



JENGAX

INTERIM REPORT H1 2022

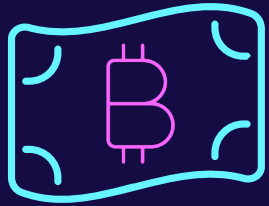
01.01.2022 – 30.06.2022

Unaudited report

JengaX AS

Organization number: 927 461 323 VAT

Andøyfaret 15
4623 Kristiansand S
Norway



MAKING CRYPTO USER-FRIENDLY

COMPANY DETAILS



COMPANY NAME:

JengaX AS

COMPANY REGISTRATION NUMBER:

927 461 323 VAT

ADDRESS:

Andøyfaret 15
4623 Kristiansand S
Norway

WEB:

www.jengax.com

DATE OF FORMATION:

26 JULY 2021

FINANCIAL YEAR 2022:

1 January 2022 – 31 December 2022

22 DECEMBER 2022:

Interim Financial Report H1 2022

09 APRIL 2023:

Annual Report 2022

26 APRIL 2023:

Annual General Meeting

EXECUTIVE BOARD:

Jesper Ugland, CEO

BOARD OF DIRECTORS:

Thor-Erik Andersen
Jens Bjarne Glaso
Jesper Ugland

CERTIFIED ADVISOR

Njord Securities AS
Dronning Mauds gate 1,
0250 Oslo
Norway

AUDITOR:

BDO AS
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Norway
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VISION

MAKING CRYPTO USER-FRIENDLY

MISSION

ENABLING INSTANT INTERACTIONS BETWEEN
DIGITAL AND TRADITIONAL FINANCE



COMPANY & OWNERSHIP STRUCTURE



COMPANY STRUCTURE



LARGEST SHAREHOLDERS AS OF 30 JUNE 2022

JengaX AS

Shareholder	No. Of Shares	% of shares	Position/Country
SPENN TECHNOLOGY A/S	4 730 893	50.93%	Investor/NOR
SUNZIS AS	1 458 333	15.70%	Investor/NOR
T.O. LJOSLAND INVEST AS	650 000	6.99%	Investor/NOR
ADSIGN HOLDING AS	295 927	3.18%	Investor/NOR
THOR-ERIK ANDERSEN	166 667	1.79%	Chairman of the Board/NOR
HØGEVOLL AS	125 000	1.34%	Investor/NOR
SAAMAND AS	125 000	1.34%	Investor/NOR
HALU AS	122 711	1.32%	Investor/NOR
JIDE OKOROAFOR	100 000	1.08%	COO/NOR
VELDE HOLDING AS	100 000	1.08%	Investor/NOR

LETTER FROM THE CEO



Summary of H1 2022

Less than a year after incorporation, JengaX is now finalizing the technical framework in order to secure successful operational activities with our initial customer; SPENN Technology A/S. During H1 2022, the technical API was built, and it is soon ready for testing. JengaX is funded with NOK 35 million, giving the company a financially fit position to launch the product.

The crypto market has experienced a downturn, exemplified by the value of bitcoin which is down 50 per cent since the beginning of the year. The correlation between the securities market and the crypto market has grown strong over the last years, and seemingly the crypto is affected by stagnating financial markets.

We truly believe that this opens opportunities for JengaX to position itself in the bear market and reap the respective benefits of future market growth. Buying low and selling high is any investor's dream, and with the current standing of the crypto market, we believe that many investors will look for services to position themselves in the market at current levels.

Set for growth

Moving towards the launch of the product, primarily in African markets, the company is focusing its attention on professionalization and increased monetization. The second half of 2022 will focus on commercialization of the product together with our partner SPENN, to start reaching our initial customers and generate revenue.

Through this, the company will have a significant increase in manpower, where JengaX is building a team capable of handling the expected workload to take the company to the next level.

Kind Regards
Jide Okoroafor, CEO during the period

INTRODUCING THE NEW CEO



Events after the period (01.07.2022–01.11.2022)

On 1 September 2022, Jesper Ugland was appointed CEO of JengaX.

Ugland has been in the technology industry since 2011, and he was part of the initial phase of Blockbonds AS as Head of Communications & Co-founder. He was the CEO of MelodyPipe from 2019 to 2022. Based on Ugland's experience in tech startups and his knowledge of SPENN's product and management, JengaX strongly believes that Ugland will be a strong contributor in taking JengaX to new heights.

