

Lucas Miyasaka:

Good morning, everyone. Welcome to Valid's 3Q25 earnings conference call. I am Lucas Miyasaka, Corporate Finance and Investor Relations Manager.

Before we begin the presentation, I have some announcements to make. This event is being recorded, and some will be in listen mode during the presentation. For those interested, the presentation is also available with simultaneous translation into English. The supporting slides that we will be presenting are available on our IR website, and shortly after the event, the replay will also be available on our website.

As soon as the presentation is over, we will begin the Q&A session. The questions can be submitted as of now and at any time during the broadcast. To send it, simply access the chat here on the platform.

Responding to your requests, we are now offering the options of live questions. To that end, simply click on the 'raise hand' option at any time during the presentation to join the queue. When we get to the Q&A session, we will open the microphone on a first-come, first-served basis. Once your question is answered, please click on 'lower hand'.

It's important to clarify that any statements that may be made during this video conference regarding the Company's business outlook, projections, and operational and financial goals constitute beliefs and assumptions of our Executive Board, as well as information currently available to the Company. Forward-looking statements are no guarantee of performance. They involve risks, uncertainties and assumptions, since they depend on circumstances that may or may not occur. Investors should understand that general economic conditions, industry conditions, and other operating factors could affect the Company's future performance and lead to results that differ materially from those expressed in such forward-looking statements.

Today, Ilson Bressan, CEO of Valid, Olavo Vaz, our CFO and Investor Relations Officer will be here with us. I hand over the floor to Olavo to begin the presentation. Good morning, Olavo.

Olavo Vaz:

Good morning, Lucas. Good morning, everyone who's attending our earnings call, especially our shareholder base. On behalf of the Board of Directors and employees of Valid, I would like to thank you for your participation and for your interest.

The format of this call will be similar to what we have done in recent ones, starting with more general figures of the 3Q, and then Bressan will give more details on how each of the verticals is performing, and also discussing the business perspectives. At the end, we will have the Q&A session.

Let's dive into the results, starting with revenue and EBITDA for the quarter, which, as you can see from the title, were the best of the year for those indicators. We closed with revenue of R\$540 million, a growth of 10% when compared to the previous quarter, and a slight decrease of 6% when compared to 3Q24.

The dynamics for this quarter was very similar to what we saw in 2025, or we have seen so far. That is, good performances in ID and Mobile in the year-on-year comparison and a more challenging scenario in the Pay vertical. This vertical, which returned to positive

margins this quarter after adjustments in its structure that we started to implement at the end of the quarter.

In the field of ID, the growth was 17% higher and 16% compared to the last quarter. It's reflecting higher emissions of non-recycled materials in the states of Bahia and São Paulo.

As for Mobile, we had an increase of 2% when compared to the 3Q and 3% when compared to the 2Q25, both with growth in SIM cards and OEM.

In Pay, the drop compared to the same period of 2024 was 40%, and when compared to the 2Q, we had a growth of 8%. The adjustments to the operational and commercial structure that were initiated in April are beginning to show good results.

When we look at the year-to-date figures, revenue falls only 3%, with the same trend across different areas.

Let's look at EBITDA now. We close the quarter with R\$115 million, the best quarterly EBITDA of 2025, an increase of 26% when compared to the previous quarter and a decrease of 13% when compared to the same period. And the large part, or most of the drop is driven by the Pay vertical.

I would like to highlight the results of ID, which contributed to the EBITDA that we had for the quarter, and for Pay. Although we have small positive numbers, it shows a reversal of the downtrend presented so far.

When we look at 9M25, we reach an EBITDA of R\$311 million, a decrease of 19%, with all this decrease observed in the Pay segment alone, since in the ID and Mobile verticals, we have year-on-year growth.

Now, let's talk about the new businesses, and we have provided a lot of attention to that so far. Our businesses continue to grow consistently. We achieved R\$83 million in revenue for this quarter and R\$19 million in EBITDA in the quarter. Year-to-date, we have a revenue of R\$241 million, accounting for 16% of the total revenue of Valid, and R\$82 million in EBITDA, which accounts for 26% of our total EBITDA.

When we provide further details, let's talk about digital government. As of this quarter, we started to consider Vsoft in our figures. Vsoft alone accounts for about R\$20 million in the quarter, and we have a growth year-on-year of the digital government of 30%.

When we observe the onboarding numbers, we see that this quarter had a slight drop when compared to the previous quarter. This is because the 3Q is the annual contract renewal period for a very important client, and this contract was successfully completed at the end of September.

In Mobile Solutions, we offered stability with good performance, especially in OEM. Compared to the previous year, we have seen a decrease, as in the 2H24, we had the delivery of a large setup project in the Middle East region.

The strategic plan of Valid involves a change in the revenue matrix, which stems especially from the growth of those units. As we have discussed, quarterly fluctuations can occur in these segments, but we are focused on the long-term growth and aiming to build a healthy and sustainable long-term future.

Looking at the new businesses in the last 12 months, we see that there is a growth of R\$307 million, and that accounts for a growth of 81% when compared to the previous 12 months.

Analyzing the revenue of the 3Q25, we would exceed R\$330 million in revenue, and that shows that we should come to the end very close to the target that we established of R\$350 million in revenue of new businesses, and a little more than R\$100 million in EBITDA. In other words, we are growing at an accelerated pace with strong margins, and we will continue along this path.

