



SYSTEM & ORGANIZATION CONTROLS REPORT (SOC 3)



Report on Validis' Automated Data Extraction and
Analysis Software System Relevant to Security,
Availability, Processing Integrity, and Confidentiality

Throughout the period
April 1, 2024, to March 31, 2025

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INDEPENDENT SERVICE AUDITOR'S REPORT

INDEPENDENT SERVICE AUDITOR'S REPORT

To the Management of Validis Group Holdings Limited

Scope

We have examined Validis Group Holdings Limited's (Validis') accompanying assertion titled "Management of Validis' Assertion" (Assertion), that Validis' controls over the Automated Data Extraction and Analysis Software System (collectively referred to as "system") were effective throughout the period April 1, 2024, to March 31, 2025, to provide reasonable assurance that its principal service commitments and system requirements were achieved based on the trust services criteria relevant to security, availability, processing integrity, and confidentiality (applicable trust services criteria) set forth in TSP section 100, *2017 Trust Services Criteria for Security, Availability, Processing Integrity, Confidentiality, and Privacy (With Revised Points of Focus – 2022)* in AICPA, *Trust Services Criteria*.

Service Organization's Responsibilities

Validis is responsible for its service commitments and system requirements and for designing, implementing, and operating effective controls within the system to provide reasonable assurance that Validis' service commitments and system requirements were achieved. Validis has also provided the accompanying assertion about the effectiveness of controls within the system. When preparing its assertion, Validis is responsible for selecting, and identifying in its assertion, the applicable trust service criteria and for having a reasonable basis for its assertion by performing an assessment of the effectiveness of the controls within the system.

Service Auditor's Responsibilities

Our responsibility is to express an opinion, based on our examination, on whether management's assertion that controls within the system were effective throughout the period to provide reasonable assurance that the service organization's service commitments and system requirements were achieved based on the applicable trust services criteria. Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform our examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination included:

- Obtaining an understanding of the system and the service organization's service commitments and system requirements
- Assessing the risks that controls were not effective to achieve Validis' service commitments and system requirements based on the applicable trust services criteria
- Performing procedures to obtain evidence about whether controls within the system were effective to achieve Validis' service commitments and system requirements based the applicable trust services criteria

Our examination also included performing such other procedures as we considered necessary in the circumstances.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Inherent Limitations

There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention of controls.

Because of their nature, controls may not always operate effectively to provide reasonable assurance that the service organization's service commitments and system requirements were achieved based on the applicable trust services criteria. Also, the projection to the future of any conclusions about the effectiveness of controls is subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, management's assertion that the controls within Validis' Automated Data Extraction and Analysis Software System were effective throughout the period April 1, 2024, to March 31, 2025, to provide reasonable assurance that Validis' service commitments and system requirements were achieved based on the applicable trust services criteria is fairly stated, in all material respects.

A handwritten signature in blue ink that reads 'Withum Smith & Brown, PC'. The signature is written in a cursive, flowing style.

Princeton, New Jersey
June 9, 2025

MANAGEMENT OF VALIDIS' ASSERTION



MANAGEMENT OF VALIDIS' ASSERTION

We, as management of, Validis Group Holdings Limited (Validis) are responsible for designing, implementing, operating, and maintaining effective controls over the Validis' Automated Data Extraction and Analysis Software Systems (collectively referred to as "system") throughout the period April 1, 2024, to March 31, 2025, to provide reasonable assurance that Validis' service commitments and system requirements relevant to security, availability, processing integrity, and confidentiality were achieved.

Our description of the boundaries of the system is presented in Attachment A and identifies the aspects of the system covered by our assertion.

We have performed an evaluation of the effectiveness of the controls within the system throughout the period April 1, 2024, to March 31, 2025, to provide reasonable assurance that Validis' service commitments and system requirements were achieved based on the trust services criteria relevant to security, availability, processing integrity, and confidentiality (applicable trust services criteria) set forth in TSP section 100, *2017 Trust Services Criteria for Security, Availability, Processing Integrity, Confidentiality, and Privacy (With Revised Points of Focus – 2022)* in AICPA, Trust Services Criteria. Validis' objectives for the system in applying the applicable trust services criteria are embodied in its service commitments and system requirements relevant to the applicable trust criteria. The principal service commitments and system requirements related to the applicable trust services criteria are presented in Attachment B.

There are inherent limitations in any system of internal control, including the possibility of human error and the circumvention of controls. Because of these inherent limitations, a service organization may achieve reasonable, but not absolute, assurance that its service commitments and system requirements are achieved.