The tech team is expanded with two resources and the marketing team with one resource. We will continue to build a strong and result-driven team.

In October, JengaX secured its second partnership, LendWill AS. This is the first customer outside of SPENN that will use JengaX's payment method for their customers. LendWill has waiting lists in 70 markets and an aggressive expansion plan.

We are currently negotiating with several major companies in Norway and Northern Europe in order to enable cryptocurrency as means of payment for everyday products and services.

JengaX and SPENN are currently piloting the service for a limited group of users. During the pilot, users will be able to buy, sell and hold cryptocurrencies in the SPENN application. The pilot will move to its second phase later this year, with scale-up based on ongoing feedback and testing. Starting 1 October 2022, JengaX receives a monthly license fee through the partnership.

On 19 October 2022, JengaX was listed on Euronext NOTC with the ticker NOTC:JENGA.



JENGAX MARKET UPDATE

PRINCIPAL ACTIVITIES



Principal activities

JengaX has developed an **API solution** with the purpose of performing instantaneous exchange between crypto and fiat (traditional) currencies. The solution can be integrated on any app-based platform, which makes it easy for companies to add crypto as a method of payment for their customers, while receiving fiat currency as settlement. In addition to this, fintech companies may add crypto to their existing product line, allowing their customers to buy, sell, hold and pay using cryptocurrencies.

Africa; SPENN Technology A/S

Together with our initial partner SPENN, the JengaX API is now in its final stages of **integration with the SPENN app**. The two companies are working together with the pilot users and are preparing for a larger-scale launch. SPENN is currently operational in Rwanda, Zambia, Tanzania, and the Philippines, and in the process of becoming operational in Ghana, Uganda, and Nigeria. Under the agreement with SPENN, JengaX will follow SPENN in their markets, primarily in, but not limited to, African and Asian markets. SPENN allows users to instantaneously transfer money to each other free of charge. JengaX adds a new dimension: buying, selling, holding, and paying using cryptocurrencies.

Great potential for JengaX Pay in Europe

JengaX Pay is our own app based on the API solution that handles immediate exchange from crypto to fiat (traditional) currency. Any company connected to the JengaX Pay app, can easily add crypto as a payment method, enabling their customers to use crypto when purchasing goods and services. Due to the immediate exchange performed by JengaX, the company receives fiat currency in settlement. In other words, the company never have to speculate or be part of the crypto environment. JengaX Pay will play a key role in transforming crypto values into purchasing power. Not only do we increase purchasing power of consumers, but we also facilitate a seamless and cost-effective way of transferring funds across borders, thus creating a globalized financial system, regulated by governments.

Win-Win-Win

Partnering with large chains will have significant impact on the utility for cryptocurrencies.

- **For users**, our solution will include instant liquidity of crypto assets at competitive rates.
- **For businesses**, fees related to transactions can be eliminated, as JengaX gives businesses equal money in settlement, that is; what you sell for is what you receive.
- **For JengaX**, the cross-border money transfer through traditional channels are limited through rebalancing-model of net funds, giving JengaX a profitable business model at low cost.

MARKET OUTLOOK



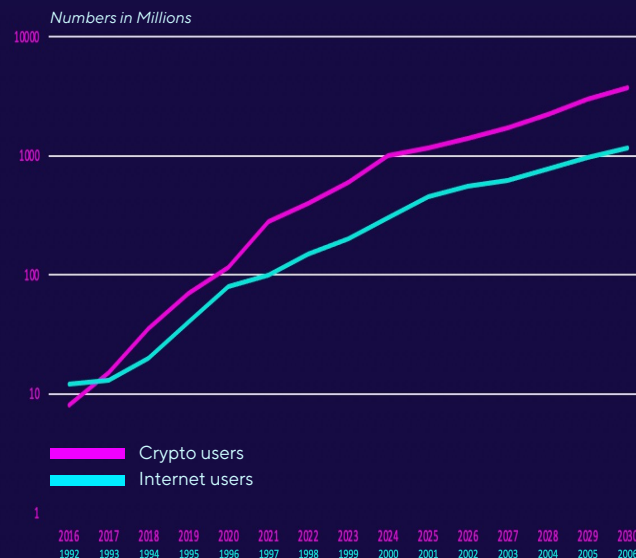
State of the cryptocurrency market

The fall in the stock- and crypto market was triggered by the macro-outlook, the fear of continued high inflation, interest rate hikes and a possible recession. Given the correlation between the markets, the crypto market - an asset class of close to 1 trillion dollars (3 trillion dollars in 2021) - is likely to be in a depressed market through 2022 and possibly well into 2023.

