrants

Blockbonds has over the years introduced Warrant programmes aimed to board of directors and key employees. Warrants are vesting over time to ensure the retention of such key employees. Each warrant entitles but does not obligate the warrant holders to subscribe for one new share in Blockbonds nominally NOK 1. If the warrants detailed in the programmes are exercised in its entirety, the Company's ownership of Blockbonds would be diluted to 91.30%. Details of the warrant programmes are outlined in the tables below.

Warrant program 1

Warrant holder	Grant date	Expiry Date	Exercise Price (NOK)	No. of Warrants	Nominal Amount (NOK)
Anders S. Hermansen (Employee)	1st Jan 2021	1st Jan 2023	6.11	35,728	35,728
Anna Eldib (Employee)	1st Jan 2021	1st Jan 2023	6.11	49,224	49,224
Bård Bjerkås (CLO)	1st Jan 2021	1st Jan 2023	6.11	219,488	219,488
Daniel Aanonsen (Employee)	1st Jan 2021	1st Jan 2023	6.11	22,070	22,070
Jens B. Glasø (CEO)	1st Jan 2021	1st Jan 2023	6.11	272,224	272,224
Karl-Anders Grønland (Board Chairman)	1st Jan 2021	1st Jan 2023	6.11	124,676	124,676
Magne Fretheim (Board member/CTO)	1st Jan 2021	1st Jan 2023	6.11	238,168	238,168
Staffan Herbst (CFO)	1st Jan 2021	1st Jan 2023	6.11	168,000	168,000
Total				1,129,578	1,129,578

Warrant Program 2

Warrant holder	Grant date	Expiry Date	Exercise Price (NOK)	No. of Warrants	Nominal Amount (NOK)
Bård Bjerås (CLO)	15th Feb 2022	15th Feb 2023	4.00	59,747	59,747
Erik Seiving (COO)	15th Feb 2022	15th Feb 2023	4.00	50,000	50,000
JAC Invest AS (CEO)	15th Feb 2022	15th Feb 2023	4.00	153,847	153,847
Jens B.Glasø (CEO)	15th Feb 2022	15th Feb 2023	4.00	74,747	74,747
Karl-Anders Grønland (Board Chairman)	15th Feb 2022	15th Feb 2023	4.00	34,747	34,747
Magne Fretheim (Board member/CTO)	15th Feb 2022	15th Feb 2023	4.00	105,000	105,000
Rune Glasø (Previous Board member)	15th Feb 2022	15th Feb 2023	4.00	35,000	35,000
Staffan Herbst (CFO)	15th Feb 2022	15th Feb 2023	4.00	175,000	175,000
Kostas Papadopoulos (Employee)	1st Oct 2023	1st Oct 2024	4.00	5,000	5,000
Total				693,088	693,088

Warrants exercised in 2021

On the 28th of December 2021, Jens Bjarne Glasø (CEO), Bård Bjerås (CLO), Karl Anders Grønland (Chairman) and Daniel Aanonsen (employee) exercised warrants in Blockbonds. As a result of the warrant exercise the Company's ownership of Blockbonds will be diluted to 98.1% once registered. Upon registration Blockbonds new share capital will increase with NOK 88,385 to NOK 24,517,130 split in 24,517,130 shares, each with nominal value of NOK 1.

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the warrants. 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 making assumptions about them.

Blockbonds recognised a cost of NOK 11,598,938 in 2021 as a result of the outstanding warrants.

NOTE 23 CONTINGENT LIABILITIES

Blockbonds AS has issued letters of support to affiliated companies in the group to ensure the necessary liquidity is provided to December 31, 2022. Similarly, SPENN Technology A/S has issued a declaration to other creditors in affiliated companies and a statement to ensure the necessary liquidity to December 31, 2022.

The parent company is jointly taxed with the other Danish companies in the group and is jointly and severally liable for the taxes which relates to joint taxation. The total amount is stated in the annual report for SPENN Technology A/S is zero, which is management company in the joint taxation.

The monthly lease liability for the group at 31 December 2021 is t.DKK 127. There are no lease agreements with longer maturity than 1 year.

NOTE 24 RELATED PARTIES

Related parties consist of:

Shareholders holding 5% or more of the shares or of the votes
Jac Invest AS hold 494,948,360 (20.61%) of the outstanding shares in the Company.

Other Related Parties

Other related parties of SPENN Technology A/S with significant influence comprise the Board of Directors and their related parties. There were no other related parties identified.

Transactions with related parties

SPENN Technology A/S bought 947,695 shares in JengaX AS at nominal value per share NOK 0.1 for a total of NOK 94,769.50 from members of the Board of Directors and executive management.

JAC Invest AS sold 300,749 shares for NOK 30,074.90

Montebello Vinselskap og Invest AS sold 320,525 shares for NOK 32,052.50

Distinct AS sold 197,073 shares for NOK 19,707.30

Janus Invest AS sold 129,348 shares for NOK 12,935.00

All transactions with related parties are considered to be entered into on a market basis. Section 98 C, para 7 of the Danish Financial Statements Act is considered fulfilled.

Shareholder Information

INVESTOR RELATIONS

The company's share capital at 31st of December 2021 was DKK 239,088,084.90 divided into 2,390,880,849 shares of nominally DKK 0.10 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 31 December 2021, the share price was 0.274 DKK.

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	494,918,360	20.61%	Jens Glaso (I)	CEO / NOR
DAVID JAMES CHAPMAN	119,889,792	4.99%	David James Chapman	Investor / HK
JANUS INVEST AS	108,223,563	4.51%	Bård Bjerkås	CLO / NOR
GIS HOLDING AS	81,352,260	3.39%	Jørgen Gismervik	Investor / NOR
ETOS PATOS LOGOS AS	67,642,938	2.82%	Rune Glasø	Previous board member / NOR
DIAGEN INTERNATIONAL INC. AS	65,873,808	2.74%	Vidar Wiik	Investor / NOR
MONTEBELLO VINSELSKAP OG INVEST AS	58,210,278	2.42%	Karl-Anders Grønland	Chairman of the Board / NOR
HØGEVOLL AS	57,417,915	2.39%	Arild Egeland	Investor / NOR
BØEN INVEST AS	51,596,056	2.15%	Kjell Apeland	Investor / NOR
DISTINCT AS	44,984,709	1.87%	Magne Fretheim	Board member / CTO / NOR

OWN SHARES

SPENN Technology A/S holds a total 5,100 of its own shares.

SHARE PRICE DEVELOPMENT

SPENN Technology A/S's opening share price at the start of 2021 was DKK 0.6. Trading in the share was suspended from 9th of June 2021 to the 4th of November 2021 during the Nasdaq approval process of the new company structure leading from the share swap transaction completed on the 30th of June 2021. Trading was closed on 31st December 2021 at a share price of DKK 0.274.

ANNUAL GENERAL MEETING

The annual general meeting will be held 7th of April 2022.



SPENN