We assert that the controls within the system were effective throughout the period April 1, 2024, to March 31, 2025, to provide reasonable assurance that Validis' service commitments and system requirements were achieved based on the applicable trust services criteria.

Validis Group Holdings Limited

ATTACHMENT A

DESCRIPTION OF VALIDIS' AUTOMATED DATA EXTRACTION AND ANALYSIS SOFTWARE SYSTEM

ATTACHMENT A—DESCRIPTION OF VALIDIS’ AUTOMATED DATA EXTRACTION AND ANALYSIS SOFTWARE SYSTEM

System Overview

Validis is a commercial organization providing technology-based services to clients in the financial sector. Its core business offering is a data extraction, consolidation, analysis, and reporting platform to manage the transfer of organizations' accounting data to financial institutions and the subsequent workflows performed by these institutions, that is delivered as a cloud-based service to auditors and lenders. The company was established in 2007 and, since that time, has enjoyed considerable organic growth due to the recognized quality of the services it provides.

The Company operates from offices in London (where it has its headquarters) and from Austin, Texas. The company recognizes that the services it delivers rely heavily on information and information technology, and that they are exposed to increasing levels of risk from external threats. Validis has demonstrated a commitment to managing this risk by achieving accredited certification to the requirements of ISO/IEC 27001:2022 (ISO 27001, the Standard).

Services offered include, but are not limited to:

- Extraction of General Ledger, Accounts Receivable & Accounts Payable accounting data from on-premise and cloud hosted accounting packages
- Standardization and normalization of accounting data across all data sources
- Custom multi-tenanted portal for data submission management and analysis
- Tools to aid processes such as audit, management accounts monitoring and quality scoring
- Integrations with third-party applications to request data
- API interfaces for services to be integrated within third-party applications

Data Extraction

Data is extracted from organizations' accounting packages via user originated actions through the online portal or can be programmatically initiated by calls to Validis provided APIs. For on-premises accounting packages, a ClickOnce .NET client application, that is part of the Validis platform, will be temporarily downloaded and run on the client machine: it will gather connection details from the user, connect to the accounting package and copy the full transaction & allocation history from the 3 core financial modules (General Ledger, Accounts Receivable & Accounts Payable). All data is compressed, encrypted and transmitted to the central servers for processing, standardization, and normalization. For cloud hosted accounting packages data is extracted via provided APIs.

The Validis platform extracts all the transactional level information from the General Ledger, Accounts Payable and Accounts Receivable. It also extracts and calculates closing balances at the end of every financial period. Various processing is carried out on the raw data in order to compile other data required to provide complete information (e.g., calculation of open invoices). The General Ledger balances are tagged into a standardized series of tags with a Validis Chart of Accounts. This then enables the standardization of financial reports and ratios.

The Validis platform copies all the following (where it is available and/or populated within the accounting application):

- Company Information - Company Name, Address, Vat Number (or country/regional variation), Company Number
- Contact Details (Phone, Fax, Email, Website URL)
- Financial Year End
- Accounting Application Name and Version
- Transactional data from the General Ledger, Accounts Payable and Accounts Receivable
- Receivables and Payables information
- Chart of Accounts, with control account and category information
- Accounting period Information with nominal account opening/closing balances

For desktop accounting applications, depending on per customer configuration, the above information is stored within an encrypted zip file which is subsequently uploaded over a secure link to the server, or uploaded directly over a secure link to the server without creating a zip file. For cloud-based accounting applications, the above information is extracted directly by the server using the API and authentication mechanism provided by the vendor.

Following extraction/upload, a server-side import process will perform the data standardization process to create the following:

- Standardized representation of the Accounts Receivable and Accounts Payable data
- Standardized representation of the General Ledger data
- Standardized representation of the Chart of Accounts. This uses the concept of 'Tagging', which is a fine-grained categorization of each general ledger account. This in turn allows the creation of standardized reports and data shares
- Subsequently the platform 'COA Editor' (Web UI Component) can be used to perform manual categorization and/or adjustments
- Generation of aggregate data reflecting General Ledger and Receivables/Payables balances at the end of each financial period
- Generation of an Accounts 'Quality Score' which represents a series of consistency and completeness checks on the submitted accounting data

The imported and standardized data is stored within a database. This is stored on the Validis platform server. The data stored in the database is encrypted at rest.

Data Standardization

All copied accounting data is structured into a standard format and account types are identified to build an internal Chart of Accounts. The standardization process makes as little assumptions on the data as possible to ensure the data is an exact representation of the data held within the accounting package itself. This standardization allows the Validis platform to display the data in a variety of bespoke views whilst also retaining its original structure and integrity.

