

# Valid Holding Denmark ApS

Hørkær 16, 2. sal, 2730 Herlev

CVR no. 27 67 19 69

## Annual report

for the year 1 January - 31 December 2021

Approved at the Company's annual general meeting on 29 June 2022

Chairman:

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Gabriela Moreno

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## 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 Valid Holding Denmark ApS for the financial year 1 January - 31 December 2021.

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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

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, 29 June 2022

Executive Board:

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Salvador Gerardo Cabrera  
Aguilar  
(CEO)

Board of Directors:

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Ivan Luiz Murias Dos Santos  
Chairman

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Olavo Regal Maia Mendes  
Vaz  
Vice Chairman

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Salvador Gerardo Cabrera  
Aguilar

## **Independent auditor's report**

### **To the shareholders of Valid Holding Denmark ApS**

#### **Opinion**

We have audited the financial statements of Valid Holding Denmark ApS for the financial year 1 January - 31 December 2021, 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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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 requirements and the IESBA Code.

#### **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, 29 June 2022  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Jes Lauritzen  
State Authorised  
Public Accountant  
mne10121

Simon M. Laursen  
State Authorised  
Public Accountant  
mne45894

## Management's review

### **Company details**

Name	Valid Holding Denmark ApS
Address, Postal code, City	Hørkær 16, 2. sal, 2730 Herlev
CVR no.	27 67 19 69
Registered office	Herlev
Financial year	1 January - 31 December
Board of Directors	Ivan Luiz Murias Dos Santos, Chairman Olavo Regal Maia Mendes Vaz, Vice Chairman Salvador Gerardo Cabrera Aguilar
Executive Board	Salvador Gerardo Cabrera Aguilar, (CEO)
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

## Management's review

### **Business review**

The Company's primary activities consist of owning shares in subsidiaries.

### **Financial review**

The income statement for 2021 shows a profit of USD 160,607 against a loss of USD 16,594 last year, and the balance sheet at 31 December 2021 shows equity of USD 12,771.

### **Events after the balance sheet date**

No 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	<u>2021</u>	<u>2020</u>
	<b>Gross profit/loss</b>	-10,832	-17,693
	Income from investment in group entities	<u>169,118</u>	<u>-2,107</u>
	<b>Profit/loss before net financials</b>	158,286	-19,800
	Financial income	1,053	2,341
	Other financial expenses	<u>-1,132</u>	<u>-3,221</u>
	<b>Profit/loss before tax</b>	158,207	-20,680
2	Tax for the year	<u>2,400</u>	<u>4,086</u>
	<b>Profit/loss for the year</b>	<u>160,607</u>	<u>-16,594</u>

**Recommended appropriation of profit/loss**

Retained earnings/accumulated loss	<u>160,607</u>	<u>-16,594</u>
	<u>160,607</u>	<u>-16,594</u>



Financial statements 1 January - 31 December

**Balance sheet**

Note	USD	<u>2021</u>	<u>2020</u>
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
3	<b>Investments</b>		
	Investments in group entities	<u>320,844</u>	<u>320,844</u>
		<u>320,844</u>	<u>320,844</u>
	<b>Total fixed assets</b>	<u>320,844</u>	<u>320,844</u>
	<b>Non-fixed assets</b>		
	<b>Receivables</b>		
	Receivables from group entities	274,876	272,095
	Deferred tax assets	2,264	2,645
	Joint taxation contribution receivable	0	0
	Other receivables	<u>7,640</u>	<u>7,640</u>
		<u>284,780</u>	<u>282,380</u>
	<b>Cash</b>	<u>204,634</u>	<u>38,445</u>
		<u>489,415</u>	<u>320,825</u>
	<b>Total non-fixed assets</b>	<u>489,415</u>	<u>320,825</u>
	<b>TOTAL ASSETS</b>	<u>810,259</u>	<u>641,669</u>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
4	Share capital	23,696	23,696
	Retained earnings	<u>-10,925</u>	<u>-171,532</u>
	<b>Total equity</b>	<u>12,771</u>	<u>-147,836</u>
	<b>Liabilities other than provisions</b>		
	<b>Current liabilities other than provisions</b>		
	Trade payables	14,029	14,766
	Payables to group entities	<u>783,459</u>	<u>774,739</u>
		<u>797,488</u>	<u>789,505</u>
	<b>Total liabilities other than provisions</b>	<u>797,488</u>	<u>789,505</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u>810,259</u>	<u>641,669</u>

