



Deloitte
Statsautoriseret
Revisionspartnerselskab
CVR-nr. 33963556
City Tower, Værkmestergade 2
8000 Aarhus C

Phone 89 41 41 41
Fax 89 41 42 43
www.deloitte.dk

Lunar Holding ApS
Hack Kampmanns Plads 1, st. th.
8000 Aarhus C
Business Registration No
36945745

**Annual report 01.07.2018
- 31.12.2018**

The Annual General Meeting adopted the annual report on 21.05.2019

Chairman of the General Meeting



Name: Ken Villum Guldbrandt Klausen

Lunar Holding ApS

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	6
Income statement for 2018	7
Balance sheet at 31.12.2018	8
Statement of changes in equity for 2018	10
Notes	11
Accounting policies	14

Entity details

Entity

Lunar Holding ApS
Hack Kampmanns Plads 1, st. th.
8000 Aarhus C

Central Business Registration No (CVR): 36945745
Registered in: Aarhus
Financial year: 01.07.2018 - 31.12.2018

Board of Directors

Henning Kruse Petersen, chairman
Ken Villum Guldbrandt Klausen
Tuva Lo Palm
Lars Andersen
Gary Stephen Bramall

Executive Board

Ken Villum Guldbrandt Klausen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Lunar Holding ApS for the financial year 01.07.2018 - 31.12.2018.

The annual report is presented in accordance with the Danish Financial Statements Act.

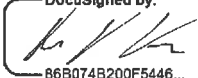
In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.07.2018 - 31.12.2018.

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


We recommend the annual report for adoption at the Annual General Meeting.

Aarhus, 21.05.2019

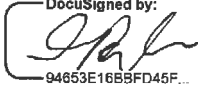
Executive Board

DocuSigned by:

8650748200F5446...
Ken Villum Guldbrandt
Klausen

Board of Directors


Henning Kruse Petersen
chairman


Ken Villum Guldbrandt Klausen

DocuSigned by:

94653E1688FD45F...
Tuva Lo Palm


Lars Andersen

DocuSigned by:

9C6D36657094427...
Gary Stephen Bramall

Independent auditor's report

To the shareholders of Lunar Holding ApS

Opinion

We have audited the financial statements of Lunar Holding ApS for the financial year 01.07.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.07.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter regarding circumstances in the financial statements

We draw attention to note 1 stating that recognition and measurement of the Company's investments in group enterprises may be subject to uncertainty. Our opinion has not been modified with respect to this matter.

Management's responsibilities for the financial statements

Management is responsible for the preparation of 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Entity'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 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 Entity'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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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 the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Independent auditor's report


Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the 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 the management commentary.

Aarhus, 21.05.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556



Jacob Nørmark
State Authorised Public Accountant
Identification No (MNE) mne30176

Management commentary

Primary activities

The primary activity is to hold shares in Lunar Way and in Lunar Way-related companies.

Development in activities and finances

The loss for the financial year amounted to DKK 6,983k, which is as expected.

As the first fintech company in Denmark, the subsidiary, Lunar Way A/S, was granted an AISP/PISP licence in 2018. To meet the requirements thereof, the Company changed its financial year to 1 January - 31 December. The transition period covers the period from 1 July 2018 to 31 December 2018.

The Company made a capital increase in February 2019 of a total of DKK 101.7m consisting of a conversion of liabilities of DKK 51.2m and cash capital increases of DKK 50.6m. The Company has thus received a cash contribution of DKK 50.6m.

Moreover, the Company expects to carry out a new funding round in Q2 2019 with participation of both existing as well as new investors. With this funding, Management expects the Group to receive more liquidity.

Consequently, Management has presented the financial statements on the assumption of going concern.

Uncertainty relating to recognition and measurement

Investments in group enterprises recognised at DKK 95,214k in the financial statements depend on the Group's ability to carry out the funding round in Q2 2019 as planned.

Management expects the funding round to be carried out as planned and has therefore not found any indications of impairment of the Company's investments in group enterprises. This, however, may be subject to uncertainty.

In the financial year, investments in the subsidiary Lunar Card A/S have been written down by DKK 4,444k due to failing results.

Events after the balance sheet date

Apart from the capital increase in February 2019, no events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Income statement for 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017/18 DKK</u>
Other external expenses		(92.157)	(28.032)
Operating profit/loss		(92.157)	(28.032)
Other financial income	3	150.265	271.899
Impairment losses on financial assets		(4.444.203)	0
Other financial expenses		(2.597.392)	(146.993)
Profit/loss before tax		(6.983.487)	96.874
Tax on profit/loss for the year	4	0	(21.312)
Profit/loss for the year		(6.983.487)	75.562
Proposed distribution of profit/loss			
Retained earnings		(6.983.487)	75.562
		(6.983.487)	75.562

