

Lunar Card A/S

Hack Kampmanns Plads 10

8000 Aarhus C

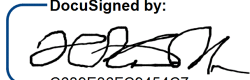
CVR no. 38 80 81 17

Annual Report 2020

Approved at the Company's annual general meeting on 25 March 2021

Chairman:

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Henning Kruse Petersen

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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 Card A/S for the financial year 1 January – 31 December 2020.

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 financial position of the Company at 31 December 2020 and of the results of its operations for the financial year 1 January – 31 December 2020.

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, 25 March 2021

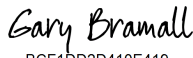
Executive Board:

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Ken Villum Guldbrandt Klausen

Board of Directors:

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Henning Kruse Petersen
Chairman

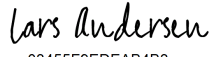
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Gary Stephen Bramall

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Tuva Lo Palm

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Ken Villum Guldbrandt Klausen

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Lars Andersen

Independent auditor's report

To the shareholders of Lunar Card A/S

Opinion

We have audited the financial statements of Lunar Card A/S for the financial year 1 January – 31 December 2020, 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 December 2020 and of the results of its operations for the financial year 1 January – 31 December 2020 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 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 rules and 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and 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's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 of the Management's review.

Copenhagen, 25 March 2021

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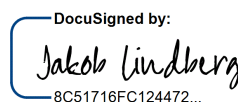
Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 33 96 35 56

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Kasper Bruhn Udam
State Authorised Public Accountant
MNE no 29421

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Jakob Lindberg
State Authorised Public Accountant
MNE no 40824

Company details

The Company

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

CVR no: 38 80 81 17
Reporting period: 1 January – 31 December 2020
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

Management's review

Primary activities

Lunar Card A/S is a fintech company offering banking services specifically within currency exchange and card issuance through our mobile platform. In 2020 the migration of Travel Card users to Lunar Bank A/S was initiated. Hence, the activities at the end of the year are limited.

Financial review

The loss for the financial year amounted to DKK 614,090, which is as expected.

During 2020 a capital injection of DKK 4,000,000 was received from the parent company.

Events after the balance sheet date

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

Financial statements 1 January – 31 December

Income statement

Note	DKK	2020	2019
	Gross profit/loss	<u>-111,643</u>	<u>-23,232</u>
2	Staff costs	<u>0</u>	<u>0</u>
	Profit/loss before net financials	<u>-111,643</u>	<u>-23,232</u>
3	Financial expenses	<u>-50,447</u>	<u>-34,719</u>
	Profit/loss before tax	<u>-162,090</u>	<u>-57,951</u>
4	Tax for the year	<u>-452,000</u>	<u>0</u>
	Profit/loss for the year	<u><u>-614,090</u></u>	<u><u>-57,951</u></u>
	Proposed distribution of profit/loss		
	Transferred to retained earnings	<u>-614,090</u>	<u>-57,951</u>
		<u><u>-614,090</u></u>	<u><u>-57,951</u></u>

Financial statements 1 January – 31 December

Balance sheet

Note	DKK	2020	2019
	ASSETS		
	Non-current assets		
5	Intangible assets		
	Completed development projects	0	0
		0	0
	Total non-current assets	0	0
	Current assets		
	Receivables		
	Receivables from group entities	745,540	0
	Other receivables	97,097	2,015.452
	Joint taxation contributions receivable	0	452,000
		842,637	2,467,452
	Cash	4,332,047	363,488
	Total current assets	5,174,684	2,830,940
	TOTAL ASSETS	5,174,684	2,830,940

Financial statements 1 January – 31 December

Balance sheet

Note	DKK	2020	2019
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	580,000	500,000
	Retained earnings	4,292,763	986,853
	Total equity	4,872,763	1,486,853
	Non-current liabilities		
6	Other provisions	0	280,000
	Total non-current liabilities	0	280,000
	Current liabilities		
	Trade payables	301,921	603,484
	Other payables	0	168,268
	Deferred income	0	292,335
	Total current liabilities	301,921	1,064,087
	Total liabilities	301,921	1,344,087
	TOTAL EQUITY AND LIABILITIES	5,174,684	2,830,940

1 Accounting policies

7 Contractual obligations and contingencies, etc.

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Share capital	Share premium	Retained earnings	Total
Equity at 1 January 2019	500,000	0	675,832	1,175,832
Contribution from group	0	0	368,972	368,972
Transferred; see distribution of profit/loss	0	0	-57,951	-57,951
Equity at 1 January 2020	500,000	0	986,853	1,486,853
Capital increase	80,000	3,920,000	0	4,000,000
Transfer to retained earnings	0	-3,920,000	3,920,000	0
Transferred; see distribution of profit/loss	0	0	-614,090	-614,090
Equity at 31 December 2020	580,000	0	4,292,763	4,872,763

The share capital amounts to DKK 580,000 distributed on shares of DKK 1 each or multiple thereof.
The Company does not hold own shares.

The share capital has been increased in December 2020 from an amount of DKK 500,000 into DKK 580,000.

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Lunar Card A/S for 2020 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

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

The annual report for 2020 is presented in DKK.

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, 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.

Income statement

Gross profit or loss

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

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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.

Financial expenses

Financial expenses comprise interest cost, including interest costs on payables to group entities 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 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 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.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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.

Other receivables

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

Joint taxation contributions receivables or payable

Current joint taxation contributions payable or joint taxation contributions receivables 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 receivables 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 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.

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.

Deferred income

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

Financial statements 1 January – 31 December

Notes

DKK	<u>2020</u>	<u>2019</u>
2 Staff costs		
Average number of full-time employees	<u>1</u>	<u>2</u>
<p>All group staff are employed in Lunar Way A/S. The company is re invoiced 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>		
3 Financial expenses		
Interest expenses to group entities	48,432	34,200
Other financial expenses	<u>2,015</u>	<u>519</u>
	<u>50,447</u>	<u>34,719</u>
4 Tax for the year		
Prior year tax adjustment	<u>452,000</u>	<u>0</u>
	<u>452,000</u>	<u>0</u>

Financial statements 1 January – 31 December

Notes

5 Intangible assets

DKK	Completed development projects
Cost at 1 January 2020	2,024,400
Disposals	-2,024,400
Cost at 31 December 2020	0
Depreciation and impairment losses at 1 January 2020	2,024,400
Reversal of depreciation and impairment losses	-2,024,400
Depreciation and impairment losses at 31 December 2020	0
Carrying amount at 31 December 2020	0

6 Other provisions

The Company's contract with payment processing providers ended during the financial year of 2020 whilst there are no onerous contracts left.

7 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 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.