Long-term investors of cryptocurrencies and well-seasoned investors in the traditional securities market, view this an opportunity to position themselves prior to the next bull run.

Crypto adoption

Both supporters and detractors have recently been likening bitcoin to the internet in 1997. Bitcoin has been growing at an **annual rate of 113%**, vs the internet's growth at that time of 63%. Should bitcoin's adoption slow to that of the internet's, it would still lead to 1 billion users by 2024 and 4 billion users by 2030.



JengaX outlook

2022 was primarily a development and testing period. 2023 is the year in which the product will go fully live in various markets and earn transactional revenue.

With Rwanda set as the pioneer market for operational activities, we aim to launch a total of three markets together with our partner SPENN during 2023.

Looking to the Northern part of the globe, we are preparing a launch of JengaX Pay in several markets. Starting in Norway, we aim to launch together with LendWill in the markets they expand to.

Once operational in a market, any app, web or POS-based solution can connect to the JengaX payment API. This increases revenue streams in every market we enter. Preparing for this, we are currently working with major companies in the retail sector to enable crypto as a method of payment for household consumption products.

JengaX aims to secure three major and several medium-sized customers in 2023. Our revenue targets are set to 1-3% of the transaction volume generated by the customers.

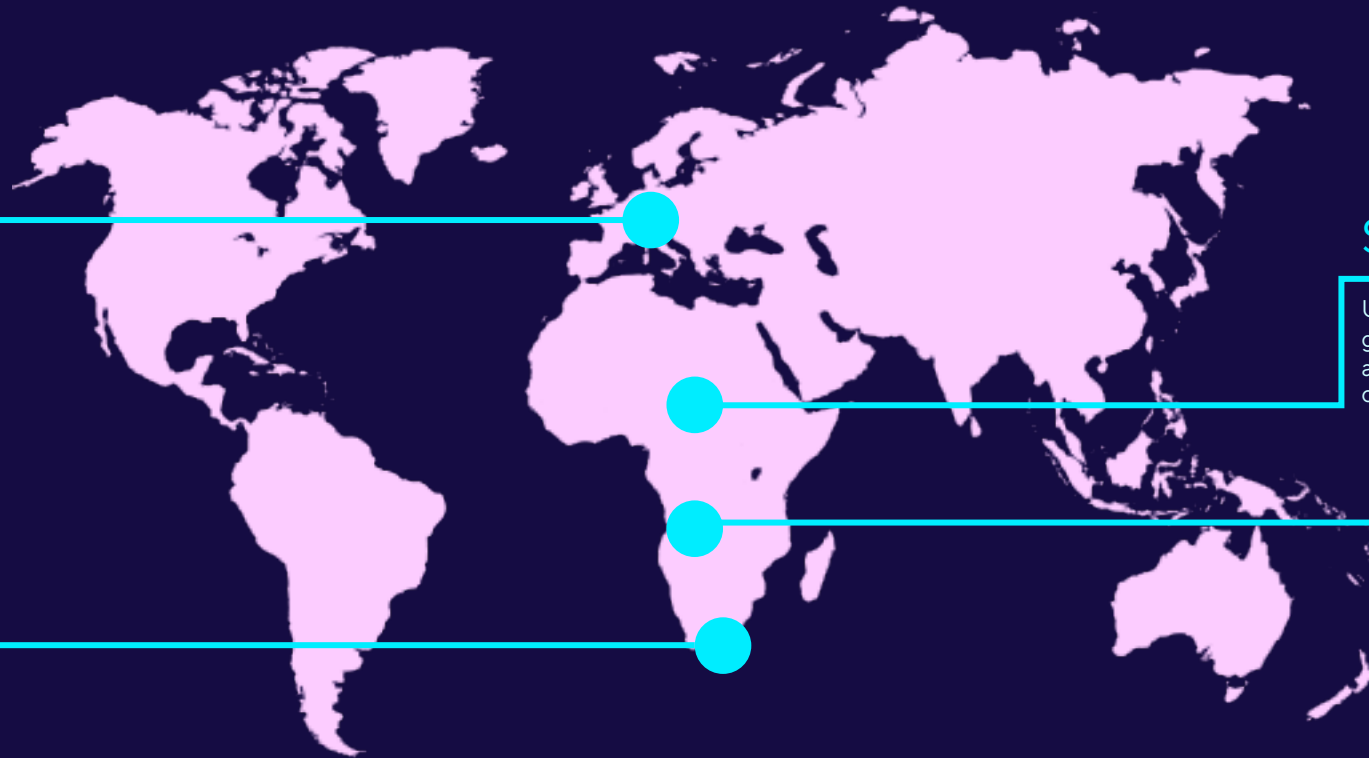
JengaX has a variety of applicable customer segments, including but not limited to existing payment providers, large retail chains, online stores and any app-based business.

