

Lunar Way A/S

Hack Kampmanns Plads 10

8000 Aarhus C

CVR no. 36 98 28 37

Annual Report 2022

Approved at the Company's annual general meeting on 15/06/2023

Chairman:

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Peter Christian Andreasen

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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 Way A/S for the financial year 1 January – 31 December 2022.

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

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report approved at the Annual General Meeting.

Aarhus, 15/06/2023

Executive Board:

Ken Villum Guldbrandt Klausen

Board of Directors:

Peter Christian Andreasen

Ken Villum Guldbrandt Klausen

Joachim Strøjer Hansen

Chairman

Independent auditor's report

To the Shareholders of Lunar Way A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Lunar Way A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of cash flows, statement of changes in equity and notes, including a summary of significant accounting policies.

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 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 (IESBA Code) and the additional ethical requirements applicable 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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the 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 financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the 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, in our view, Management's Review 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 in Management's Review.

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 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 financial statements unless Management either intends to liquidate the Company 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 judgment 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 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 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 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 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 Company to cease to continue as a going concern.

Evaluate the overall presentation, structure, and contents of the financial statements, including the disclosures, 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.

Hellerup, 15.06.2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Lars Dalgaard Agersted

State Authorised Public Accountant

mne46258

Company details

The Company

Lunar Way A/S
Hack Kampmanns Plads 10
8000 Aarhus C

CVR no: 36 98 28 37
Reporting period: 1 January – 31 December 2022
Domicile: Aarhus

Ownership

The company is fully owned by:
Lunar Group A/S
Hack Kampmanns Plads 10
8000 Aarhus C

Board of Directors

Peter Christian Andreasen
Ken Villum Guldbrandt Klausen
Joachim Strøjer Hansen

Executive Board

Ken Villum Guldbrandt Klausen

Auditors

PwC Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Management's review

Primary activities

Lunar Way A/S is a fintech company offering fintech solutions and management services for the other entities in Lunar Group A/S.

Financial review

The company's income statement for the year ended 31 December 2022 shows a loss of DKK 70,909 thousand (2021: loss of DKK 51,967 thousand), and the balance sheet on 31 December 2022 shows equity of DKK 68,354 thousand (2021: DKK 84,599 thousand). The result for the financial year is as expected.

During 2022 a total capital injection of DKK 45,000 thousand was received from the parent company.

The company has received a letter of support from the parent in the period until 31.12.2023 and Management therefore expects adequate liquidity for continued operations and development. Consequently, Management has presented the financial statement on the assumption of going concern.

Outlook

Lunar Way will continue to have a very strong focus to meet user expectations and continue to be the highest rated financial app in the Nordics. During 2023 Lunar will continue growth in the user base – both private and business users. Further several new products will be introduced across markets.

The result in Lunar Way A/S is largely driven by operating expenses held by the company. Most of these costs are offset by intercompany payments from other entities in the group who uses the services developed and delivered by Lunar Way. In the end the result is expected to be a profit in 2023 as Lunar is launching a number of new products the financial forecast comes with some degree of uncertainty.

Uncertainty relating to recognition and measurement.

The company has received a letter of support from the parent entity, Lunar Group A/S. On an ongoing basis, the Group management assesses the capital resources in order to assess the soundness of the group's investments in expansion. Based on Lunar Group's approved budgets and planned initiatives to ensure a faster path to profitability and support further development of the product offering to Consumers and Business across the Nordics, management assesses that through 2023 Lunar Group will comply with regulatory capital requirements and the Company will hold sufficient capital and liquidity. In the nature of budget planning, internal and external factors may create uncertainties related to realizing those and in the event of delayed time to profitability or delayed impact of new product offerings, Group management has established several contingency options related to the capital base which is considered sufficient to enable the Group to comply with capital requirements and enable the Company to hold sufficient capital and liquidity throughout 2023.

Lunar Way has recognized intangible software assets at a carrying amount of DKK 22,426 thousand.

