

# Earnings Release



2Q23

**Video conference with simultaneous translation into English**  
August 09, 2023 - 10:00 a.m. (BRT)

Access: [Click here](#)

**Valid** Trust  
Powerhouse

**In 2Q23, Valid's Net Revenue totaled R\$534 million, EBITDA came to R\$135 million, and Net Income was R\$58 million.**

São Paulo, August 08, 2023 – Valid (B3: VLID3 - ON) presents today its results for the second quarter of 2023 (2Q23) and first half of 2023 (6M23). The following financial and operating information is presented on a consolidated basis, in BRL, under International Financial Reporting Standards (IFRS). Comparisons refer to the same periods in 2022.

### **Net Revenue**

- Valid reported Net Revenue of R\$534 million in 2Q23, up by 17% over 2Q22 and by 1% over 1Q23. All Valid's business segments (ID, Pay, and Mobile) reported two-digit growth compared to 2Q22;

### **EBITDA**

- EBITDA totaled R\$135 million in 2Q23, up by 13% YoY.
- The margin stood at 25.2% in the quarter.
- EBITDA totaled R\$284 million in 6M23, up by 30% YoY.

### **Net Income**

- In 2Q23, Valid reached a Net Income attributable to the controlling shareholders of R\$58 million, with a margin of 11%, reverting the Net Loss of R\$4 million reported in 2Q22.
- In 6M23, the Accumulated Normalized Net Income came to R\$122 million, compared to a Loss of R\$22 million reported in 2Q22.

### Subsequent Events

- On July 07, 2023, Valid raised R\$30 million through a FINAME Materials operation with Banco ABC. The funds raised were used to prepay debts with higher spreads.
- On July 14, 2023, Valid early settled the Working Capital held with Banco BTG Pactual.
- On July 18, 2023, as informed on a Notice to Shareholders, the Board of Directors approved the payment of Interest on Equity of R\$0.20 per share, representing approximately R\$16 million, which was made on July 31, 2023.
- On July 31, 2023, as informed in the Notice to the Market, Valid received the final installment of the Working Capital adjustment resulting from the sale process of the Identification and Payments assets of the Valid USA unit, concluding the last stage of this transaction.

**Dear sirs,**

We present today Valid's results for the second quarter of 2023 and first six months of 2023. In a challenging scenario, we are pleased to see that the Company delivered another period of strong results. The strong figures and capital structure led to the maintenance of our credit rating at the end of May, given by Moody's, with the outlook increasing from stable to positive.

We would like to thank each employee for their effort, who, as a team, has been writing this new chapter in Valid's history.

Starting with 2Q23 highlights:

- i) Double-digit growth of Revenue in all Valid's business verticals compared to 2Q22;
- ii) For the 5th consecutive quarter, our EBITDA exceeded R\$130 million, with a margin of 25.2% this quarter;
- iii) In 2Q23, our Operational Cash Flow / EBITDA ratio exceeded 70%;
- iv) Quarterly net income of R\$58 million, with a margin of 11%. In 6M23, the accumulated Normalized Net Income reached R\$122 million;
- v) LTM ROIC stood at 19.7%, slightly above the 19.3% reported in 1Q23, and up by 17.7% over the figure reported at the end of 2022;
- vi) In early June, we made the final repayment of the 7th issue of the Company's debentures, reducing the gross debt by R\$90 million with this operation alone. Valid continues to maintain a strong cash position, with the leverage ratio close to the lowest levels ever reported by the Company.

Similarly to the end of 1Q23, the Board of Directors decided at the meeting held on July 18, 2023, to pay a new round of interest on equity of R\$0.20 per share, totaling approximately R\$16 million. This payment was made on July 31, 2023.

In a scenario of tighter credit, we have observed specific opportunities to access creditors with smaller operations that can reduce our spreads and extend maturities. Immediately after the close of the quarter, we conducted an operation with Banco ABC for R\$30 million via BNDES funding.

The highlights by business unit are as follows:

**Valid ID:**

1. Strong volume of documents issued in the period, reaching 7.0 million units, a 13% increase compared to the 6.2 million documents issued in 2Q22.

2. In May 2023, Valid acquired FlexDoc. The acquisition is fully aligned with the Company's strategy to advance in Digital ID, both for the ecosystem of public and private clients, bringing the possibility to expand and strengthen Valid's solutions portfolio, exploring new geographies and businesses in a market where the company already operates.

**Valid Pay:**

1. Sales grew by 25%, and EBITDA increased by 38% over 2Q22. Similarly to 1Q23, the largest positive contribution came from Argentina, which continues to present a favorable short-term scenario for Valid in an environment of economic instability.

2. The EBITDA of R\$42 million was 2% below the record figure achieved in 1Q23 for the segment. In terms of margins, once again we surpassed 20%.

**Valid Mobile:**

1. In the Mobile segment, revenue grew by 11% over 2Q22 and by 6% over 1Q23. In 2Q23, volumes grew over the figure reported in 1Q23, moving up from 62.3 million to 69.6 million. As previously mentioned, with the normalization of SIM card volume, we may experience some price and margin pressure.

2. EBITDA was R\$38 million in 2Q23, 10% lower than in 2Q22, which was one of Valid's best periods within the segment. Despite the decline in EBITDA, the margin remained at 23.0%. The EBITDA for 6M23 is in line with what was observed in the same period in 2022.

**Recent Highlights:**

Over the last few months, we have been present at the main events for each of our business units.

On May 30th and 31st, we sponsored the e-Gov Conference, in Tallinn, Estonia. The Conference, held in the most digital country in the world and dedicated to exploring opportunities and lessons learned from the digital transformation of public authorities, was attended by more than 600 participants, which 120 from Brazil. At the event, we presented our solutions for Digital Government, were part of a discussion panel and led a workshop with secretaries of administration, innovation

and digital transformation from the most different spheres and geographies of our country.

In June, on the 27th, 28th and 29th, we were present at Febraban Tech 2023, the biggest technology and innovation event in the financial sector. During the 3 days, 400 speakers addressed topics such as digital society, artificial intelligence and cyber security for more than 15 thousand participants. In this edition, Valid's stand addressed two major topics: the new onboarding solution, following the acquisition of FlexDoc, and the innovation fronts in means of payment, mainly with the recycled card and with the omnichannel solution.

Also from the 26th to the 28th of June, we took part in the 10th edition of the Mobile World Conference Shanghai. At the event, dedicated to exploring the latest advances in 5G, internet of things and connectivity, we had the opportunity to give a talk at the eSIM Summit, on the challenges of interoperability between devices using eSIM in various global markets. Approximately 37,000 people from 115 countries attended the conference over the 3 days.

Finally, from the 24th to the 30th of July, we took part in the Mission of the Council of Administration Secretaries (Consad) to Singapore, in partnership with the CLP – Center for Public Leadership – and the Dom Cabral Foundation. The Mission sought immersion in the interactive experiences of the city-state with a focus on public policies for innovation, sustainability and cyber security, with the objective of developing the country and the experience of citizens. A great opportunity to better understand Singpass, the Singapore Government's Digital ID and Services Portal model, as well as SmartNation, an initiative aimed at improving people's lives and the quality of public policies in the country

We take this opportunity to invite our shareholders to Valid Day, to be held on September 20, 2023. Over the next few weeks, we will release more information about the event.