THE JENGAX LANDSCAPE



Pay in stores

Users in Europe can use digital assets to purchase goods and services for household consumption, through JengaX.



SPENN partnership

Users in Africa are primarily the 1.2 million+ growing userbase of SPENN, who instantly access buying, selling, holding and spending digital assets using the SPENN app.

Remittance

Connecting African and European countries and users, enables remittance payments at lower cost in a fully KYC'd environment.

KYC-as-a-service

Our own software, comparable to Bank ID which enables identification of African users, sold as a service to businesses who are establishing operations in African markets.

THE JENGAX JOURNEY



2022

2023

Q4

Q1

Q2

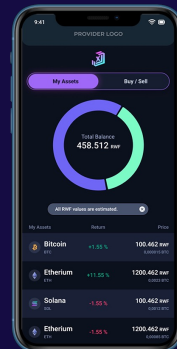
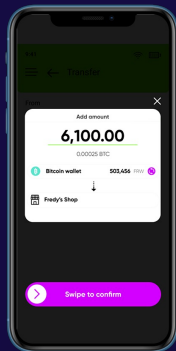
Q3

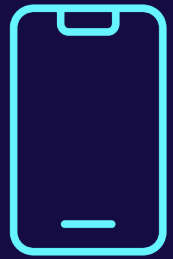
JengaX Pay

JengaX App

Remittance

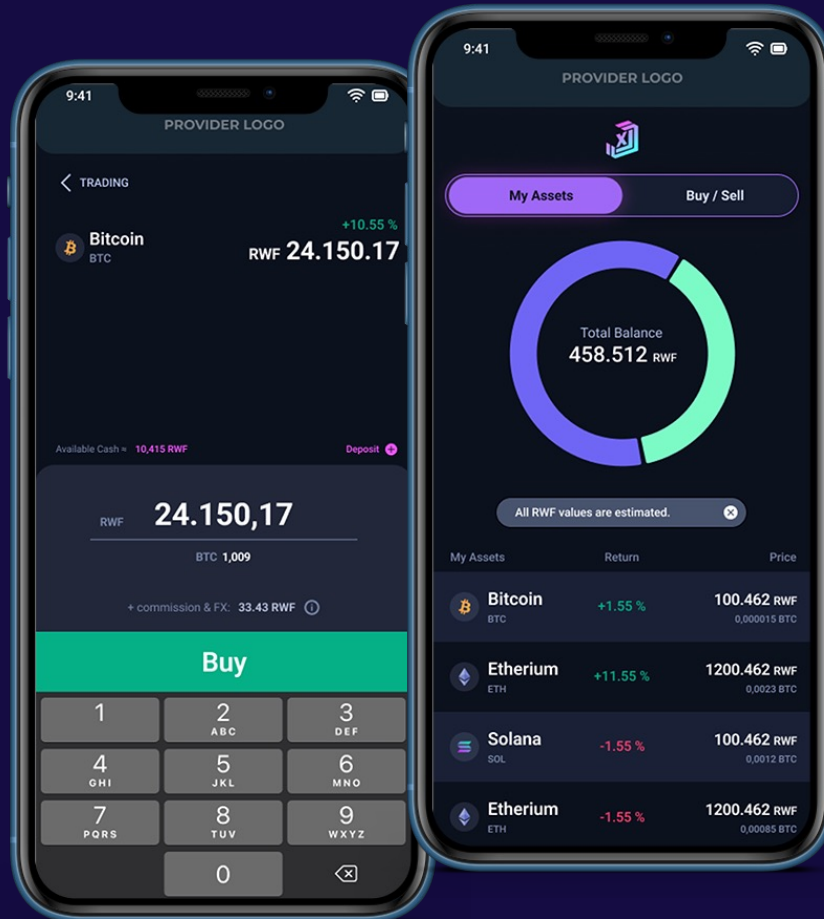
KYC-as-a-service





