Logos Smart Card A/S

Hørkær 16, 2730 Herlev

CVR no. 25 36 01 92

Annual report 2019

Approved at the Company's annual general meeting on

Chairman:

Gabriela Moreno

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Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Financial statements 1 January - 31 December	7
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes to the financial statements	11

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Logos Smart Card A/S for the financial year 1 January - 31 December 2019.

The annual report is prepared 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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019.

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 be approved at the annual general meeting.

Herlev, 24 August 2020
Executive Board:

Salvador Gerardo Cabrera Aguilar

Board of Directors:

CARLOS AFFONSO SEIGNEUR D ALBUQUERQUE:01127596705
Assinado de forma digital por CARLOS AFFONSO SEIGNEUR D ALBUQUERQUE:01127596705
Dados: 2020.08.24 18:04:05 -03'00'

Carlos Affonso Seigneur d'Albuquerque
Chairman

RITA CRISTIANE RIBEIRO CARVALHO:01670627780
Assinado de forma digital por RITA CRISTIANE RIBEIRO CARVALHO:01670627780
Dados: 2020.08.24 17:08:00 -03'00'

Rita Cristiane Ribeiro Carvalho
Vice Chairman

Salvador Gerardo Cabrera Aguilar

Independent auditor's report

To the shareholders of Logos Smart Card A/S

Opinion

We have audited the financial statements of Logos Smart Card A/S for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 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 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company 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.

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 as to 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 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 Company's internal control.

Independent auditor's report

- 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 note 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.

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 Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 24 August 2020
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jes Lauritzen	Simon M. Laursen
State Authorised Public Accountant	State Authorised Public Accountant
mne10121	mne45894

Management's review

Company details

Name	Logos Smart Card A/S
Address, Postal code, City	Hørkær 16, 2730 Herlev
CVR no.	25 36 01 92
Established	28 April 2000
Registered office	Herlev
Financial year	1 January - 31 December
Board of Directors	Carlos Affonso Seigneur d'Albuquerque, Chairman Rita Cristiane Ribeiro Carvalho, Vice Chairman Salvador Gerardo Cabrera Aguilar
Executive Board	Salvador Gerardo Cabrera Aguilar
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

Management's review

Business review

The Company’s principal activities consist of development, production and trading with electronics and computer software.

Financial review

The income statement for 2019 shows a profit of USD 1,638,298 against a profit of USD 679,054 last year, and the balance sheet at 31 December 2019 shows equity of USD 10,947,255.

Events after the balance sheet date

The outbreak of Coronavirus (COVID-19) pandemic globally forced to cease or limit business operations for a short period of time. Measures are being taken to contain the spread of COVID-19, including travel bans, social distancing and closure of non-essential services. This resulted in an economic slowdown, which will have impact on the business of the Company.

The Company is monitoring the developments of the coronavirus situation closely, assessing and reacting actively to its impacts on the financial position and operating results of the Company. Given the dynamic nature of these circumstances, the related impact on the Company’s results of operations, cash flows and financial condition could not be reasonably estimated at this stage and will be reflected in the Company’s financial statements for the financial year ending 31 December 2020.

No other events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	USD	2019	2018
	Gross profit	2,876,437	1,318,787
6	Distribution costs	-198,889	-158,724
6	Administrative expenses	-498,332	-291,074
	Operating profit	2,179,216	868,989
	Financial income	40,357	55,153
	Financial expenses	-53,729	-59,935
	Profit before tax	2,165,844	864,207
2	Tax for the year	-527,546	-185,153
	Profit for the year	1,638,298	679,054

Recommended appropriation of profit		
Other statutory reserves	627,676	728,424
Retained earnings/accumulated loss	1,010,622	-49,370
	1,638,298	679,054

Financial statements 1 January - 31 December

Balance sheet

Note	USD	2019	2018
	ASSETS		
	Fixed assets		
3	Intangible assets		
	Completed development projects	1,406,656	1,352,982
	Acquired intangible assets	214,158	350,678
	Software rights	4,051	6,778
	Development projects in progress and prepayments for intangible assets	2,415,894	1,664,855
		4,040,759	3,375,293
4	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	14,891	28,404
	Right-of-use assets	205,534	0
		220,425	28,404
	Investments		
	Deposits, investments	34,156	34,194
		34,156	34,194
	Total fixed assets	4,295,340	3,437,891
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	6,107,716	1,484,647
		6,107,716	1,484,647
	Receivables		
	Trade receivables	3,022,394	648,795
	Receivables from group entities	7,652,794	5,864,900
	Other receivables	17,097	12,226
	Prepayments	98,635	86,635
		10,790,920	6,612,556
	Cash	146,287	308,445
	Total non-fixed assets	17,044,923	8,405,648
	TOTAL ASSETS	21,340,263	11,843,539

