

LUNAR[®]

LUNAR CARD A/S

Central Business Registration No. 38 80 81 17



Annual
Report
2019

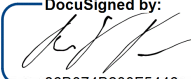
Lunar Card A/S

Skovvejen 2
8000 Aarhus

CVR no. 38 80 81 17

Annual Report for 2019

The Annual Report was presented and adopted at
the Annual General Meeting of the Company on

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Chairman

Lunar Card A/S

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Lunar Card A/S

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 Card A/S for the financial year 1 January - 31 December 2019.

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

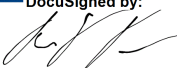
In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of the operations for the financial year 01.01.2019 - 31.12.2019.

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

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

Aarhus, 5 May 2020


Executive Board

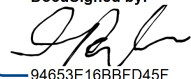
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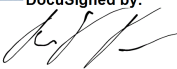
Board of Directors


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Henning Kruse Petersen

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Gary Stephen Bramall

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Tuva Lo Palm

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Lars Andersen

Lunar Card A/S**Independent auditor's report****To the shareholder of Lunar Card A/S****Opinion**

We have audited the financial statements of Lunar Card A/S for the financial year 01.01.2019 – 31.12.2019, 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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 – 31.12.2019 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 our report. We are independent of the Entity in accordance with the International Ethics Standards Board for 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.

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 the 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.

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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Lunar Card A/S

Independent auditor's report

- 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 contents 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's review

Management is responsible for management's commentary.

Our opinion on the financial statements does not cover the management's 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.

Moreover, it is our responsibility to consider whether the management's 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.

Copenhagen, 5 May 2020

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 33 96 35 56

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Jakob Lindberg

State Authorised Public Accountant

MNE no. mne40824

Lunar Card A/S

Company details

The company

Lunar Card A/S
Skovvejen 2
8000 Aarhus

CVR no.: 38 80 81 17

Reporting period: 1 January - 31 December 2019

Domicile: Aarhus

Board of Directors

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

Executive Board

Ken Villum Guldbrandt Klausen

Auditors

Deloitte
Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 København S

Lunar Card A/S

Management's review

Primary activities

Lunar Card is a fintech company offering banking services specifically within currency exchange and card issuance through our mobile platform.

Financial review

The loss for the financial year amounted to DKK 57.951, which is as expected.

The comparison figures covers the period from 1 July 2018 to 31 December 2018.

The company has received a letter of support from the parent, Lunar Group ApS in the period until 31.05.2021, and Management therefore expects adequate liquidity for continued operations and development.

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

Uncertainty relating to recognition and measurement

The company has signed contracts with a number of payment processing providers on delivery of financial services to the company's users. The contracts are interdependent, and Management has therefore estimated total net expenses of the contracts until expiry of the last contract.

Net expenses are estimated at DKK 280.000 by Management, and the contracts are estimated to be onerous. The onerous contracts are recognised as "other provisions" in the balance sheet and effect the financial performance for the year by an equivalent amount.

Net expenses are estimated based on the company's historical number of users and the realised growth in users in the period until the presentation of the financial statements. The company's income and expenses are highly variable depending on the number of users.

Due to the forecast for the future number of users, estimated net expenses may be subject to uncertainty.

Significant events occurring after the end of the financial year

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

Lunar Card A/S

Accounting policies

Reporting class

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

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

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.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payable 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 recognized in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

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

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognized net of duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns as well as adjustments for the financial year of other provisions.

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.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income

Financial income comprises interest income, exchange gains on payables and transactions in foreign currencies etc.

Lunar Card A/S

Accounting policies

Financial costs

Financial costs comprises interest cost, including interest costs on payables to group enterprises etc.

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 Lunar Holding Aps and all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intangible assets.

Intangible assets comprise development projects completed, which is measured at cost less accumulated depreciation.

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 enterprise 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 amortisation 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.

Stocks

Stocks are measured at the lower of cost using the FIFO method and net realizable value.

Cost consists of purchase price plus delivery costs.

The net realizable value of stocks is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

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

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for 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.

Cash

Cash comprises bank deposits.

Income tax payable or receivable

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

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Lunar Card A/S

Accounting policies

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.

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at costs.

Other financial liabilities

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

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at costs.