PRODUCT OVERVIEW

CRYPTO EXCHANGE IN PARTNER APPS



BUYING, SELLING AND USING CRYPTO MADE EASY

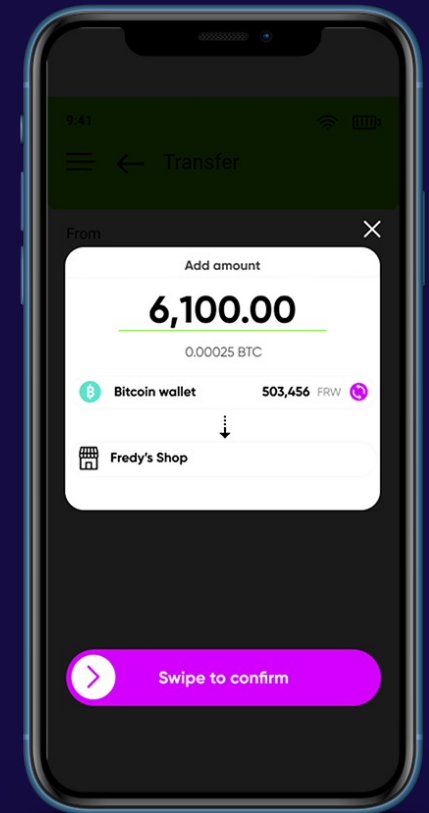
Users can easily access the JengaX trading platform from third party apps, such as our pioneer customer SPENN. Once connected, users can buy, sell and convert cryptocurrency instantly.

JENGAX PAY CRYPTO PAYMENTS

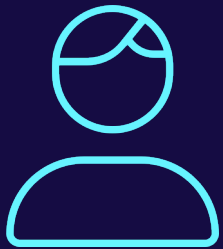


Giving everyone the opportunity to make and accept payments using cryptocurrency without having to speculate in cryptocurrencies.

- Fully integrated API solution for third party apps.
- Connect store to JengaX app.
- Lower or no fees for merchants.
- Crypto made usable and instantly liquid.
- Faster settlements.
- Regulated crypto.
- KYC and AML.

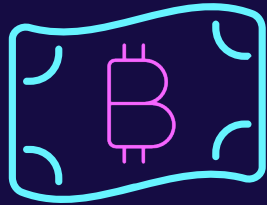


JENGAX PAY CRYPTO PAYMENTS



Scans products

As usual



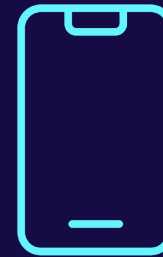
Chooses digital
payment as
payment method