**Thank you very much, and let's move forward!**

Consolidated Results (R\$ million)						
	2Q22	2Q23	Var. %	2022	2023	Var. %
<b>Net Revenues</b>	456.8	534.3	17.0%	904.3	1,063.6	17.6%
Costs of goods and/or service sold	(287.4)	(341.0)	18.6%	(584.2)	(662.7)	13.4%
<b>Gross Profit</b>	<b>169.4</b>	<b>193.3</b>	<b>14.1%</b>	<b>320.1</b>	<b>400.9</b>	<b>25.2%</b>
<i>Gross margin</i>	37.1%	36.2%		35.4%	37.7%	
<b>Operating Revenues (Expenses)</b>						
Selling expenses	(48.5)	(45.3)	-6.6%	(91.6)	(94.2)	2.8%
General and Administrative expenses	(24.9)	(37.2)	49.4%	(56.1)	(76.8)	36.9%
Other non operating income (expenses)	(9.0)	(7.0)	-22.2%	(17.4)	(23.4)	34.5%
Equity pickup	(0.9)	(0.5)	-44.4%	(1.2)	(1.6)	33.3%
<b>Income before finance income (costs)</b>	<b>86.1</b>	<b>103.3</b>	<b>20.0%</b>	<b>153.8</b>	<b>204.9</b>	<b>33.2%</b>
<b>Operating margin</b>	18.8%	19.3%		17.0%	19.3%	
<b>Finance Result</b>						
Financial Revenues	73.2	47.7	-34.8%	106.7	94.2	-11.7%
Financial Expenses	(89.9)	(80.4)	-10.6%	(208.1)	(145.8)	-29.9%
<b>Income (loss) before income taxes</b>	<b>69.4</b>	<b>70.6</b>	<b>1.7%</b>	<b>52.4</b>	<b>153.3</b>	<b>192.6%</b>
<b>Income and social contribution taxes</b>	<b>(26.1)</b>	<b>(15.4)</b>	<b>-41.0%</b>	<b>(18.2)</b>	<b>(38.5)</b>	<b>111.5%</b>
<b>Net income (loss) for the period after taxes</b>	<b>43.3</b>	<b>55.2</b>	<b>27.5%</b>	<b>34.2</b>	<b>114.8</b>	<b>235.7%</b>
<b>Net income from discontinued operations</b>	<b>(47.6)</b>	<b>0.0</b>	<b>-100.0%</b>	<b>(55.0)</b>	<b>0.0</b>	<b>-100.0%</b>
<b>Net income (loss) for the period</b>	<b>(4.3)</b>	<b>55.2</b>	<b>n.a.</b>	<b>(20.8)</b>	<b>114.8</b>	<b>n.a.</b>
<b>Income (loss) attributable to:</b>						
Controlling interest	(4.3)	57.5	n.a.	(22.4)	116.9	n.a.
Noncontrolling interest	0.0	(2.3)	n.a.	1.6	(2.1)	n.a.
EBITDA Reconciliation (R\$ million)						
<b>Net Income (loss)</b>	<b>(4,3)</b>	<b>57,5</b>	<b>n.a.</b>	<b>(22,4)</b>	<b>116,9</b>	<b>n.a.</b>
Normalization: OPEX	0,0	0,0	n.a.	0,0	5,6	n.a.
<b>Normlized Net Income (loss)</b>	<b>(4,3)</b>	<b>57,5</b>	<b>n.a.</b>	<b>(22,4)</b>	<b>122,5</b>	<b>n.a.</b>
(+) Noncontrolling interest	0,0	(2,3)	n.a.	1,6	(2,1)	n.a.
(+) Income tax and social contribution	26,2	15,5	-40,8%	18,3	38,4	n.a.
(+) Financial revenues / (expenses)	16,7	32,7	95,8%	101,5	51,6	n.a.
(+) Depreciation and amortization	23,5	24,0	2,1%	46,1	48,8	n.a.
(+) Others (income) non operating expenses	9,0	7,0	-22,2%	17,3	23,4	n.a.
(+/-) Equity pickup - Minority	0,9	0,5	-44,4%	1,3	1,5	n.a.
(+/-) Result of discontinued operations	47,6	0,0	-100,0%	55,0	0,0	n.a.
<b>Normalized EBITDA</b>	<b>119,6</b>	<b>134,9</b>	<b>12,8%</b>	<b>218,7</b>	<b>284,1</b>	<b>n.a.</b>
<i>Normalized EBITDA Margin</i>	26,2%	25,2%		24,2%	26,7%	

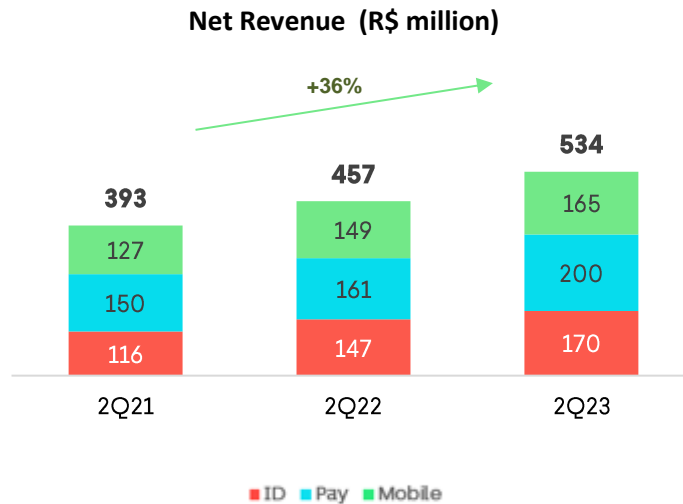
### \*Breakdown of Other Non-Operating Revenues/Expenses

Other Non-Operating Income and Expenses	2Q22	2Q23	Var. %	2022	2023	Var. %
Brazil <sup>1</sup>	(227)	(3,400)	1397.8%	(5,270)	(12,772)	142.4%
Foreign	(8,836)	(3,636)	-58.9%	(12,150)	(10,656)	-12.3%
<b>Total Other Non-Operating Income and Expenses</b>	<b>(9,063)</b>	<b>(7,036)</b>	<b>-22.4%</b>	<b>(17,420)</b>	<b>(23,428)</b>	<b>34.5%</b>

<sup>1</sup> 2Q23 key detractors: Provisions for contingencies and disposal of assets sold.

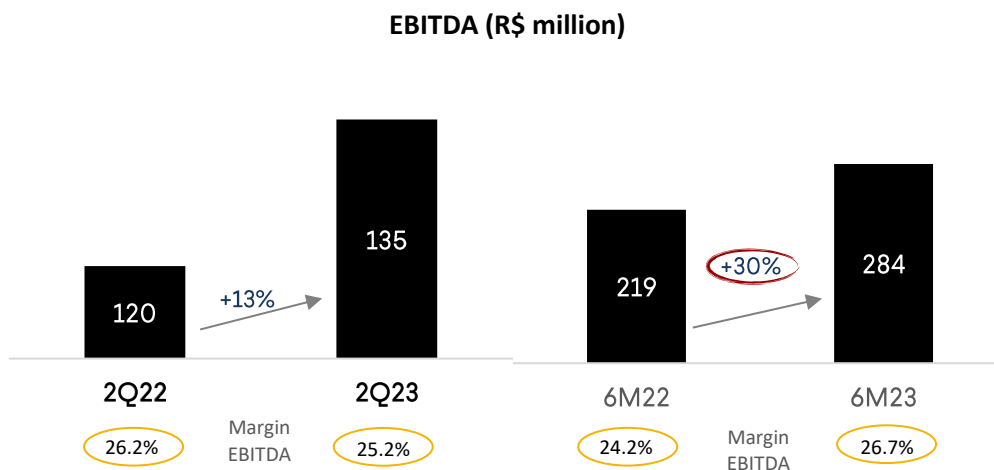
## NET REVENUE

Valid's Total Net Revenue came to R\$534 million in 2Q23, up by 17% over 2Q22. The increase can be explained by the evolution reported in all divisions.