When assessing the future projected cash flow management has based its estimates on the budgets in place to reflect the expected effect of business decisions and market developments. Management has assessed that no indication of impairment of software exists, but there is still uncertainty related to assessment.

Events after the balance sheet date

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Knowledge resources

The Lunar team is the key to realizing the vision of shaping the future of banking. With employees as the key knowledge resources, massive investments are being made in attracting and retaining the best team. Lunar regularly measures employee engagement and development with monthly questions. The employee is secured 100% anonymity and can also communicate on sensitive matters with the direct manager - also with anonymity.

The organization is involved in the results and action points are openly discussed and handled.

Lunar wants to change banking with a healthy and thriving organization, and the wellbeing and development of employees is taken very seriously in Lunar. Additionally, our Next Level initiative strives to support mental wellbeing both inside and outside the organization. Lunar works to improve the mental and physical health of the employees with meditation, yoga, healthy food and exercise both during work hours and after.

Please refer to the Lunar Group A/S Annual Report for further information.

Financial statements 1 January – 31 December

Financial highlights

	2022	2021	2020	2019	2018
Income Statement					
(DKK'000)					
Gross profit/loss	253,258	89,608	19,806	-79,736	-17,143
Operating profit/loss	-70,365	-51,610	-68,994	-126,055	-28,195
Financial income and expenses	-703	-357	-1,073	59,678	-249
Profit/loss for the year	-70,909	-51,967	-77,336	-66,377	-26,240
Balance sheet (end of period)					
(DKK'000)					
Total assets	113,385	146,090	36,646	35,566	38,607
Intangible assets	22,426	28,955	0	0	25,419
Property, plant and equipment	17,511	12,183	3,677	526	439
Equity	68,354	84,599	7,707	5,598	7,266
Cash flow statement					
(DKK'000)					
Cash flows from operating activities	-82,494	-18,394			
Cash flows from investing activities	-18,170	-42,784			
Cash flows from financing activities	45,000	115,000			
Total cash flows	-55,663	53,821			
Financial ratios					
(%)					
Equity ratio	60,3	57,9	21,0	15,7	18,8
Return on equity	-62,5	-35,6	-211,0	-186,6	-68,0

Cash flow amounts are only presented from 2021 as this is the first year that cash flow statements are prepared.

The financial ratios have been calculated as follows:

Equity ratio:
$$\frac{\text{Equity at year end} \cdot 100}{\text{Equity and liabilities at year end}}$$

Return on equity (average):
$$\frac{\text{Profit for the year} \cdot 100}{\text{Average equity}}$$

Financial statements 1 January – 31 December

Income statement

Note	DKK'000	2022	2021
2	Gross profit/loss	253,258	89,608
3	Staff costs	-309,497	-135,192
7 8	Depreciation, amortization and impairment losses	-14,127	-6,026
	Operating profit/loss	-70,365	-51,610
4	Financial income	507	324
5	Financial expenses	-1,210	-681
	Profit/loss before tax	-71,067	-51,967
6	Tax for the year	158	0
	Profit/loss for the year	-70,909	-51,967

Financial statements 1 January – 31 December

Balance sheet

Note	DKK'000	2022	2021
	ASSETS		
	Non-current assets		
7	Intangible assets		
	IT Software	41	68
	Completed development projects	22,385	25,001
	Development projects in progress	0	3,886
		22,426	28,955
8	Property, plant and equipment		
	Operating equipment	13,505	7,275
	Leasehold improvements	4,006	4,908
		17,511	12,183
	Fixed asset investments		
	Deposits	8,871	3,633
		8,871	3,633
	Total non-current assets	48,808	44,770
	Current assets		
	Inventories		
	Finished goods and goods for resale	467	513
		467	513
	Receivables		
	Receivables from group entities	41,338	29,408
	Other receivables	212	2,601
	Prepayments	12,274	2,848
		53,826	34,857
	Cash	10,286	65,949
	Total current assets	64,579	101,320
	TOTAL ASSETS	113,385	146,090