JengaX logo



QR code
shown on POS
screen

This is scanned



JengaX app
opens
automatically

Approves the
purchase



Everyone can
congratulate
themselves with
a great purchase

See you next
time

KYC AS A SERVICE



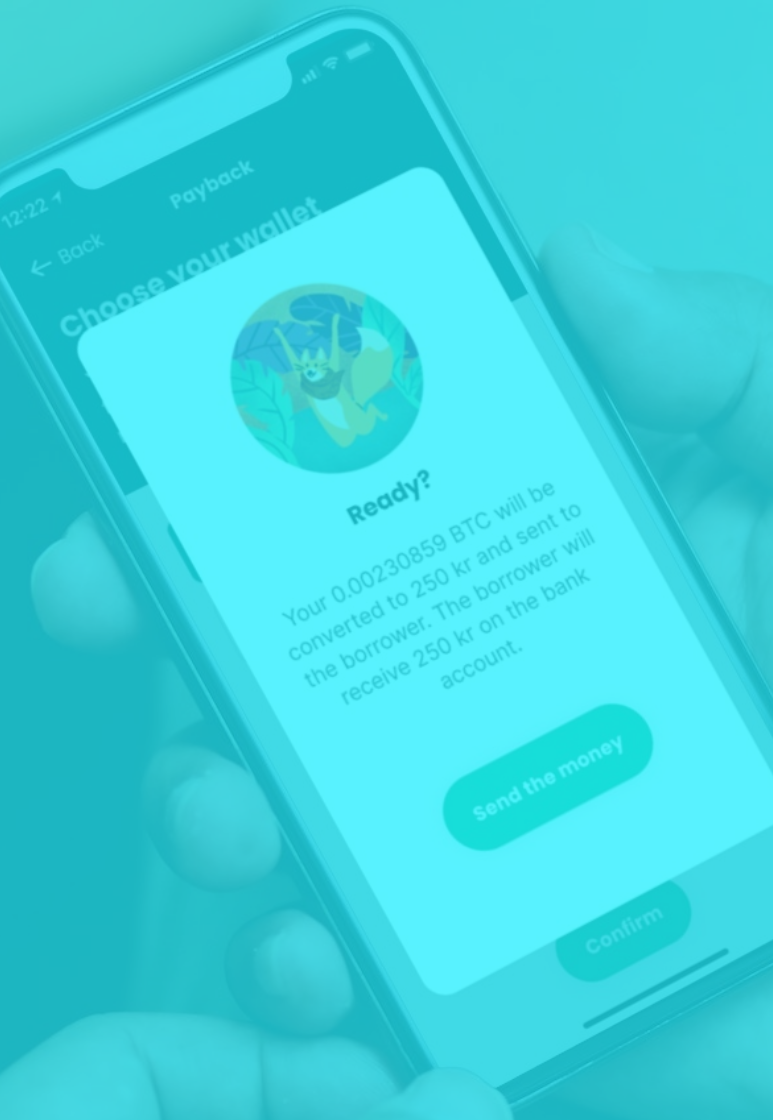
African digital KYC

Know-Your-Customer (KYC) as a service allows third parties to use JengaX as a partner to launch digital products in Africa. This includes instant access to over 1.2 million pre-verified users with slipstreamed payment services. JengaX earns money per KYC performed on behalf of the customer.

In simple terms: A company, e.g., LendWill wants to start selling subscriptions in Africa. Through our passthrough KYC product and payment services we can open up subscription possibilities to all SPENN users and handle payments as well.

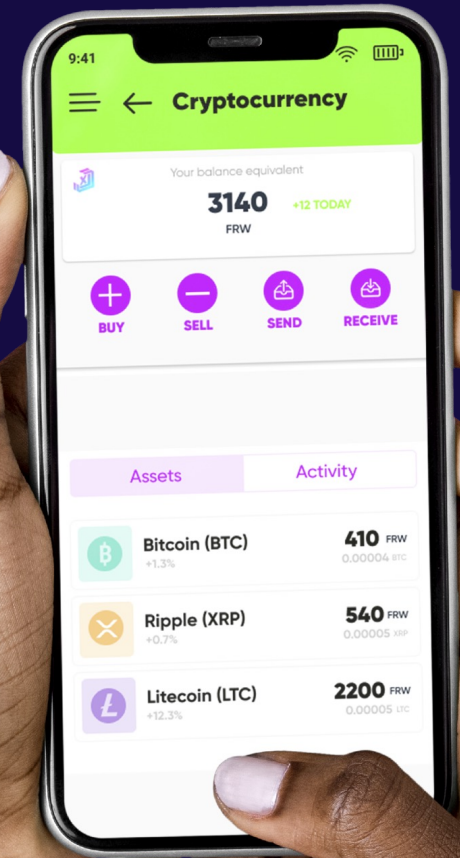


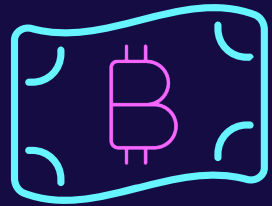
SELECTED PARTNERS



SPENN Technology A/S is our first customer. In the agreement, JengaX aims to follow the company in all markets and offer our crypto services to 1.2 million current SPENN users through the SPENN app. JengaX will also utilize the SPENN database in order to provide KYC services to external companies.