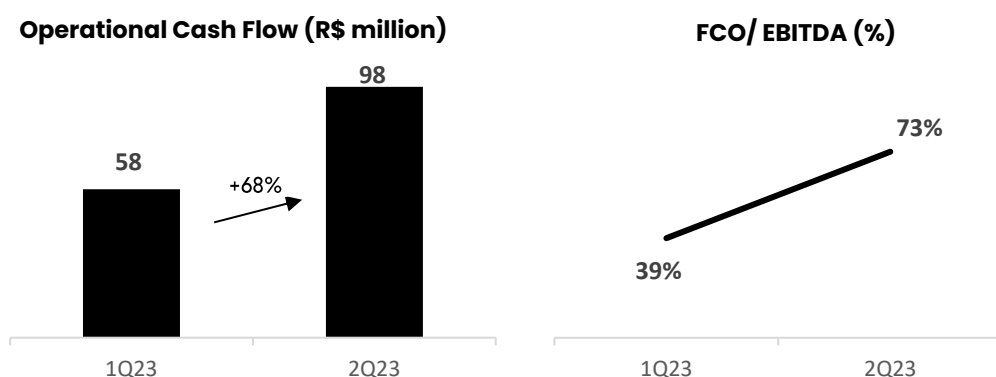
## OPEX AND EBITDA

Valid's consolidated OPEX totaled R\$399 million in 2Q23, a YoY growth of 19%. As a result, EBITDA came to R\$135 million in the quarter (+13% YoY). The EBITDA margin reached 25.2% (-0.9 p.p. YoY). In 6M23, EBITDA grew by 30%, while the margin exceeded by 2.5p.p. that reported in 2022.





Below is the evolution of cash conversion from 1Q23 to 2Q23. The indicator significantly improved in the quarterly comparison, which has enabled a continuous reduction in leverage, as well as the payment of Interest on Equity.



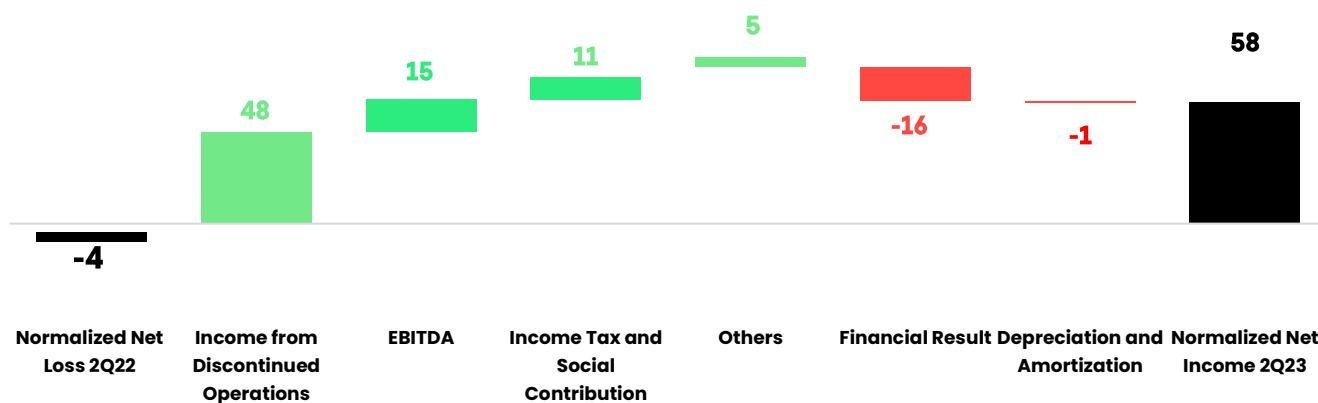
## NET INCOME

The Company reported a Net Income of R\$58 million in 2Q23, compared to a loss of R\$4 million in 2Q22. This result was mainly due to the growth of EBITDA in 2Q23 and by non-recurring items accounted for in 2022, such as the sale of the operation in the USA, the reduction of FX variations related to loans that were mostly written-off, and the prepayment of the 8th debenture issue.

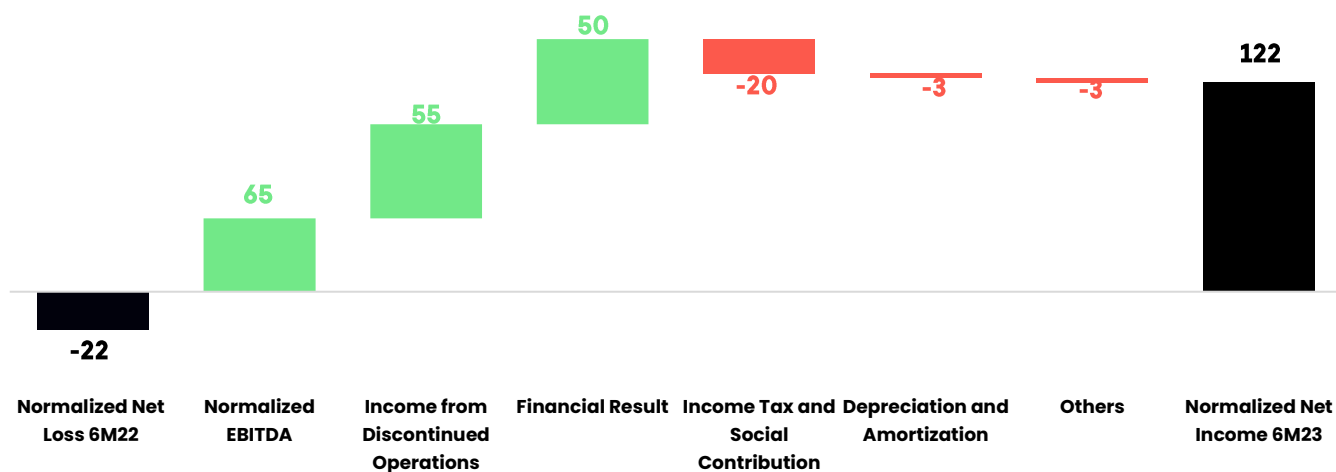
	Net Income (R\$ Million)			6M22	2023	Var. %
	2Q22	2Q23	Var. %			
<b>Normalized EBITDA</b>	<b>119,6</b>	<b>134,9</b>	<b>12,8%</b>	<b>218,7</b>	<b>284,1</b>	<b>29,9%</b>
<i>Normalized EBITDA Margin</i>	26,2%	25,2%		24,2%	<b>26,7%</b>	
(+) Other (revenues) Non Operating expenses	(9,0)	(7,0)	-22,2%	(17,3)	(23,4)	35,3%
(+/-) Equity	(0,9)	(0,5)	-44,4%	(1,3)	(1,5)	15,4%
(+) Non-Controlling Shares	0,0	2,3	n.a.	(1,6)	2,1	n.a.
(+) Income tax and social contribution	(26,2)	(15,5)	-40,8%	(18,3)	(38,4)	109,8%
(+) Financial expenses/(income)	(16,7)	(32,7)	95,8%	(101,5)	(51,6)	-49,2%
(+) Depreciation and amortization	(23,5)	(24,0)	2,1%	(46,1)	(48,8)	5,9%
(+) Result of discontinued operations	(47,6)	0,0	n.a.	(55,0)	0,0	-100,0%
<b>Normalized Net Profit (Loss)</b>	<b>(4,3)</b>	<b>57,5</b>	<b>n.a.</b>	<b>(22,4)</b>	<b>122,5</b>	<b>n.a.</b>

Below is the bridge comparing 2Q22 to 2Q23. We observed positive contributions in non-recurring items and operational improvements.