- 1 Accounting policies
- 5 Contractual obligations and contingencies, etc.
- 6 Collateral
- 7 Related parties

Financial statements 1 January - 31 December

**Statement of changes in equity**

<b>USD</b>	<b><u>Share capital</u></b>	<b><u>Retained earnings</u></b>	<b><u>Total</u></b>
Equity at 1 January 2021	23,696	-171,532	-147,836
Transfer through appropriation of profit	<u>0</u>	<u>160,607</u>	<u>160,607</u>
<b>Equity at 31 December 2021</b>	<b><u>23,696</u></b>	<b><u>-10,925</u></b>	<b><u>12,771</u></b>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Valid Holding Denmark ApS for 2021 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.

In accordance with section 112 of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

#### 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 6.5656 and at the balance sheet date last year, the DKK/USD exchange rate was 6.0661.

#### Intra-group business combinations

The book value method is applied to business combinations such as acquisition and disposal of investments, mergers, demergers, contributions of assets and share conversions, etc. in which entities controlled by the parent company are involved, provided that the combination is considered completed at the time of acquisition without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquiree are recognised directly in equity.

#### 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.

#### Income statement

##### Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

##### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to certifications, administration, premises, bad debts, etc.

##### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### **Profit/loss from investments in subsidiaries**

The item includes dividends from investments in subsidiaries.

##### **Financial income and expenses**

Financial income and expenses are recognised in the income statement 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.

##### **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**

##### **Investments in subsidiaries**

Investments in subsidiaries and associates are measured at cost, which includes the cost of acquisition calculated at fair value plus direct costs of acquisition. If there is evidence of impairment, an impairment test is conducted. Where the carrying amount exceeds the recoverable amount, a write-down is made to such lower value.

##### **Impairment of fixed assets**

The carrying amount of investments in subsidiaries 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).

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.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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.

##### 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 measured at amortised cost.

Other liabilities are measured at net realisable value.

## Financial statements 1 January - 31 December

### Notes to the financial statements

<b>USD</b>	<u><b>2021</b></u>	<u><b>2020</b></u>
<b>2 Tax for the year</b>		
Estimated tax charge for the year	-2,781	-3,471
Deferred tax adjustments in the year	<u>381</u>	<u>-615</u>
	<u><u>2,400</u></u>	<u><u>-4,086</u></u>

Specified as follows:

Tax for the year	<u>2,400</u>	<u>-4,086</u>
	<u><u>2,400</u></u>	<u><u>-4,086</u></u>

### 3 Investments

<b>USD</b>	<b>Investments in group entities</b>
Cost at 1 January 2021	3,454,639
Addition	<u>0</u>
Cost at 31 December 2021	<u>3,454,639</u>
Value adjustments at 1 January 2021	-3,133,795
Impairment loss	<u>0</u>
Value adjustments at 31 December 2021	<u>-3,133,795</u>
<b>Carrying amount at 31 December 2021</b>	<u><u>320,844</u></u>

Management has performed an assessment of whether there are any indications that investments in group entities may be impaired.

<b><u>Name</u></b>	<b><u>Domicile</u></b>	<b><u>Interest</u></b>
<b>Subsidiaries</b>		
Valid Panama Inc	Panama	100.00%
Valid South Africa (Pty) Ltd	South Africa	70.00%
Valid Africa Ltd	Mauritius	100.00%
Valid Middle East FZE	United Arab Emirates	100.00%
Valid Technologies India Pvt Ltd	India	99.99%
Valid Asia Pte Ltd	Singapore	100.00%
PT Valid Technologies Indonesia	Indonesia	99.00%
Valid Card Manufacturing Taiwan Ltd	Taiwan	100.00%

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 4 Share capital

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

EUR	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Opening balance	<u>18.000</u>	<u>18.000</u>	<u>18.000</u>	<u>18.000</u>	<u>18.000</u>
	<u>18.000</u>	<u>18.000</u>	<u>18.000</u>	<u>18.000</u>	<u>18.000</u>

In accordance with the Danish Financial Statements Act the share capital is presented in the registered currency EUR.

#### 5 Contractual obligations and contingencies, etc.

##### Other contingent liabilities

The Company is jointly taxed with its parent company, Valid A/S, CVR no. 27 67 18 53, 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.

#### 6 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2021.

#### 7 Related parties

##### Information about consolidated financial statements

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