LendWill AS is our second customer. LendWill will connect to the JengaX Pay module and allow their users to pay using cryptocurrencies for their P2P lending product. JengaX performs instant exchange from crypto to fiat (traditional) currency.





FINANCIAL STATEMENTS

FINANCIAL POSITION

On 1 March 2022, the Board of Directors of JengaX issued 954,250 shares in accordance with the authorization given by the General Meeting on 14 December 2021. As a result of shares issued, the fully diluted shares outstanding in the company was 5,954,250 as of 31 of March 2022.

On 8 June 2022, the Board of Directors of JengaX issued 3,333,330 shares in accordance with the authorization given by the General Meeting on 15 December 2021. As a result of the issued shares, the fully diluted shares outstanding in the Company are 9,287,580 as of 30 June 2022.

During H1 2022, SPENN Technology's subsidiary Blockbonds demerged 19% of its share capital including intellectual property, which was merged with JengaX in a transaction, based on a valuation of JengaX set at approximately NOK 400 million. As part of the transaction, JengaX is given instant access to all current and future SPENN users. Today, this includes more than 1.2 million users in Tanzania, Zambia, and Rwanda.

As of 30 June 2022, JengaX has a total of 9,287,580 shares divided among 83 international shareholders.



INCOME STATEMENT

30 JUNE 2022

Amounts in NOK

INCOME STATEMENT

Note

30.06.2022

Revenue/ Gross Profit

Sales revenue		0
Other operating revenue		0
Total revenue/ Gross profit		0

Administrative cost etc.

Personnel cost	1	-593 729
Depreciation and amortisation		-1 666 667
Other operating cost		-2 135 836
Total administrative cost		-4 396 232
Operating result		-4 396 232

Finance income		278 149
Finance expenses		-7 041
Total finance income		271 108
Net profit before tax		-4 125 123

Tax credit		366 667
Net profit after tax		-3 758 457

BALANCE SHEET

30 JUNE 2022

Amounts in NOK

Statement of financial position	Note	30.06.2022
ASSETS		
Non-current assets		
Intangible assets	2	198 333 333
Financial assets	4	61 000 000
Total non-current assets		259 333 333
Current assets		
Short term receivables		200 000
Prepaid expenses and accrued income etc.		5 404 053
Cash and cash equivalents		15 017 032
Total current assets		20 621 085
TOTAL ASSETS		279 954 419
EQUITY AND DEBT		
Equity		
Equity		-196 951 560
Transferred from net profit		380 456
Profit/loss current year		3 758 457
Total equity		-192 812 647
Non-current liabilities		
Provision for liabilities		-43 633 333
Other non-current liabilities		-32 400 000
Total non-current liabilities		-76 033 333
Current liabilities		
Accounts payables		-97 522
Duties payable		-39 323
Other short term liabilities		-171 593
Current portion of long term debt		-10 800 000
Total current liabilities		-11 108 439
TOTAL EQUITY AND LIABILITIES		-279 954 419

CASH FLOW

30 JUNE 2022

Amounts in NOK

	30.06.2022
Profit/loss for the year before tax	-3 758 457
Depreciation and amortisation	1 666 667
Changes in working capital:	
Change in receivables	-855 989
Change in payables	657 705
Other changes working capital	0
CASH FLOWS FROM OPERATING ACTIVITIES	-2 290 074
CASH FLOWS FROM INVESTING ACTIVITIES	0
Capital increases	0
Repayment Sellers Credit	-6 800 000
Other cash flows from financing activities	-1 440
CASH FLOWS FROM FINANCING ACTIVITIES	-6 801 440
CHANGE IN CASH AND CASH EQUIVALENTS	-9 091 514
Cash and cash equivalents at 1 January	24 108 546
CASH AND CASH EQUIVALENTS AT 30 JUNE	15 017 032