Financial statements 1 January – 31 December

Balance sheet

Note	DKK'000	2022	2021
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	500	500
	Reserve for development costs	22,385	28,887
	Retained earnings	45,469	55,212
	Total equity	68,354	84,599
	Non-current liabilities		
9	Other provisions	346	593
	Total non-current liabilities	346	593
	Current liabilities		
	Payables to group companies	4,957	189
	Trade payables	3,073	14,014
	Other payables	36,655	46,695
	Total current liabilities	44,685	60,898
	Total liabilities	45,031	61,491
	TOTAL EQUITY AND LIABILITIES	113,385	146,090

- 1 Accounting policies
- 10 Proposed distribution of profit/loss
- 11 Rent and lease liabilities
- 12 Contractual obligations and contingencies, etc.
- 13 Principles for intra-group trading

Financial statements 1 January – 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Share premium	Reserve for development expenditure	Retained earnings	Total
	Equity at 1 January 2021	500	0	0	7,207	7,707
	Capital increase	0	115,000	0	0	115,000
	Transfer to retained earnings	0	-115,000	0	115,000	0
	Share-based payments	0	0	0	13,859	13,859
10	Transferred; see distribution of profit/loss	0	0	28,887	-80,854	-51,967
	Equity at 31 December 2021	500	0	28,887	55,212	84,599
	Capital increase	0	45,000	0	0	45,000
	Transfer to retained earnings	0	-45,000	-28,887	73,887	0
	Share-based payments	0	0	0	9,664	9,664
10	Transferred; see distribution of profit/loss	0	0	22,385	-93,294	-70,909
	Equity at 31 December 2022	500	0	22,385	45,469	68,354

During the financial year the share capital has been increased from an amount of DKK 500,003 to DKK 500,004.

The share capital amounts to DKK 500,004 distributed on shares of DKK 1 each or multiple thereof.
The Company does not hold own shares.

Financial statements 1 January – 31 December

Cash flow statement

Note	DKK'000	2022	2021
	Profit/loss before tax	-71,067	-51,967
	Depreciation and amortisation	14,127	6,062
	Other adjustments of non-cash operating items	703	357
	Cash generated from operations before changes in working capital	-56,237	-45,548
	Changes in working capital	-26,213	27,153
	Corporation tax paid	-43	0
	Cash flows from operating activities	-82,494	-18,394
	Acquisition of intangible assets	-894	-32,477
	Acquisition of property, plant and equipment	-12,037	-10,942
	Payments of rental deposits (long term)	-5,238	635
	Cash flows from investing activities	-18,170	-42,784
	Capital increase	45,000	115,000
	Cash flows from financing activities	45,000	115,000
	Cash flows for the year	-55,663	53,821
	Cash and cash equivalents, beginning of year	65,949	12,128
	Cash and cash equivalents, year end	10,286	65,949

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Lunar Way A/S for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class C. Lunar Way has moved up an accounting class from B to C for financial year 2022.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

The annual report for 2022 is presented in DKK thousands.

Basis of recognition and measurement

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

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Uncertainty relating to recognition and measurement.

The company has received a letter of support from the parent entity, Lunar Group A/S. On an ongoing basis, the Group management assesses the capital resources in order to assess the soundness of the group's investments in expansion. Based on Lunar Group's approved budgets and planned initiatives to ensure a faster path to profitability and support further development of the product offering to Consumers and Business across the Nordics, management assesses that through 2023 Lunar Group will comply with regulatory capital requirements and the Company will hold sufficient capital and liquidity. In the nature of budget planning, internal and external factors may create uncertainties related to realizing those and in the event of delayed time to profitability or delayed impact of new product offerings, Group management has established several contingency options related to the capital base which is considered sufficient to enable the Group to comply with capital requirements and enable the Company to hold sufficient capital and liquidity throughout 2023.

