# SPENN Technology A/S Group Adjusted EBITDA Surges by 200% in H1 2023, Fueling Optimism for Continued Strong Growth

30.8.2023 08:24:14 CEST | SPENN Technology A/S | Interim information

Company Announcement No. 109

The SPENN Technology A/S Group (Copenhagen: SPENN.CO OTCQX: SPNNF) is making significant strides towards breakeven, reporting a net revenue increase of 163% and a 200% surge in adjusted EBITDA in H1 2023 compared to the same period in 2022.

The group's revenue for H1 2023 increased to DKK 93.9 million (approximately US$14 million), up from DKK 70.3 million (US$10.5 million) in H1 2022.

The net revenue for H1 2023 was DKK 26.4 million (US$ 3.95 million), a 163% increase from the H1 2022 net revenue of DKK 10 million (US$ 1.5 million).

Moreover, the EBITDA for H1 2023 was DKK -9.3 million (US$ -1.39 million), a substantial improvement from H1 2022, where it was DKK -22.2 million (US$ -3.33 million). This exceptional improvement in EBITDA was significantly influenced by the growth of Kazang Zambia. The gross profit for Kazang Zambia in H1 2023 increased over 126% compared to H1 2022, fueled by the deployment of more than 8,000 POS machines in the market and a strong organic growth of transaction volume.

In addition to the above, we are continuously working on optimizing and strategizing our resources to be more cost-efficient and generate additional revenue income for the Group. Structural changes are being implemented to utilize our resources with greater efficiency and more cost-effectively, leading to an immediate impact in increasing revenue and lowering costs. Moreover, other markets under SPENN's umbrella have also reported increasing sales following the successful launch of the latest platform features with full interoperability. The momentum gained from these feature enhancements is expected to continue to fuel revenue growth and operational improvements in the coming quarters.

H1 2023 financial results in brief (H1 2022 numbers in parentheses):

- Gross Revenue*: DKK 93,884,000 (70,348,000)

- Gross Cost of Sales: DKK -68,677,000 (-60,325,000)

- Net Revenue: DKK 26,376,000 (10,023,000)

- Cost of Sales: DKK -6,849,000 (-1,848,000)

- Gross Profit: DKK 18,358,000 (8,175,000)

- Employee Expenses: DKK -12,441,000 (-15,356,000)

- G&A Expenses: DKK -16,025,000 (-15,118,000)

- Adjusted EBITDA**: DKK -9,344,000 (-21,623,000)

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

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

The Board of Directors of SPENN Technology A/S has approved the H1 2023 report today.

The H1 2023 Interim Report has not been audited.

Expectations for 2023:

Expectations as outlined in the annual report remain unchanged. Having delivered strong growth in 2022 and H1 2023, SPENN expects continued strong growth in existing markets and in new markets in the second half of 2023.

"Our mission is clear and ambitious: to lead the financial services sector by making it accessible and affordable for everyone while ensuring profitability for SPENN. The incredible growth we have experienced so far is a testament to the power of this mission.

SPENN users are not just signing up, they're sticking with us because of the ease of use, experience, and our state-of-the-art app. This is evidenced by our robust monthly retention rates of 78% and an engagement rate of 89%. Additionally, our app ranks as the 4th most popular in Zambia, which underlines our success and in Rwanda, the SPENN app is consistently ranked among the top 10 most popular apps, indicating a strong and growing presence in the market. The rollout of disbursement solutions in Nigeria, the introduction of loans via the SPENN app, and new partnerships in the crypto space have all contributed to our success. As we aggressively expand SPENN into new African countries, we are also thoughtfully considering opportunities in other parts of the world. Let me be clear - we are not here just to participate; we are here to lead," says Jens Glaso, CEO of SPENN Technology.

Please find the full report attached to this company announcement.

**Certified Adviser**

Company's Certified Adviser is Baker Tilly Corporate Finance P/S (CVR-nr. 40073310), Poul Bundgaards Vej 1, 1., DK-2500 Valby, tlf. +45 3345 1000

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## About SPENN Technology A/S

In a world where 1.7 billion people are still unbanked, SPENN Technology has democratized access to financial markets by bridging the crypto sphere with traditional finance. By utilizing blockchain technology Blockbonds has created a robust real-time payment system in which everyone can manage their savings, payments, investments and loans in an honest, transparent and secure way through the SPENN App platform. Although SPENN Technology A/S is a purpose-driven company with our vision to empower people, we are also a commercial player that always strives to develop new services for our customers.

The SPENN app is an innovative and unique digital banking platform for the unbanked as well as the banked to be able to send and receive money completely cost-free, in markets where the cost of financial services is the highest in the world. SPENN is disrupting the existing mobile payment distribution channels. SPENN has recently launched new integrated services in the platform and expects to launch more crypto services going forward.

SPENN is a technology provider to banks and governments based on a Software as a Service (SaaS) solution and has grown to become a key partner for their bank partners to drive deposits and to stay in front of innovation. SPENN is helping governments regulate the unregulated utilizing new technology and visionary ideas which have ultimately solved the biggest issue within financial inclusion.

SPENN Technology A/S is listed on the Nasdaq First North Growth Market Denmark. Ticker code: SPENN

## Attachments

- SPENN Technology H1-23 Report_final.pdf