### Bridge Normalized Net Income (Loss) 2Q22 > 2Q23



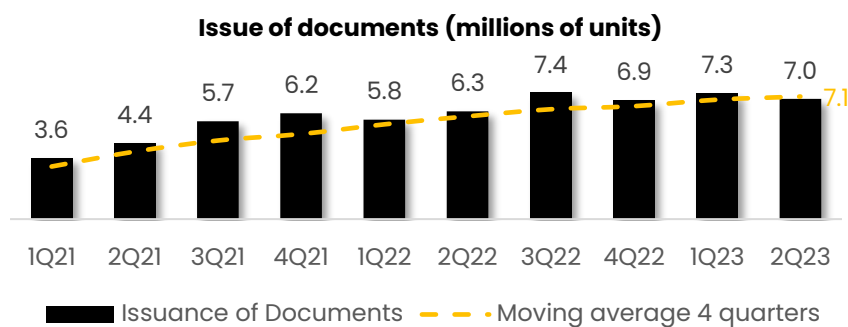
### Bridge Normalized Net Income (Loss) 6M22 > 6M23



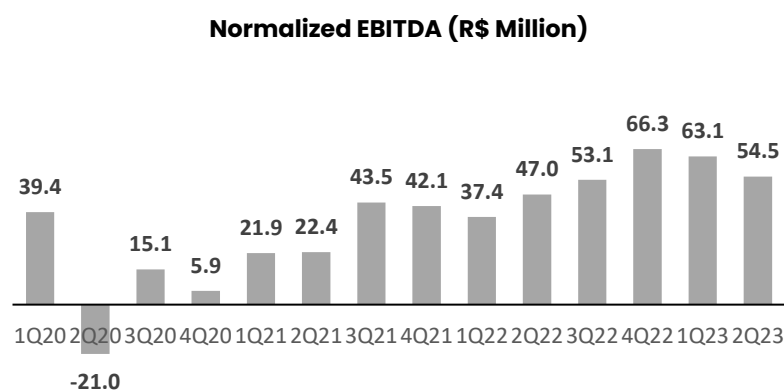
R\$ million	2Q22	2Q23	Chg.%	4Q22	Chg.%	2022	2023	Chg.%
Net Revenue	147.4	169.6	15.0%	173.1	-2.0%	279.7	342.7	22.5%
EBITDA	47.0	54.5	16.0%	63.1	-13.6%	84.4	117.6	39.4%
EBITDA Margin	31.9%	32.1%	0.3 p.p.	36.5%	-4.3 p.p.	30.2%	34.3%	4.2 p.p.
OPEX	100.4	115.1	14.6%	110.0	4.6%	195.4	225.1	15.2%
Volume of Documents (millions)	6.3	7.0	11.7%	7.3	-4.2%	12.1	14.3	18.5%

Valid's revenue from the Identification (ID) solutions totaled R\$170 million in 2Q23, a YoY growth of 15%. In 6M23, Net Revenue totaled R\$343 million, up by 23% over 6M22.

The issue of documents in 2Q23 accounted for one of the highest volumes in the Company's history, reaching 7.0 million units, featuring the month of May. The total issue of documents in the quarter represents a YoY increase of 12%. In 6M23, the volume of documents issued reached 14 million, a YoY growth of 19%.



OPEX totaled R\$115 million in 2Q23, up by 15% over 2Q22. EBITDA reached R\$55 million in 2Q23 (+16% YoY). The EBITDA Margin closed 2Q23 at 32.1% (+0.3 p.p. YoY). In 6M23, the EBITDA Margin reached 34.3%, up by 4 p.p. over 6M22.



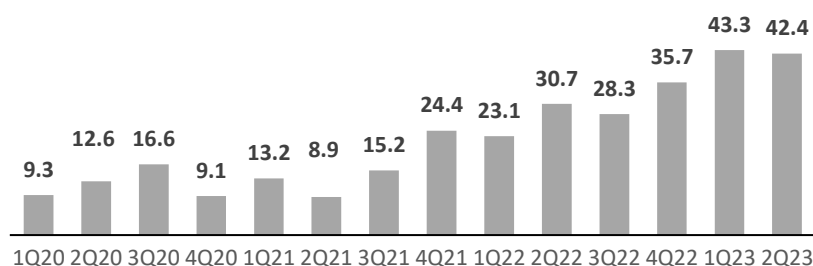
R\$ million	2Q22	2Q23	Chg.%	4Q22	Chg.%	2022	2023	Chg.%
Net Revenue	160.6	199.9	24.5%	200.4	-0.2%	319.7	400.3	25.2%
EBITDA	30.7	42.4	38.4%	43.3	-1.9%	53.8	85.7	59.3%
EBITDA Margin	19.1%	21.2%	2.1 p.p.	21.6%	-0.4 p.p.	16.8%	21.4%	4.6 p.p.
OPEX	129.9	157.5	21.2%	157.1	0.2%	265.9	314.6	18.3%
Volume of Cards BR (millions)	16.9	17.2	1.8%	17.1	0.6%	36.8	34.8	-5.3%

In the payments vertical (Pay), Valid's Revenue totaled R\$200 million in 2Q23 and R\$400 million in 6M23, with growths of 24.5% YoY and 25.2% over 6M22.

Despite the small increase in card volume, the Company reported sales and operational result growths. Part of the sales growth came from the Argentine market, which, in a troubled economic scenario, has generated short-term opportunities that are not believed to be sustainable in the long term. Sales in Argentina grew by more than 50% over 2Q22.

The OPEX of the Pay vertical increased by 21% YoY, lower than the increase reported in terms of revenue, which is influenced by both the favorable Argentine market and the operational improvement initiatives implemented in Brazil. The segment EBITDA totaled R\$42 million in 2Q23 (+38% YoY), and R\$86 million in 6M23 (59% YoY). The EBITDA margin was 21.2% (+ 2.1 p.p.) in 2Q23 and +21.4% (+4.6 p.p.) in 6M23.

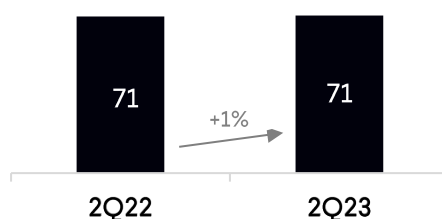
#### Normalized EBITDA (R\$ Million)



R\$ million	2Q22	2Q23	Chg.%	4Q22	Chg.%	2022	2023	Chg.%
Net Revenue	148.9	164.9	10.7%	155.8	5.8%	304.9	320.6	5.1%
EBITDA	42.0	37.9	-9.6%	42.8	-11.4%	80.5	80.7	0.2%
EBITDA Margin	28.2%	23.0%	-5.2 p.p.	27.5%	-4.5 p.p.	26.4%	25.2%	-1.2 p.p.
OPEX	106.9	126.9	18.7%	113.0	12.3%	224.4	239.9	6.9%

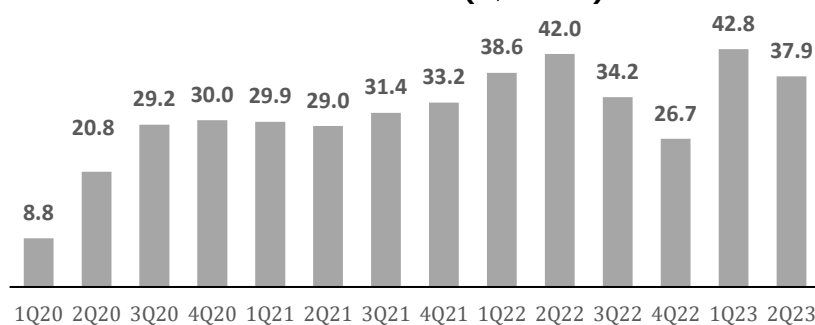
Revenues from Mobile totaled R\$165 million in 2Q23 (+11% YoY) and R\$321 million in 6M23, up by 5% over 6M22. This result is mainly attributed to higher sales of SIM Cards, despite the slight decrease in prices observed.