Lunar Way has recognized intangible software assets at a carrying amount of DKK 22,426 thousand.

When assessing the future projected cash flow management has based its estimates on the budgets in place to reflect the expected effect of business decisions and market developments. Management has assessed that no indication of impairment of software exists, but there is still uncertainty related to assessment.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Non-current assets acquired in foreign currency are measured at the exchange rate at the transaction date.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of sales and other external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is measured at the fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost and adjustments for the financial year of other provisions.

Other external expenses

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

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

The item comprises amortisation/ depreciation of intangible assets and property, plant and equipment. The basis of amortisation/ depreciation, which is calculated as cost less any residual value, is amortised/ depreciated on a straight-line basis over the expected useful life. The expected useful lives of the assets are as follows:

Operating equipment	3-5 years
Leasehold improvements	3-5 years
Completed development projects	5 years

Financial income

Financial income comprises interest income from external parties as well as exchange gains.

Financial expenses

Financial expenses comprise exchange losses and interest cost, including interest costs on payables to group entities etc.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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 recognized in the income statement by the portion attributable to the profit for the year and recognized directly in equity by the portion attributable to entries directly in equity.

The Company is jointly taxed with Lunar Group A/S and all Danish group companies. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intangible assets

On initial recognition, intangible assets are measured at cost.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the company can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred.

The cost of development projects comprises costs such as salaries and costs that are directly attributable to the development projects.

Completed development projects are amortised on a straight-line over a five-year period.

Development projects are written down to the lower of recoverable amount and carrying amount.

An impairment test is performed for intangible assets if there is objective evidence of impairment. The impairment test is made for the activity or business area to which the intangible assets relate.

Property, plant and equipment

Leasehold improvements and operating equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made over a five-year period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Fixed asset investments

Fixed asset investments comprise deposits. Fixed asset investments are measured at cost.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Inventories

Inventories comprises of goods ready for re-sale which are measured at cost based on FIFO method less impairment losses and costs of sale.

Cost comprises the acquisition price, costs of directly attributable to the acquisition and preparation costs.

Receivables from group entities

Receivables from group entities are recognised at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables. An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Other receivables

Other receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises bank deposits.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Share-based payments

The value of share-based payments is recognised in the income statement as the vesting period proceeds.

Other provisions

Other provisions comprise anticipated costs of loss on contract etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Financial liabilities

Financial liabilities comprising amounts owed to trade payables are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value.

Financial highlights

Financial highlights are disclosed on page 12.

Cash flows from operating activities

Cash flows from operating activities are calculated as profit/loss for the year adjusted for non-cash operating items and changes in working capital.

Cash flows from investing activities

Cash flows from investing activities comprise cash payments in connection with acquisition and disposal of intangible assets and property, plant and equipment.

Cash flows from financing activities

Cash flows from financing activities comprise payment of contributed capital as well as rising of loans, repayment of interest-bearing debt, and payments to shareholders.

Financial statements 1 January – 31 December

Notes

2 Gross profit/loss

The majority of the gross profit is driven by related party transactions settled on arm's length basis through the cost plus method.

DKK'000	2022	2021
3 Staff costs		
Wages and salaries	226,599	120,793
Pensions	22,020	5,130
Other social security costs	2,804	1,331
Other staff costs	49,305	8,743
Share-based payments	9,664	13,859
	310,392	149,856
Staff costs classified as assets	-894	-14,664
	309,498	135,192
 Average number of employees	 308	 182
 4 Financial income		
Other financial income	507	324
	507	324
 5 Financial expenses		
Interest expenses to group entities	113	14
Other financial expenses	1,097	667
	1,210	681
 6 Tax for the year		
Prior year tax adjustment	158	0
	158	0