Financial statements 1 January - 31 December

Balance sheet

Note	USD	2019	2018
	EQUITY AND LIABILITIES		
	Equity		
5	Share capital	89,940	89,940
	Reserve for development costs	2,981,588	2,353,912
	Retained earnings	7,875,727	6,865,105
	Total equity	10,947,255	9,308,957
	Provisions		
	Deferred tax	753,915	561,308
	Total provisions	753,915	561,308
	Liabilities other than provisions		
	Non-current liabilities other than provisions		
	Lease liabilities	213,475	0
	Other payables	109,881	0
		323,356	0
	Current liabilities other than provisions		
	Prepayments received from customers	11,461	10,860
	Trade payables	1,403,355	65,786
	Payables to group entities	1,657,721	1,429,943
	Other payables	6,243,200	466,685
		9,315,737	1,973,274
	Total liabilities other than provisions	9,639,093	1,973,274
	TOTAL EQUITY AND LIABILITIES	21,340,263	11,843,539

1 Accounting policies
7 Contractual obligations and contingencies, etc.
8 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

USD	Share capital	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2019	89,940	2,353,912	6,865,105	9,308,957
Transfer through appropriation of profit	0	627,676	1,010,622	1,638,298
Equity at 31 December 2019	89,940	2,981,588	7,875,727	10,947,255

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Logos Smart Card A/S for 2019 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.

Changes in accounting policies

IFRS 16 – Leases

Effective from 1 January 2019, the Company has implemented IFRS 16 for purposes of interpreting the provisions of the Danish Financial Statements Act on leases. When implementing the standard, the modified retrospective transition method was used. Leased assets and lease commitments have been recognised in the balance sheet at 1 January 2019, and comparative figures have not been restated but are still presented in accordance with the current accounting policies based on IAS 17. The current accounting policy for leases is described separately.

In future, the Company must recognise all leases in the balance sheet with a few exceptions. This means that the Company must recognise a lease commitment measured at the present value of the future lease payments as described below and a corresponding lease asset adjusted for payments that have been made to the lessor prior to the commencement of the lease and incentive payments received from the lessor.

In accordance with the transition options of IFRS 16, when implementing IFRS 16, the Company has chosen:

- Not to reassess whether a contract is or comprises a lease.
- Not to recognise leases with a term of less than 12 months or of low value.
- Not to recognise leases with a remaining term of less than 12 months at 1 January 2019.
- Not to recognise direct costs related to recognised leased assets.
- To determine a discount rate on a portfolio of leases with similar characteristics.

When assessing the expected lease term of leases on properties, used for production and administration, it is the Company's assessment that the expected lease term is 3 years.

When implementing IFRS 16 at 1 January 2019, the Company recognised a leased asset of USD 308 thousand and a lease commitment of USD308 thousand. The equity effect was thus DKK 0 thousand at 1 January 2019. Profit for 2019 has decreased by USD 5 thousand. Other external costs were reduced by USD 104 thousand, and depreciation and amortisation as well as finance costs increased by USD 103 thousand and USD 6 thousand, respectively.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

IFRS 15 – Revenue from Contracts with Customers

Effective from the 1. january 2019, the Company also has chosen to implement IFRS 15 Revenue from Contracts with Customers as interpretation basis for the provisions of the Danish Financial Statements Act on recognition of income. IFRS 15 replaces the current standards on revenue (IAS 11 and IAS 18) and related interpretations and introduces a new model for recognising and measuring revenue from contracts with customers.

The Company has implemented IFRS 15 with modified retrospective effect (the cumulative effect method). The cumulative effect of the IFRS 15 implementation has been recognised directly in equity at 1 January 2019. Comparative figures for 2018 have not been restated.

The most significant changes in IFRS 15 compared to current accounting policies are:

- A sales transaction must be recognised as revenue in profit or loss in line with the transfer of control (which can take place either at a given date or over time) over the goods or services to the customer. The current risk and rewards concept has thus been replaced by a control concept.
- More detailed guidelines on how to identify partial transactions under a customer contract and how to recognise and measure the individual components.

When implementing IFRS 15, the Company has recognised a cumulative equity effect of USD 0 thousand at 1 January 2019.

Reporting currency

The financial statements are presented in USD as the Company's most significant transactions are settled in USD. At the balance sheet date, the DKK/USD exchange rate was 6,6608.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate 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 and payables and other monetary items denominated in foreign currencies are translated at the exchange rate 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 most recent financial statements is recognised in the income statement as financial income or financial expenses.

Leases

The Company has chosen to use IFRS 16 as interpretation basis for the provisions of the Danish Financial Statements Act on recognition of leases.

Leased assets and lease commitments are recognised in the balance sheet when the leased asset under a lease entered into regarding a specific identifiable asset is made available to the Company in the lease term, and when the Company in this connection obtains the right to almost all economic benefits from the use of the identified asset and the right to control the use of the identified asset.

The lease commitment is measured at amortised cost according to the effective interest method. The lease commitment is recalculated when the underlying contractual cash flows change due to changes in index or interest rate if the Company's estimate of a residual value guarantee changes or if the Company changes its assessment of whether call options, extension options or termination options can reasonably be expected to be exercised.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

On initial recognition, the leased asset is measured at cost, which corresponds to the value of the lease commitment adjusted for prepaid lease payments plus directly related costs and estimated costs for demolition, repairs or the like less discounts received or other types of incentive payments from the lessor.