#### Global SIM Card Sales (millions of units)



The OPEX of the Mobile operations increased by 19% YoY in 2Q23, which led to an EBITDA decrease of 10% in the quarter, totaling R\$38 million. EBITDA slightly increased by 0.2% in 6M23 compared to 6M22. We reached EBITDA Margins of 23.0% in 2Q23 and 25.2% in 6M23, drops of 5 p.p. from 2Q22 and 1 p.p. from 6M22. This vertical has been maintaining the margins between 20.0% and 30.0% for nine consecutive quarters.

#### Normalized EBITDA (R\$ Million)

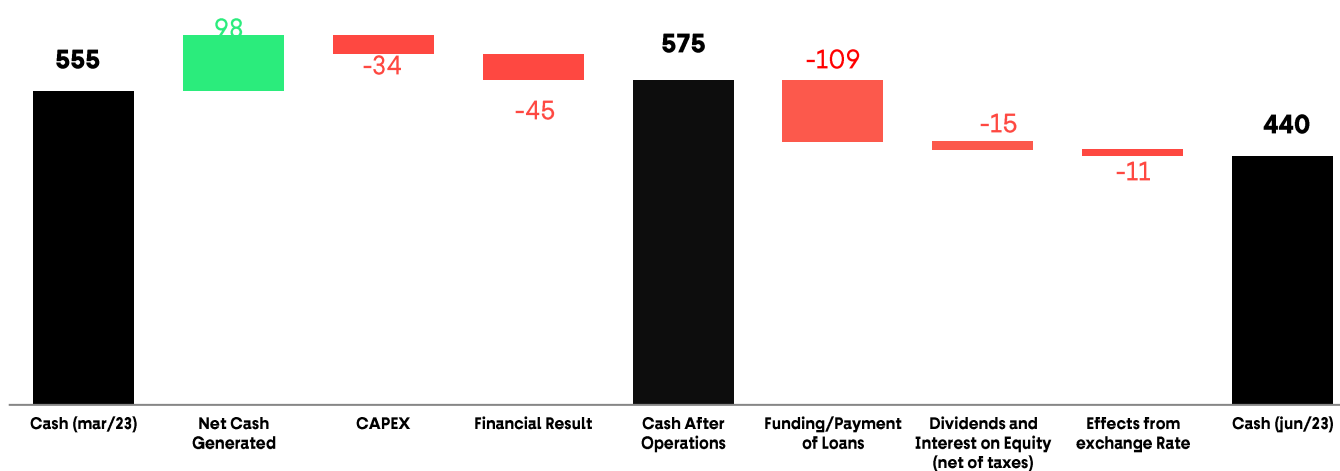


The generation of operational cash totaled R\$98 million in 2Q23, which, as previously presented, accounts for more than 70% of the EBITDA generated in the quarter.

The main changes in the financing activities in 2Q23 are as follows:

- Operational cash generation: R\$98 million
- Net loan funding/amortization: R\$109 million;
- CAPEX: R\$34 million; and
- Payment of Interest on Equity: R\$15 million;

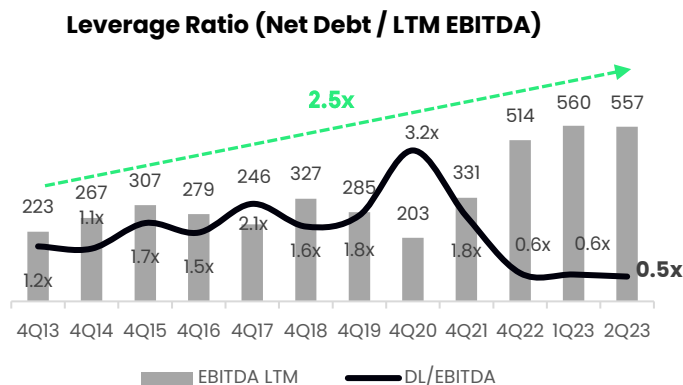
R\$ million



Note: Operating Cash Generation: EBITDA - Taxes on Results - Working Capital

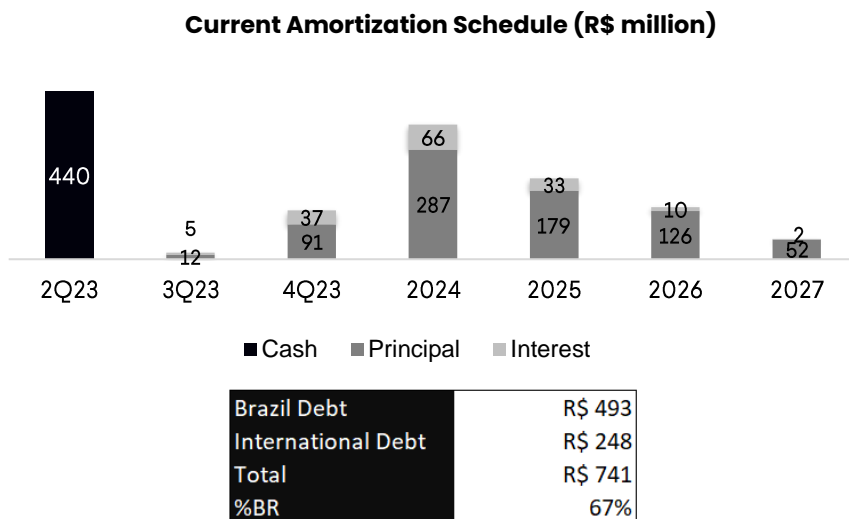
## LOANS AND FINANCINGS

Thanks to the constant improvement of its operational results, Valid has been improving its leverage ratio every quarter, maintaining its Net Debt/EBITDA ratio at 0.5x in 2Q23 – the lowest level in the Company’s history.



The cash position at the end of the quarter, of R\$440 million, is comfortable and sufficient to settle all principal repayments by the end of 2023 and 2024.

Currently, 34% of the Company’s debt is in the short term and 66% in the long term, and the amount pegged to BRL accounts for around 67% of the total. The consolidated debt amortization schedule and the debt position in BRL and USD as of June 30, 2023 are as follows.



The current breakdown of the Company's debt (excluding leases) and financial indicators are as follows:

**DEBT PROFILE**

---

Gross Debt (R\$ MM)	<b>R\$ 741</b>
Cash <sup>1</sup> (R\$ MM)	<b>R\$ 440</b>
Net Debt (R\$ MM)	<b>R\$ 301</b>

**2Q21 FINANCIAL COVENANTS**

---

Net Debt/EBITDA	<b>0.5x</b>
EBITDA/Financial Expenses	<b>4.4x</b>

**TARGET COVENANTS**

---

Net Debt/EBITDA	<b>≤3.0</b>
EBITDA/Financial Expenses	<b>&gt;1.75</b>

<sup>1</sup>Considering short-term securities and financial investments.