Lunar Card A/S**Income statement 1 January - 31 December**

	Notes	2019 DKK	1.7-31.12.18 DKK
Gross loss		-23.232	-2.194.216
Staff costs	1	0	0
Depreciation, amortisation and impairment losses		0	-1.821.960
Operating profit/loss		-23.232	-4.016.176
Other financial income		0	16.882
Other financial expenses	2	-34.719	-11.589
Profit/loss before tax		-57.951	-4.010.883
Tax on profit/loss for the year	3	0	249.000
Profit/loss for the year		-57.951	-3.761.883
 Recommended appropriation of profit/loss			
Retained earnings		-57.951	-3.761.883
		-57.951	-3.761.883

Lunar Card A/S**Balance sheet at 31 December 2019**

	Note	2019 DKK	2018 DKK
Assets			
Completed development projects	4	<u>0</u>	<u>0</u>
Intangible assets		<u>0</u>	<u>0</u>
Current assets			
Manufactured goods and goods for resale		<u>0</u>	253.844
Stocks		<u>0</u>	<u>253.844</u>
Other receivables	5	2.015.452	2.108.436
Joint taxation contributions receivable		452.000	452.000
Receivables		<u>2.467.452</u>	<u>2.560.436</u>
Cash		<u>363.488</u>	<u>144.043</u>
Total current assets		<u>2.830.940</u>	<u>2.958.323</u>
Total assets		<u>2.830.940</u>	<u>2.958.323</u>

Lunar Card A/S**Balance sheet at 31 December 2019**

	Notes	2019 DKK	2018 DKK
Equity and liabilities			
Equity			
Contributed capital		500.000	500.000
Retained earnings		986.853	675.832
Equity	6	<u>1.486.853</u>	<u>1.175.832</u>
Other provisions	7	<u>280.000</u>	<u>1.300.000</u>
Total provisions		<u>280.000</u>	<u>1.300.000</u>
Trade payables		603.484	254.679
Other payables		168.268	0
Deferred income	8	<u>292.335</u>	<u>227.812</u>
Total current liabilities		<u>1.064.087</u>	<u>482.491</u>
Total liabilities		<u>1.064.087</u>	<u>482.491</u>
Total equity and liabilities		<u>2.830.940</u>	<u>2.958.323</u>
Contingent liabilities	9		

Lunar Card A/S**Notes**

	2019 DKK	1.7-31.12.18 DKK
1 Staff costs		
Average number of employees	<u>2</u>	<u>3</u>
<p>All group staff are employed in Lunar Way A/S. The Company is reinviced for the management fee, which is recognised under "Other external expenses", which is aggregated in the item "Gross profit/loss".</p> <p>Management has made an estimated calculation of the average number of employees.</p>		
2 Other financial expenses		
Financial expenses, group entities	34.200	7.585
Other interest expenses	<u>519</u>	<u>4.004</u>
	<u>34.719</u>	<u>11.589</u>
3 Tax on profit/loss for the year		
Deferred tax for the year	<u>0</u>	<u>-249.000</u>
	<u>0</u>	<u>-249.000</u>

Lunar Card A/S**Notes****4 Intangible assets**

	Completed development projects DKK
Cost beginning of year	2.024.400
Cost end of year	2.024.400
Amortisation and impairment losses beginning of year	2.024.400
Amortisation and impairment losses end of year	2.024.400
Carrying amount at 31 December 2019	0

In the beginning of 2018 the company launched the product Travel Card.

Travel Card is based on a subscription arrangement in which the customer has access to the company's mobile app and currency exchange using real-time exchange rates.

The estimated cash flow statements for 2020 and the next few years are negative. In consequence, the company has written down the completed project to DKK 0.

5 Other receivables

Other receivables include DKK 1.972k relating to receivables from the payment partner that may vary depending on the number of users and transactions. The loan is considered a bullet loan between the parties.

6 Equity

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity at 1 January 2019	500.000	675.832	1.175.832
Net profit/loss for the year	0	-57.951	-57.951
Contribution from group	0	368.972	368.972
Equity at 31 December 2019	500.000	986.853	1.486.853

There have been no changes in the contributed capital since the founding of the Company.

Notes

7 Other provisions

The company has signed contracts with payment processing providers with a maximum period of interminability until 1. August 2020. 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 into are onerous. In the financial statements, Management has made a provision for the estimated net expense in the period of interminability.

8 Deferred income

Deferred income consists of annual membership fees invoiced to the company's customers relating to the coming year.

9 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which Lunar Group ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from 17.07 2017 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.

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