Tools and Reports

The Validis platform provides a number of tools and reports to aid in the analysis and monitoring of the accounting data. There are a number of UI based reports that cover aspects of the General Ledger, Accounts Receivable and Accounts Payables. These reports cover a configurable period and most offer

functionality to drill down to the component transactional data. These reports can then be converted into an excel file and downloaded for offline use and analysis. The Validis platform also offers a number of workflow specific tools.

Support

Validis provides second line support to its clients. The support team members are on hand to aid any queries by users either by email, through ticketing system or over the phone. Validis also provides a global support help-site for all user guides and FAQs. In the rare occasions where a data extraction fails, the support team may ask the end users for a backup of data from their accounting package, to enable second line support to identify and resolve any issues. The support team uses vControl, the administrative tool for portal and client setup purposes only.

This administrative interface does not provide Validis staff with any access to the Client Data unless Clients require support. Clients have complete control over their data and user administration.

DataShare APIs

- The API product delivers the full G/L Extract, A/R Extract, A/P Extract, Upload API and the JSON API (the “APIs”).
- Usage of the APIs is for the Licensee solely for the purposes of attest End Users within the Application. If the APIs are used for other purposes, the Licensee undertakes to inform Validis of same and Validis reserves the right to charge a different rate for those End Users.
- In the event of any breach of any of the terms the Licensee reserves the right to terminate the usage of the API without notice.

Integration Capabilities

The Validis platform integrates with the following:

- HTTPS – RESTful APIs for data upload initiation and data access
- HTTP/HTTPS – web hooks for notification of data upload status
- SSO (SAML) for single sign on

Supported Accounting Packages

Accounting packages supported are as follows:

Package	Supported Release	Product Versions
Abila MIP Fund Accounting	2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021	N/A
Microsoft Dynamics Great Plains	2013SP2, 2015, 2016, 2018, 2021	N/A
Microsoft Dynamics NAV	2013, 2013R2, 2015, 2016, 2017, 2018, 2019	N/A

Package	Supported Release	Product Versions
Microsoft Dynamics BC365 (NAV)	201, 2020, 2021	N/A
Microsoft Dynamics BC (Cloud)	Web Service API	N/A
NetSuite	Web Service API	2020.1, 2020.2
Pegasus Opera 2/3	2018, 2019, 2020, 2021, 2022, 2023	Opera II Enterprise (Opera 2 VFP) Opera II Enterprise SQL (Opera 2 SQL) Opera 3 VFP Opera 3 SQL
QuickBooks Online (QBO)	V3 Accounting API OAuth2	N/A
QuickBooks Desktop (Canada)	2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023	N/A
QuickBooks Desktop (UK)	2015, 2016, 2017, 2018, 2019, 2020, 2021	N/A
QuickBooks Desktop (US)	2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023	N/A
Sage 50cloud Accounting (UK)	2010, 2011, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2022, 2023	Essentials Standard Plus Professional Cloud Professional
Sage 50cloud Accounting US (Peachtree)	2018, 2019, 2020, 2021, 2022, 2023	Pro Premium Quantum 50cloud
Sage 50cloud Accounting CA (Simply)	2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023	First Step Pro Premium

Package	Supported Release	Product Versions
		Quantum 50cloud
Sage 300 ERP (ACCPAC)	2014, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023	Standard Advanced Premium 300cloud
Sage 100cloud ERP (MAS90/200)	2015,2016,2017,2018,2019, 2020, 2021, 2022	Standard Advanced Premium 100Cloud
Sage 200 (UK)	2011, 2013, 2015, 2016, 2017, 2018, 2019, 2020 R1, 2020 R2, 2021, 2022	Standard Advanced Premium200Cloud
Sage 300 CRE	2016, 2017, 2018, 2020, 2021, 2022	N/A
Sage 100 Contractor	2017, 2018, 2019, 2020, 2021, 2022, 2023	N/A
Sage Business Cloud Accounting	V3 API	Version 3.0, 3.1
Sage Intacct	Web Service API	Version 2021.2
Xero	V2 Core API OAuth2	N/A
Epicor	Kinetic 2022.1	N/A

Scope of Report

The scope of the report includes controls relating to security, availability, confidentiality, and processing integrity trust services categories for Validis' Automated Data Extraction and Analysis Software System as well as the vClient software. The system consists of shared customer instances as well as dedicated customer instances. The scope of the report includes common controls relating to shared customer instances as well as dedicated customer instances. The scope of the report does not include any custom controls related to dedicated customer instances, as they may be driven by specific customer needs, contracts, and service level agreements.