Subsequently, the asset is measured at cost less accumulated depreciation and impairment losses. The leased asset is depreciated over the shorter of the lease term and the useful life of the leased asset. Depreciation charges are recognised on a straight-line basis in profit or loss.

The leased asset is adjusted for changes to the lease commitment due to changes to the terms of the lease or changes to the cash flows of the lease concurrently with changes to an index or an in-terest rate.

The comparative figures are prepared with IAS 17 as interpretation for classification and recognition of leases.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income statement

Revenue

The Company has chosen IFRS 15 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods is recognised in revenue when the control has been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross profit

The items revenue, production costs and other operating income have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Production costs

Production costs comprise costs incurred in generating the revenue for the year. Such costs include direct and indirect costs of raw materials, consumables and production staff, rent and leases, as well as depreciation on production plant.

Production costs also comprise research and development costs that do not qualify for capitalisation and amortisation of capitalised development costs.

Distribution costs

Distribution costs comprise costs related to the distribution of goods sold in the year and to sales campaigns, etc. carried out in the year, including costs related to sales staff, advertising, exhibitions and amortisation/depreciation.

Administrative expenses

Administrative expenses include expenses incurred in the year for company management and administration, including expenses relating to administrative staff, Management, office premises and expenses as well as amortisation/depreciation of assets used for administrative purposes.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives of the assets are as follows:

Fixtures and fittings, other plant and equipment	3-5 years
Right-of-use assets	3 years
Completed development projects	3-5 years

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Intangible assets

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 3 years and cannot exceed 5 years.

Licences are measured at cost less accumulated amortisation and impairment losses. Licences are amortised over the term of the licence.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Rights to software held exclusively for sale to other parties or to be consumed in the production process or in the rendering of services are classified in inventory as raw materials and consumables. The Company recognises these software rights as production costs as the rights are consumed.

These software rights are measured at cost in accordance with the average cost method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

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.

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.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprises cash and is subject only to minor risks of changes in value.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

Financial statements 1 January - 31 December

Notes to the financial statements

USD	2019	2018
2 Tax for the year		
Estimated tax charge for the year	334,939	76,938
Deferred tax adjustments in the year	192,607	108,215
	527,546	185,153

3 Intangible assets

USD	Completed development projects	Acquired intangible assets	Software rights	Development projects in progress and prepayments for intangible assets	Total
Cost at 1 January 2019	3,807,514	1,515,736	10,668	1,664,855	6,998,773
Additions	0	0	0	1,449,487	1,449,487
Transferred	698,448	0	0	-698,448	0
Cost at 31 December 2019	4,505,962	1,515,736	10,668	2,415,894	8,448,260
Impairment losses and amortisation at 1 January 2019	2,454,532	1,165,058	3,890	0	3,623,480
Amortisation for the year	644,774	136,520	2,727	0	784,021
Impairment losses and amortisation at 31 December 2019	3,099,306	1,301,578	6,617	0	4,407,501
Carrying amount at 31 December 2019	1,406,656	214,158	4,051	2,415,894	4,040,759

Management has performed an assessment of whether there is any indications that intangible assets may be impaired and on this basis concluded that there is no present impairment indicators at the balance sheet date 31 December 2019.

4 Property, plant and equipment

USD	Fixtures and fittings, other plant and equipment	Right-of-use assets	Total
Cost at 1 January 2019	246,902	0	246,902
Additions	1,656	308,301	309,957
Cost at 31 December 2019	248,558	308,301	556,859
Impairment losses and depreciation at 1 January 2019	218,498	0	218,498
Depreciation	15,169	102,767	117,936
Impairment losses and depreciation at 31 December 2019	233,667	102,767	336,434
Carrying amount at 31 December 2019	14,891	205,534	220,425

Financial statements 1 January - 31 December

Notes to the financial statements

5 Share capital

Analysis of changes in the share capital over the past 5 years:

DKK	2019	2018	2017	2016	2015
Opening balance	510,000	510,000	500,000	500,000	500,000
Capital increase	0	0	10,000	0	0
	510,000	510,000	510,000	500,000	500,000

6 Staff costs

Staff costs are recognised as follows in the financial statements:

USD	2019	2018
Production	1,485,949	1,520,138
Distribution	150,386	135,476
Administration	100,902	146,951
	1,737,237	1,802,565
Average number of full-time employees	24	25

7 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with its parent company, Valid A/S, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

8 Related parties

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Valid Soluções S.A.	Rio de Janeiro, Brazil	Av. Pres. Wilson, 231 16ºfloor, Centro, Rio de Janeiro, 20030 905
Valid Soluciones Tecnologicas S.A.U.	Madrid, Spain	Avenida de Manoteras, 20 Edificio Tokyo 3ª Planta Madrid 28050 Spain