The breakdown of the Company's outstanding debts at the end of the quarter is as follows:

### Debentures

Debentures	9th Issuance
Approval of public offering	Board of Directors Meeting 04/19/2022
Total Value	250,000,000
Maturity	06/20/2027
Remuneration	CDI + 3.0%
Guarantee	Fiduciary Assignment of Linked Account
Amortization of principal	Semiannual from Dec/24
Payment of interest	Semiannual from Dec/22
R\$ ('000)	BRL 247,954

### Loans and Financing

Description	Loan	Loan	Loan	Loan	Loan	Loan
Recipient	Valid S.A.	Valid S/A	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.
Total amount	BRL 90,000 thousand	BRL 33,333 thousand	BRL 26,666 thousand	BRL 100,000 thousand	BRL 30,000 thousand	BRL 83,500 thousand
Maturity	05/31/2026	02/14/2025	03/13/2025	03/30/2026	07/05/2026	05/26/2027
Remuneration	CDI + 0.13% p.m.	CDI + 2.90% p.y.	CDI + 3.04% p.y.	CDI + 0.20% p.m.	CDI + 2.17% p.y.	CDI + 0.15% p.m.
Guarantee	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.
Amortization of principal	Grace period of 9 months (monthly from April 2023)	Monthly from March /23	Grace period of 10 months (Bimonthly from January 23, 2023)	Grace period of 4 months (Bimonthly from August 2022)	Grace period of 12 months (monthly from August 2023)	Grace period of 6 months (monthly from December 2023)
Payment of interest	Grace period of 9 months (monthly from April/23)	Monthly (12 months) and Quarterly (after grace period)	Quarterly (as of July 12, 2021)	Grace period of 4 months (Bimonthly from August 2022)	Grace period of 12 months (monthly from August 2023)	Grace period of 6 months (monthly from December 2023)
	BRL 82,583	BRL 27,506	BRL 21,304	Discharged	BRL 29,840	BRL 83,644

Description	Loan	Loan	Loan	Loan
Recipient	Valid Espanha	Valid Espanha	Valid USA	Valid Espanha
Total amount ('000)	EUR 4,200 thousand	US\$ 10,000 thousand	US\$ 8,000 thousand	EUR\$4,400
Maturity	10/06/23	12/09/24	03/16/24	04/12/2023
Remuneration	5.99% p.y.	7.72% p.y.	SOFR + 2.5% p.y.	6.10% p.y.
Guarantee	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.
Amortization of principal	Bullet in Oct/2023	Semi-annual, from Dec/2023	Bullet	Bullet
Payment of interest	Semi-annual, from Apr/2023	Semi-annual, from June/2023	Monthly	Bullet
Currency of the country of origin ('000)	EUR\$4,249	US\$10,017	US\$8,050	EUR\$4,054
R\$ ('000)	BRL 22,359	BRL 48,275	BRL 38,797	BRL 21,335

Description	Loan	Loan	Loan	Loan
Recipient	Valid Espanha	Valid Espanha	Valid Espanha	Valid Espanha
Total amount	EUR 13,000 thousand	US\$38,888 thousand	USD 7,142 thousand	EUR\$4,400
Maturity	04/14/2025	04/22/2025	05/05/2025	04/14/2025
Remuneration	4.7% p.y.	6.95% p.y.	6.90% p.y.	4.70% p.y.
Guarantee	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.
Amortization of principal	Semi-annual in October/2022	Semi-annual (from April/2023)	Semiannual (as of November 22)	Semiannual (from October 2022)
Payment of interest	Semi-annual (from October/2022)	Semi-annual (from April/2023)	Semiannual (as of November 22)	Semiannual (from October 2022)
Currency of the country of origin ('000)	EUR9,012	US\$6,401	US\$4,805	EUR\$2,941
R\$ ('000)	BRL 47,428	BRL 30,847	BRL 23,158	BRL 15,481

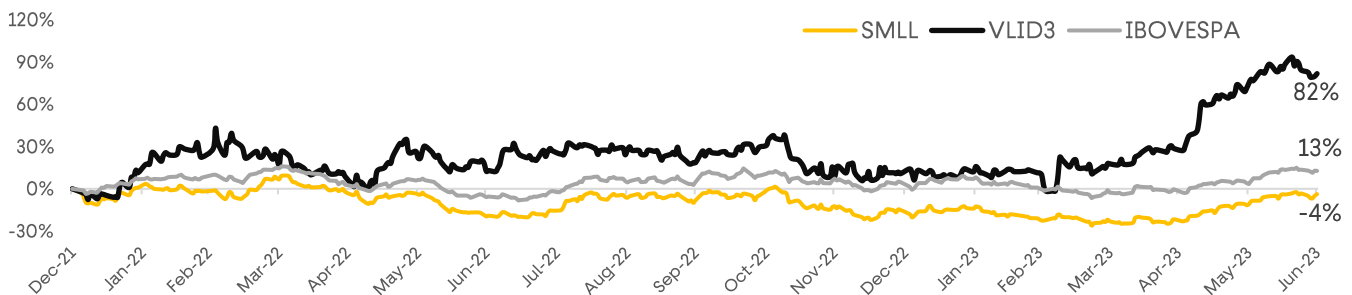
## DIVIDENDS AND INTEREST ON EQUITY

The table below shows the last payments made by Valid in the form of Dividends and IoE:

EVENT	DATE	FISCAL YEAR	SHAREHOLDING POSITION	PAYMENT DATE	GROSS AMOUNT PER SHARE (R\$)	GROSS AMOUNT R\$
Dividends	11/08/2017	2017	11/14/2017	11/24/2017	0.200000	14,102,535.00
Dividends	04/26/2018	2017	04/26/2018	05/18/2018	0.150213	10,576,901.25
IoE	09/21/2018	2018	09/26/2018	10/11/2018	0.235340	16,565,774.59
IoE	12/11/2018	2018	12/14/2018	10/01/2019	0.588230	41,414,436.47
IoE	11/11/2019	2019	14/11/2019	01/03/2020	0.350000	24,606,589.70
IoE	11/11/2019	2019	14/11/2019	12/10/2020	0.350000	24,606,589.70
IoE	12/29/2021	2021	01/05/2022	01/31/2022	0.290354	23,145,000.00
IoE	12/29/2022	2022	01/05/2023	01/31/2023	0.263031	20,999,926.96
IoE	05/09/2023	1Q3	05/15/2023	05/22/2023	0.180000	14,371,558.74
IoE	07/18/2023	2Q3	07/21/2023	/0731/2023	0.200000	16,016,078.00

## STOCK PERFORMANCE

Valid’s shares (VLID3) have been listed on B3’s Novo Mercado since April 2006. Our shares closed the quarter at R\$14.65, a QoQ increase of 54%. The average daily trading volume was R\$5.5 million in 2Q23, up by 111% over 1Q23 and by 62% over 2Q22. The chart below shows the performance of Valid shares (VLID3) in late 2021 in comparison with the Ibovespa (IBOV) and SmallCap (SMLL) indices. Valid increased by 82%, while IBOV moved up by 13% and SMLL fell by 4% in the period.





**Attachment**



**Valid** Trust  
Powerhouse



## QUARTELY STATEMENTS OF INCOME (R\$ million)

	Company		Consolidated	
	2Q22	2Q23	2Q22	2Q23
<b>Revenue from sales and/or services</b>				
Revenue from sales and/or services	219,9	282,3	456,8	534,3
Costs of goods and/or services sold	(161,5)	(192,7)	(287,4)	(341,0)
<b>Gross profit</b>	<b>58,4</b>	<b>89,6</b>	<b>169,4</b>	<b>193,3</b>
Selling expenses	(14,7)	(11,0)	(48,5)	(45,3)
General and administrative expenses	(9,0)	(25,3)	(24,9)	(37,2)
Other operating expenses	0,4	(3,4)	(9,0)	(7,0)
Equity pickup	21,2	27,2	(0,9)	(0,5)
<b>Income before finance income (costs)</b>	<b>56,3</b>	<b>77,1</b>	<b>86,1</b>	<b>103,3</b>
Finance income	45,0	13,9	73,2	47,7
Finance costs	(51,6)	(29,6)	(89,9)	(80,4)
<b>Income (loss) before income taxes</b>	<b>49,7</b>	<b>61,4</b>	<b>69,4</b>	<b>70,6</b>
Current income tax and social contribution taxes	-	1,3	(18,9)	(8,3)
Deferred income tax and social contribution taxes	(6,4)	(5,2)	(7,2)	(7,1)
<b>Result after tax on profit</b>	<b>43,3</b>	<b>57,5</b>	<b>43,3</b>	<b>55,2</b>
Reversal of interest on equity	-	14,4	-	14,4
<b>Net income from continuing operations</b>	<b>43,3</b>	<b>57,5</b>	<b>43,3</b>	<b>55,2</b>
Net income from discontinued operations	(47,6)	-	(47,6)	-
<b>Net (loss) income from discontinued operations</b>	<b>(47,6)</b>	<b>-</b>	<b>(47,6)</b>	<b>-</b>
<b>Net income for the period</b>	<b>(4,3)</b>	<b>57,5</b>	<b>(4,3)</b>	<b>55,2</b>
Controlling shareholders	(4,3)	57,5	(4,3)	57,5
Noncontrolling Interest	-	-	-	(2,3)
Number of shares	79,2	80,0	71,1	80,0
Earnings per basic and diluted share (R\$)	(0,1)	0,7	0,6	0,7
Earnings per share of Op. continued	0,6	0,7	0,5	0,7
Earnings per share of Op. discontinued	(0,6)	0,0	(0,6)	0,0