Financial statements 1 January – 31 December

Notes

7 Intangible assets

DKK'000	IT Software	Completed development projects	Development projects in progress	Total
Cost at 1 January 2022	81	28,591	3,886	32,558
Additions	0	894	0	894
Transfers	0	3,886	-3,886	0
Cost at 31 December 2022	81	33,371	0	33,452
Amortisation at 1 January 2022	13	3,590	0	3,603
Amortisation for the year	27	7,397	0	7,424
Impairment losses and amortisation at 31 December 2022	40	10,987	0	11,027
Carrying amount at 31 December 2022	41	22,385	0	22,426

DKK'000	IT Software	Completed development projects	Development projects in progress	Total
Cost at 1 January 2021	81	0	0	81
Additions	0	0	32,477	32,477
Transfers	0	28,591	-28,591	0
Cost at 31 December 2021	81	28,591	3,886	32,558
Amortisation at 1 January 2021	13	0	0	13
Amortisation for the year	0	3,590	0	3,603
Impairment losses and amortisation at 31 December 2021	13	3,590	0	3,603
Carrying amount at 31 December 2021	68	25,001	3,886	28,955

8 Property, plant and equipment

DKK'000	Operating equipment	Leasehold improvement	Total
Cost at 1 January 2022	9,155	6,280	15,435
Additions	11,407	631	12,037
Disposals	-6	0	-6
Cost at 31 December 2022	20,556	6,911	27,466
Amortisation and impairment losses at 1 January 2022	1,880	1,372	3,252
Amortisation for the year	5,171	1,533	6,703
Amortisation and impairment losses at 31 December 2022	7,051	2,905	9,955
Carrying amount at 31 December 2022	13,505	4,006	17,511

DKK'000	Operating equipment	Leasehold improvement	Total
Cost at 1 January 2021	2,373	2,853	5,226
Additions	6,782	4,160	10,942
Disposals	0	-733	-733
Cost at 31 December 2021	9,155	6,280	15,435
Amortisation and impairment losses at 1 January 2021	338	1,211	1,549
Amortisation for the year	1,542	894	2,436
Reversed amortisation on disposals	0	-733	-733
Amortisation and impairment losses at 31 December 2021	1,880	1,372	3,252
Carrying amount at 31 December 2021	7,275	4,908	12,183

9 Other provisions

The Company has signed contracts with payment processing providers with a maximum period of interminability until December 2023. The contracts are interdependent, and that is why Management has assessed them collectively.

Management has estimated the future cash flows showing that the contracts entered are onerous. In the financial statements, Management has made a provision for the estimated net expense in the period of interminability.

Financial statements 1 January – 31 December

Notes

DKK'000	2022	2021
10 Distribution of profit/loss		
Transferred to reserve for development costs	22,385	28,887
Transferred to retained earnings	-93,294	-80,854
	-70,909	-51,967

11 Rent and lease liabilities

Liabilities under rental or lease agreements until maturity in total DKK 24,255 thousand (2021: DKK 33,167 thousand).

12 Contractual obligations and contingencies, etc.

Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which Lunar Group A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company 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 the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

Financial statements 1 January – 31 December

Notes

13 Principles for intra-group trading

Intra-group transactions and services are settled on an arm's length basis.

DKK'000	2022	2021
Income statement		
Re-invoiced staff costs (not only to mother company)	24,643	10,317
Outsourcing invoiced to Lunar Bank	419,039	260,328
Outsourcing invoiced to other group entities	5,389	82
Development projects invoiced to affiliated companies	58,023	16,954
Outsourcing invoiced from other group entities	5,254	0
Intercompany interest expenses from Lunar Bank	113	14
Intercompany interest income from affiliated companies	0	0
3 Share-based payments	9,664	13,859
Balance sheet		
Receivables to affiliated companies	41,339	49,485
Payables to affiliated companies	4,957	18,447

14 Related parties

Lunar Way is 100 % owned by Lunar Group A/S, Hack Kampmanns Plads 10, 8000 Aarhus C. Lunar Group A/S is the ultimate parent company, and the consolidated financial statements are available from The Central Business Register's website; www.cvr.dk.