Balance sheet at 31.12.2018

	Notes	2018 DKK	2017/18 DKK
Investments in group enterprises		95.214.214	76.383.512
Fixed asset investments	5	95.214.214	76.383.512
Fixed assets		95.214.214	76.383.512
Other receivables		4.343	4.343
Income tax receivable		6.634.778	4.430.778
Receivables		6.639.121	4.435.121
Cash		11.965	19.428
Current assets		6.651.086	4.454.549
Assets		101.865.300	80.838.061

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017/18 DKK</u>
Contributed capital	6	244.460	244.460
Retained earnings		<u>42.755.248</u>	<u>49.738.735</u>
Equity		<u>42.999.708</u>	<u>49.983.195</u>
Subordinate loan capital		0	9.092.116
Payables to shareholders and management		0	15.793.634
Joint taxation contribution payable		0	3.466.000
Other payables		<u>1.448.523</u>	<u>1.427.000</u>
Non-current liabilities other than provisions	7	<u>1.448.523</u>	<u>29.778.750</u>
Current portion of long-term liabilities other than provisions	7	50.670.953	0
Trade payables		23.116	23.116
Joint taxation contribution payable		<u>6.723.000</u>	<u>1.053.000</u>
Current liabilities other than provisions		<u>57.417.069</u>	<u>1.076.116</u>
Liabilities other than provisions		<u>58.865.592</u>	<u>30.854.866</u>
Equity and liabilities		<u>101.865.300</u>	<u>80.838.061</u>
Uncertainty relating to recognition and measurement	1		
Staff costs	2		
Contingent liabilities	8		

Statement of changes in equity for 2018

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	244.460	49.738.735	49.983.195
Profit/loss for the year	0	(6.983.487)	(6.983.487)
Equity end of year	244.460	42.755.248	42.999.708

Notes

1. Uncertainty relating to recognition and measurement

Investments in group enterprises recognised at DKK 95,214k in the financial statements depend on the Group's ability to carry out the funding round in Q2 2019 as planned.

Management expects the funding round to be carried out as planned and has therefore not found any indications of impairment of the Company's investments in group enterprises.

This, however, may be subject to uncertainty.

	<u>2018</u>	<u>2017/18</u>
2. Staff costs		
Average number of employees	<u>0</u>	
	<u>2018</u>	<u>2017/18</u>
	<u>DKK</u>	<u>DKK</u>
3. Other financial income		
Financial income arising from group enterprises	<u>150.265</u>	<u>271.899</u>
	<u>150.265</u>	<u>271.899</u>
	<u>2018</u>	<u>2017/18</u>
	<u>DKK</u>	<u>DKK</u>
4. Tax on profit/loss for the year		
Current tax	<u>0</u>	<u>21.312</u>
	<u>0</u>	<u>21.312</u>
		<u>Invest-</u>
		<u>ments in</u>
		<u>group</u>
		<u>enterprises</u>
		<u>DKK</u>
5. Fixed asset investments		
Cost beginning of year		76.383.512
Additions		<u>23.274.905</u>
Cost end of year		<u>99.658.417</u>
Impairment losses for the year		<u>(4.444.203)</u>
Impairment losses end of year		<u>(4.444.203)</u>
Carrying amount end of year		<u>95.214.214</u>

Notes

Of the year's cost price approaches of DKK 23,275k relate to grants provided to the Company's subsidiaries.

	<u>Registered in</u>	<u>Corpo- rate form</u>	<u>Equity inte- rest %</u>
Investments in group enterprises comprise:			
Lunar Way A/S	Aarhus	A/S	100,0
Lunar Card A/S	Aarhus	A/S	100,0
Lunar af 27. juni 2018 A/S	Aarhus	A/S	100,0
Lunar Way AB	Stockholm	AB	100,0

	<u>Number</u>	<u>Par value DKK</u>	<u>Nominal value DKK</u>
6. Contributed capital			
A-share	125.000	1	125.000
B-share	119.460	1	119.460
	244.460		244.460

	<u>Due within 12 months 2018 DKK</u>	<u>Due after more than 12 months 2018 DKK</u>
7. Liabilities other than provisions		
Subordinate loan capital	17.751.126	0
Payables to shareholders and management	32.919.827	0
Other payables	0	1.448.523
	50.670.953	1.448.523

Subordinate loan capital and debt to shareholders and Management of a total of DKK 50,670k value at 31.12.2018 have been converted into share capital in February 2019. Thus, the loans do not require liquidity from the Company.

8. Contingent liabilities

Contingent liabilities to the subsidiaries

The Company has issued a letter of support to the subsidiaries, Lunar Way A/S and Lunar Card A/S, for the period until 31 May 2020.

Notes

Contingent liabilities to third parties

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

These financial statements include six months compared to a period of twelve months last year. Consequently, the comparative figures are not directly comparable to this year's figures

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs etc.

Other financial income

Other financial income comprises interest income on receivables from group enterprises.

Accounting policies

Impairment of financial assets

Impairment losses on financial assets comprise impairment losses on financial assets which are not measured at fair value on a current basis.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with the other Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with arefund concerning tax losses).

Balance sheet

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash

Cash comprises bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.