STATEMENTS OF INCOME  
(R\$ million)

	Company		Consolidated	
	6M22	6M23	6M22	6M23
<b>Revenue from sales and/or services</b>				
Revenue from sales and/or services	436.8	551.5	904.3	1,063.6
Costs of goods and/or services sold	(320.6)	(366.3)	(584.2)	(662.7)
<b>Gross profit</b>	<b>116.2</b>	<b>185.2</b>	<b>320.1</b>	<b>400.9</b>
Selling expenses	(27.1)	(27.2)	(91.6)	(94.2)
General and administrative expenses	(23.8)	(49.3)	(56.1)	(76.8)
Other operating expenses	(0.1)	(12.7)	(17.4)	(23.4)
Equity pickup	40.9	61.0	(1.2)	(1.6)
<b>Income before finance income (costs)</b>	<b>106.1</b>	<b>157.0</b>	<b>153.8</b>	<b>204.9</b>
Finance income	62.5	30.5	106.7	94.2
Finance costs	(146.8)	(59.0)	(208.1)	(145.8)
<b>Income (loss) before income taxes</b>	<b>21.8</b>	<b>128.5</b>	<b>52.4</b>	<b>153.3</b>
Current income tax and social contribution	-	(4.2)	(25.9)	(25.7)
Deferred income tax and social contribution	10.8	(7.4)	7.7	(12.8)
<b>Result after tax on profit</b>	<b>32.6</b>	<b>116.9</b>	<b>34.2</b>	<b>114.8</b>
Reversal of interest on equity	-	14.4	-	14.4
<b>Net income for the period from continuing operations</b>	<b>32.6</b>	<b>116.9</b>	<b>34.2</b>	<b>114.8</b>
Net income for the year from discontinued operations	(55.0)	-	(55.0)	-
Net income for the year from discontinued operations	(55.0)	-	(55.0)	-
<b>Net profit for the period</b>	<b>(22.4)</b>	<b>116.9</b>	<b>(20.8)</b>	<b>114.8</b>
Controlling shareholders	(22.4)	116.9	(22.4)	116.9
Noncontrolling Interest	-	-	1.6	(2.1)
Number of shares	79.2	79.9	79.2	79.9
Earnings per basic and diluted share (R\$ )	(0.3)	1.5	(0.3)	1.5
Earnings per share of Op. continued	0.4	1.5	0.4	1.5
Earnings per share of Op. discontinued	(0.7)	0.0	(0.7)	0.0

## QUARTERLY STATEMENTS OF CASH FLOWS (R\$ million)

	Company		Consolidated	
	2Q22	2Q23	2Q22	2Q23
Earnings before taxes on earnings from continuing operations	49.7	61.4	69.4	70.6
Earnings before taxes on profit from discontinued operations	(47.6)	-	(47.6)	-
<b>Cash from operations</b>	<b>65.5</b>	<b>77.8</b>	<b>152.8</b>	<b>153.4</b>
Profit (loss) before income tax and social contribution	2.0	61.5	21.8	70.6
Income before income and social contribution taxes,				
Reconciliation of income before income and social contribution taxes with cash provided by operating activities				
Depreciation	8.6	9.6	21.7	13.6
asset write-off	1.0	0.2	2.7	1.8
Amortization	2.8	4.0	16.5	14.7
Fair value of the creative fund III	-	-	-	-
Restatement of judicial deposits	(0.3)	(0.4)	(0.3)	(0.2)
Stock options	0.6	0.1	0.6	0.1
Provisions for litigation and lawsuits	5.7	5.1	5.7	5.5
Provision for obsolescence of fixed assets	-	-	54.7	-
Allowance for doubtful accounts	(0.5)	0.2	1.8	0.7
Provision for stock obsolescence	-	-	0.4	4.0
provision for impairment	-	-	-	-
Equity pickup	26.3	(27.2)	0.9	0.6
Interest expense on debentures and loans and financing	34.0	22.5	36.6	26.6
exchange variation of loans	-	-	2.3	(0.10)
Interest, exchange variation and write-off of leases	0.3	0.4	1.1	0.6
Interest and exchange variation on loans	(17.8)	0.9	(15.2)	1.8
PIS and COFINS credits and ICMS financial updates	-	(0.7)	(0.3)	(0.7)
Adjust to present value	-	1.5	-	(1.3)
Other exchange variations	(0.2)	0.1	1.8	15.1
Others	3.0	-	-	-
<b>Changes in assets and liabilities</b>	<b>0.9</b>	<b>(16.7)</b>	<b>(24.6)</b>	<b>(55.6)</b>
Account receivable	(3.0)	5.9	8.6	(32.1)
Taxes recoverable	14.9	7.7	13.7	10.0
Inventories	(13.3)	(5.2)	(71.1)	(19.9)
Judicial deposits	0.2	(1.3)	(0.8)	(1.5)
Other account receivables	2.6	4.3	9.9	35.2
Receivables from related parties	(7.6)	(9.6)	(0.3)	0.1
Trade accounts payable	(2.6)	0.9	21.1	(30.1)
Debt with related parties	15.3	(2.1)	0.2	-
Payroll, provisions and social charges payable	1.7	3.0	8.5	(2.5)
Taxes, charges and contributions payable	(2.2)	2.9	(12.2)	5.4
Advance from customers and other accounts payables	(1.7)	(0.8)	1.3	(0.9)
Payment of labor, civil and tax contingencies	(0.4)	(22.4)	(0.5)	(22.4)
Payment of income and social contribution taxes	-	-	(3.0)	3.1
Others	(3.0)	-	-	-
<b>Cash provided by (used in) operating activities</b>	<b>66.4</b>	<b>61.1</b>	<b>128.2</b>	<b>97.8</b>
<b>Cash flows from investing activities</b>				
Acquisition of PPE	(24.8)	(4.7)	(28.0)	(6.2)
Acquisition of intangible assets	(2.0)	(1.9)	(5.4)	(9.3)
Marketable securities	(0.3)	-	(0.3)	-
acquisition of equity interest -Serbet	-	-	-	(18.0)
acquisition of equity interest - Flexdoc	-	(20.0)	-	-
Acquisition of financeira vinculada	(106.2)	(7.0)	(106.2)	(7.0)
<b>Net cash provided by (used in) investing activities</b>	<b>(133.3)</b>	<b>(33.6)</b>	<b>(139.9)</b>	<b>(40.5)</b>
<b>Cash flows from financing activities</b>				
Receivables from related parties	7.5	(6.4)	-	-
Interest on equity paid net	-	(14.4)	-	(14.4)
Payment of dividends to non-controlling interests	-	0.5	-	(0.5)
Treasury shares	(2.3)	-	(2.3)	-
Lease payment	(1.5)	(1.7)	(5.3)	(3.2)
Payment of interest leases	-	-	(1.1)	(0.1)
Debentures raised	245.8	-	245.8	-
Payment of debentures	(371.7)	(90.0)	(371.7)	(90.0)
Payment of interest on debentures	(56.5)	(27.0)	(56.5)	(27.0)
Loans	89.1	82.4	161.0	104.5
Payment of loans	(24.3)	(93.2)	(116.7)	(123.0)
Payment of interest on loans	(6.7)	(7.4)	(12.5)	(14.8)
<b>Cash provided financing activities</b>	<b>(120.6)</b>	<b>(157.2)</b>	<b>(159.3)</b>	<b>(168.5)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(187.5)</b>	<b>(129.7)</b>	<b>(171.0)</b>	<b>(111.2)</b>
<b>Cash balances and cash equivalents</b>				
Cash and cash equivalents at the beginning of the period	217.5	263.9	392.7	405.0
Effect of changes in exchange rates on cash and cash equivalents held in foreign currency	-	-	12.5	(11.3)
Cash and cash equivalents at the end of the year	30.0	(134.2)	234.2	282.5
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(187.5)</b>	<b>(129.7)</b>	<b>(171.0)</b>	<b>(111.2)</b>