EQUITY

30 JUNE 2022

Amounts in NOK

	Note	Share capital	Share Premium	Other Paid-in Capital	Retained Earnings	Total Equity
Equity at 1 January 2022	3	500 000	-	35 453 000	-380 456	35 572 544
Capital Increase 01.03		95 425	35 357 575	-35 453 000	0	-
Demerger / Merger 08.06		333 333	4 666 667	156 000 000	0	161 000 000
Cost of capital increase		-	-	-1 440	0 -	1 440
Profit / Loss 30.06		-	-	0	-3 758 457 -	3 758 457
Equity at 30 June 2022		928 758	40 024 242	155 998 560	-4 138 913	192 812 647

Note 1 - Employee Expenses

Amounts in NOK

	30.06.2022
Salaries	476 004
Social security	71 384
Pension	30 289
Share based payment expense	16 052
Total	593 729

Note 2 - Intangible Assets

Amounts in NOK

	30.06.2022
Cost at 1 January 2022	-
Additions	200 000 000
Cost at 30 June 2022	200 000 000
Amortisation at 1 January 2022	-
Amortisation for the year	-1 666 667
Amortisation at 30 June 2022	-1 666 667
Carrying amount at 30 June 2022	198 333 333
<i>Economic / Useful life</i>	<i>10 yrs</i>

Note 3 - Share Capital

Amounts in NOK

	30.06.2022
Balance at start of the year	500 000
Increase in capital	428 758
Total	928 758

The share capital is divided into 9,287,580 shares. The shares have a nominal value of NOK 0.10. There is only one share class, and all shares have the same rights

Note 4 - Financial Assets

Amounts in NOK

	30.06.2022
Shares in CPH Crypto A/S	50 000 000
Loan to SPENN Technology A/S	11 000 000
Total	61 000 000

On 15.12.2021 the company acquired 100% of the shares in CPH Crypto A/S, a crypto currency exchange and brokerage company situated in Denmark.

As per 30.06.2022, the company has provided a loan of 11 MNOK to SPENN Technology A/S.

NOTES

30 JUNE 2022

ABOUT JENGAX



JengaX is a Norwegian fintech company providing SaaS to integrate cryptocurrencies with the traditional financial system, thereby enabling multiple new use-cases for crypto in a regulated way. We have made it our mission to make crypto user-friendly by creating an accessible and secure experience for buying, selling, and paying with cryptocurrency.

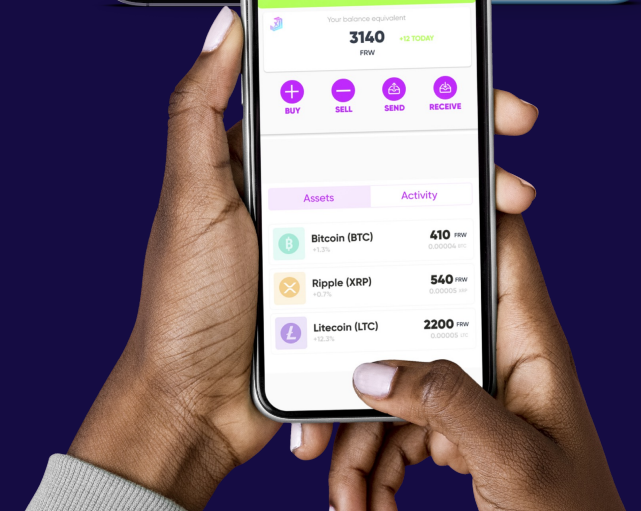
JengaX provides crypto-based products and services that utilize blockchain technology to integrate cryptocurrency into the traditional financial system.

By connecting to the JengaX API, any business can allow their customers to pay with their cryptocurrency without having to speculate in the cryptocurrency market. JengaX handles the exchange from crypto to fiat currency. Through clearing, businesses receive fiat currency.

JengaX has a growing KYC'd user base of over 1.2 million users in African countries. Know-Your-Customer (KYC) as a service allows third parties to use JengaX as a partner to launch digital products in Africa. This includes instant access to over 1.2 million pre-verified users with slipstreamed payment services.

We are currently piloting with a selected group of users in cooperation with SPENN Technology and will continue to increase our presence in African and European markets.

JengaX AS is headquartered in Norway. Our subsidiary CPH Crypto A/S is located in Denmark. The company is listed on Euronext NOTC with the ticker NOTC:JENGA.





JENGAX

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STOCK INFORMATION

Ticker: JENGA
ISIN: NO0012422767

EURONEXT NOTC