Validis uses subservice organizations to provide server hosting, secure file sharing, and IT support services. The services and controls performed by the subservice organizations are not included in the scope of this report.

Infrastructure

The Validis platform utilizes Microsoft Azure as the cloud hosting partner. All data is stored in secure Microsoft Azure data centers (regionally based). The point-in-time-recovery backups are geo-redundant and protected by Azure Storage cross-regional replication. This provides high availability by dynamically load balancing across those sites.

Data

Validis defines customer data as all electronic data submitted by end users to the Validis service and is deemed as Confidential Information. Access to confidential information is highly restricted to key authorized personnel on an as-needed basis. In addition, multiple physical and logical access and leakage prevention controls are implemented in line with the responsibilities and accountabilities defined in the contracts. With respect to data and information belonging to the Client or its End User, Validis shall not:

- use, or reproduce, the data or information in whole or in part and/or in any form, except as may be required by the client Agreement;
- disclose the data or information to any third party not authorized by the Licensee or the relevant End User to receive it;
- alter, delete, add or otherwise interfere with the data or information unless permitted to do so by the client Agreement.

DataShare Security Overview

- Data Transmission - Data extracted from end user's accounting software is encrypted before being transmitted to the DataShare application.
- Application Topology – The current standard topology separates presentation and service layers. DataShare reserve the right to alter this topology in response to performance, security or reliability or any other concerns.
- Application Scalability - Industry standard technology platforms are used and incorporate a range of design features to ensure scalability of the presentation, synchronous services and asynchronous services tiers.
- Penetration Testing – Validis performs penetration tests for every major release or annually using a trusted third party.
- Authorized Data Access – Access to all data is restricted to client authorized users.
- Validis Employee Data Access – The DataShare portal doesn't allow Validis staff to access the client data unless the client explicitly adds the Validis staff member to their portal and provide the required permissions. All customer data and user management is completely controlled by the client.
- Production Access - Only key system administrator members, primarily key members of the engineering team, have access to the DataShare production environment. All activity on the production servers is audited.

People

Validis organizational structure provides a framework for planning, executing, and controlling business operations. Executive and senior leadership play important roles in establishing the Company's tone and

core values. The organizational structure assigns role and responsibilities to provide for adequate staffing, security, efficiency of operations, and segregation of duties. Management has also established authority and appropriate lines of reporting for key personnel.

- *Corporate.* Executives, engineering, and senior operations staff. These individuals use Validis Automated Data Extraction and Analysis software primarily as a tool to measure performance at a system wide level.
- *Operations.* Staff that administers the onboarding of new customers and the status of current customers of the Validis' Automated Data Extraction and Analysis Software deployments. They provide the direct day-to-day services such as changing customer configurations as required to meet business demands.
- *IT.* The IT functional area consist of IT infrastructure, networking, system administration, and information security personnel. These individuals are responsible for monitoring and managing the supporting infrastructure for the Automated Data Extraction and Analysis software systems.

Procedures

Validis has documented policies and procedures that support the management, operations, monitoring and controlling over Automated Data Extraction and Analysis Software system.

ATTACHMENT B
PRINCIPAL SERVICE COMMITMENTS AND SYSTEM REQUIREMENTS

ATTACHMENT B – PRINCIPAL SERVICE COMMITMENTS AND SYSTEM REQUIREMENTS

Validis designs its processes and procedures related to its system to meet its objectives for providing its Automated Data Extraction and Analysis Software system. Those objectives are based on the commitments Validis makes to user entities of the system.

Service commitments to user entities are documented and communicated in Master Services Agreements (“MSA”s) as well as in the description of the service offering provided online. Service commitments include, but are not limited to, the following:

- Security: Validis has made commitments to maintaining adequate security over customer information using reasonable safeguards over the hardware, software, personnel, and other relevant security controls, including role-based access controls, the principle of segregation of duties, the principle of least privilege, and related processes used to support the secure delivery of Validis’ Automated Data Extraction and Analysis Software system;
- Availability: Validis has made commitments related to percentage uptime and connectivity for the Validis platform;
- Processing Integrity: Validis has made commitments related to processing customer actions completely, accurately, and timely. These customer actions include, for example, data extraction, data standardization, and reporting.
- Confidentiality: Validis has made commitments related to maintaining the confidentiality of customers’ data through data classification policies, data encryption and other relevant security controls.

Only the principal service commitments and system requirements relevant to the applicable trust services criteria are within the boundaries of the system.