## STATEMENTS OF CASH FLOWS (R\$ million)

	Company		Consolidated	
	6M22	6M23	6M22	6M23
Earnings before taxes on earnings from continuing operations	21.9	128.5	52.5	153.2
Earnings before taxes on profit from discontinued operations	(55.0)	-	(55.0)	-
<b>Cash flows from operating activities</b>				
<b>Cash from operations</b>	<b>114.2</b>	<b>160.7</b>	<b>263.9</b>	<b>310.1</b>
Profit before income tax and social contribution	(33.2)	128.6	(2.6)	153.2
Income before income and social contribution taxes, Reconciliation of income before income and social contribution taxes with cash provided by operating activities				
Depreciation	16.4	19.4	43.7	27.8
asset write-off	0.3	0.4	6.8	2.0
Amortization	5.4	7.4	32.9	29.6
Fair value of the creative fund III	(0.5)	(1.2)	(0.5)	(1.2)
Restatement of judicial deposits	(0.8)	(0.3)	(0.8)	(0.3)
Stock options	1.5	0.5	1.5	0.5
Provisions for litigation and lawsuits	7.6	16.6	8.1	14.9
Provision for obsolescence of fixed assets	-	-	54.4	-
Allowance for doubtful accounts	(0.2)	4.1	3.2	4.1
Provision for stock obsolescence	-	-	(0.8)	4.2
provision for impairment	-	-	-	0.0
Equity pickup	14.1	(61.0)	1.2	1.6
Interest expense on debentures and loans and financing	63.8	46.9	68.7	54.7
exchange variation of loans	-	-	2.8	(2.5)
Interest, exchange variation and write-off of leases	0.1	0.7	2.1	1.1
Interest and exchange differences on intercompany loans	38.2	(1.2)	45.0	0.7
PIS and COFINS credits and ICMS financial updates	(0.2)	(1.9)	(0.9)	(1.9)
Adjust to present value	-	1.5	-	(1.3)
Other exchange variations	(1.3)	0.1	(0.9)	22.9
Others	3.0	0.1	-	-
<b>Changes in assets and liabilities</b>	<b>7.2</b>	<b>(69.8)</b>	<b>(52.2)</b>	<b>(153.7)</b>
Accounts receivable	6.6	(9.9)	(25.9)	(94.4)
Taxes recoverable	8.9	6.9	2.2	14.6
Inventories	(26.5)	(30.8)	(77.5)	(46.5)
Judicial deposits	21.3	(1.4)	20.3	(1.4)
Other receivables	(3.1)	4.6	(0.6)	48.3
Receivables from related parties	(8.1)	(11.2)	(1.8)	0.2
Trade accounts payable	(3.7)	0.9	15.3	(44.6)
Debt with related parties	19.4	(1.4)	0.2	-
Payroll, provisions and social charge payable	(4.9)	(8.8)	0.6	(7.7)
Taxes, charge and contributions payable	1.3	10.1	(4.0)	4.0
Advance from customers and other accounts payable	0.9	(0.2)	27.4	9.1
Payment of labor, civil and tax contingencies	(1.1)	(22.7)	(1.4)	(25.5)
Ernaut payment	(0.8)	-	(0.8)	-
Payment of income and social contribution taxes	-	(5.9)	(6.2)	(9.8)
Others	(3.0)	-	-	-
<b>Cash provided operating activities</b>	<b>121.4</b>	<b>90.9</b>	<b>211.7</b>	<b>156.4</b>
<b>Cash flows from investing activities</b>				
Aquisitions of PPE	(38.8)	(6.6)	(43.1)	(11.1)
Aquisitions of intangible assets	(7.0)	(2.9)	(15.5)	(13.0)
capital increase in subsidiaries	(0.4)	(0.9)	-	-
Marketable securities	(1.1)	(0.5)	(1.1)	(0.5)
Acquisition of equity interest -Serbet	-	-	-	(18.0)
Acquisition of equity interest - Flexdoc	-	(20.0)	-	-
Acquisition of financeira vinculada	(111.1)	(9.2)	(111.1)	(9.2)
<b>Cash provided by (used) investing activities</b>	<b>(158.4)</b>	<b>(40.1)</b>	<b>(170.8)</b>	<b>(51.8)</b>
<b>Cash flows from financing activities</b>				
Receivables from related parties	7.5	49.9	-	-
Interest on equity paid	(23.1)	(35.4)	(23.1)	(35.4)
Payment of dividends to non-controlling interests	-	0.5	-	(0.5)
Treasury shares	(10.5)	-	(10.5)	-
Issuance of shares in the parent company, net of transaction costs	4.3	-	4.3	-
Lease payment	(3.0)	(3.3)	(11.3)	(6.9)
Payment of interest leases	-	-	(2.2)	0.0
Debentures raised	245.8	-	245.8	-
Payment of debentures	(374.4)	(90.0)	(374.4)	(90.0)
Payment of interest on debentures	(57.4)	(27.0)	(57.4)	(27.0)
Loans	189.0	82.40	292.9	145.8
Payment of loans	(104.1)	(108.7)	(227.8)	(138.6)
Payment of interest on loans	(13.6)	(19.0)	(20.6)	(26.2)
<b>Cash used in financing activities</b>	<b>(139.5)</b>	<b>(150.6)</b>	<b>(184.3)</b>	<b>(178.8)</b>
<b>Decrease in cash and cash equivalents</b>	<b>(176.5)</b>	<b>(99.8)</b>	<b>(143.4)</b>	<b>(74.2)</b>
<b>Cash balances and cash equivalents</b>				
Cash and cash equivalents at the beginning of period	206.5	234.0	390.0	365.1
Effect of exchanges rate changes on the balance of cash and cash equivalents held in foreign currency	-	-	(12.4)	(8.4)
Cash and cash equivalents at the end of the year	30.0	134.2	234.2	282.5
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(176.5)</b>	<b>(99.8)</b>	<b>(143.4)</b>	<b>(74.2)</b>



# Valid

IVAN MURIAS  
**Chief Executive Officer**

OLAVO VAZ  
**Head of Corporate Finance**  
Olavo.vaz@valid.com

JULIA ARAUJO  
**Corporate Finance and IR Supervisor**  
Julia.araujo@valid.com

RAFAEL ROSA  
**Corporate Finance and IR Specialist**  
Rafael.rosa@valid.com

PAULO VITOR LIMA  
**IR Analyst**  
Paulo.mlima@valid.com

ANGELA BARBATTI  
**IR Intern**  
Angela.barbatti@valid.com

[www.valid.com](http://www.valid.com)