Now, let's talk about EBITDA and income. We come from a negative financial result of R\$8 million, coming to a gross margin of R\$52 million, which represents an earnings of R\$0.63 per share. This quarter we had R\$8 million negative results from the financial result, and this is a result of R\$2 million positive of cash effect and R\$10 million negative of non-cash effect.

In the quarter, we have a depreciation and amortization of R\$28 million, a level that has remained constant over the last few quarters. On our tax line, it is affected by the IOE, interest on equity, and we saw a negative result of R\$7 million, leading to a tax rate of only 11% for the quarter.

The others account is spread across different expenses, involving provisions, expenses from discontinued operations. It's worth noting that this quarter was also impacted by the agreement that was made related to discontinued businesses of Valid. If we look at the recurring net income, this quarter we would have had the best period of the year with R\$67 million as a result.

Now let's move on to year-to-date view. We went for an EBITDA of R\$311 million to a net income of R\$180 million, an EPS of 2.30 per share. The dynamics for the year is very similar to what we saw in the last quarter, with a large part of the financial result having no cash effect and the income tax impacted by the interest on equity effect.

By 2025 Valid will have a credit line in a total of R\$3 million, which when we add a negative R\$19 million of income tax and social contribution to the R\$22 million of positive amounts in TBU. At the same time point in 2024, we had the negative value of R\$51 million in the tax line, and this shows the work that has been done in lines below EBITDA.

In recurring terms, we would have a profit of R\$144 million, and in general accounting terms of R\$180 million. I would like to remind you of the non-recurring effect of R\$29 million related to the sale of Colombia and R\$22 million of the tax credit of the 2Q in relation to the TBU. As I mentioned in the previous slide, the expense is driven by the agreement that was executed in 3Q.

Let's talk about the cash flow variation during the quarter. Since the beginning of the year, we have maintained a comfortable cash position, which helps us navigate those challenging moments, and also accelerated growth. We went from a cash balance of R\$622 million and closed the quarter at R\$653 million. This quarter, we had the highest operating revenue, especially when compared to the previous quarter.

As we have mentioned before in the previous calls, when we look at the capital dynamics in the very short term, distortions may occur quarter on quarter. This is why we like to see the conversion of EBITDA in cash looking at a longer period. In any case, our

operating revenue for the quarter was R\$122 million, and that accounts for a conversion of 107% of the EBITDA.

This quarter, we had R\$52 million of expenses in CAPEX, and most of it was invested in new businesses, digital government, mobile solutions, and in the acquisition of equipment for our water seal business, which is starting its operations in the state of São Paulo. Furthermore, this quarter we received the first tranche of the financing from FINEP in the amounting of R\$62 million, and we are going to invest this amount in the products of digital government. We also settled a bilateral debt of R\$30 million that was in the beginning of July.

As we have done every quarter this year, we have maintained our process of distribution of proceeds in a very consistent manner and we continue buying back the shares of the Company, because we understand that their actual value does not reflect our potential for appreciation.

Now let's look at the 9M outlook. As I mentioned earlier, we prefer to see this conversion in the longer period because it clearly shows the capacity of the Company to convert EBITDA into cash.

So, in the 9M25, we reached a conversion of 89%. The main cash outflows are investments in new businesses, the purchase of additional stakes in companies that were already part of our portfolio, and the payment of dividends to our shareholders.

In 2025 alone, we have already made a payment of R\$106 million in dividends, and we have announced a further R\$109 million in proceeds.

Let's talk about the main dynamics of working capital. On the slide, we can see with detail the variation of the moves that happened. If you notice on the first graph, where we see the volume of accounts receivable, it had fallen sharply in 1Q and it recovered in the 2Q and in the 3Q as well.

The term in days increased from 69 to 77 days. Advances that we had, especially in the Mobile vertical, which has a longer payment flow, led to this increase on the average term. And even so, they are all in line with the level we were at in 3Q24.

Now moving on to the second graph about inventories, which had shown a slight increase in the 2Q, and it started to be reduced again. And at this moment, we are at a position 20% below the level we were back in 2024. This quarter alone, the reduction in the inventory average term was 8 days, so from 69 to 61 days.

Regarding suppliers, we see a maintenance of the schedule in line with the historical trend of the last few quarters. I would like to emphasize the message that I have delivered in the previous call. We continue improving the working capital levels, but we might have some slight variations in the 4Q.

Now talking about liquidity. Over the past few years, we gave a special attention to leverage, and we are going to continue doing like this. Even with all the investments made this year in new businesses, disbursements with M&As and shareholders remuneration, we maintained our net cash position.

As the charts can show, we have a very comfortable position with less than 15% of our debt maturing in the short term, in addition to a high bankability with our main partner banks.

The snapshot already includes the financing that we secured with Finep in July. This new debt has a cost of only TR+3%, with 3 years of grace period and 10 years for a repayment term. The funding could reach R\$150 million and will be used to finance new digital government initiatives, bring forth Valid's and the government's commitment to this type of project.

This new debt will lead to an increase in our duration, in addition to a significant reduction in our financial costs. With a robust and healthy balance sheet, we can focus on developing new businesses. We will continue to seek potential improvements in our liabilities, whether by extending the maturities or reducing our costs.

Now moving on to our share behaviors, over the past 12 months, Valid's shares have shown positive performance, although comparatively below the market average. As mentioned before, we continue seeing the potential for the stock appreciation, and as approved by the shareholders, we continue repurchasing our shares. Today, we have a total share buyback program of 2 million shares, and we have executed approximately 40% of all this volume.

I came to the end of what I needed to cover and I will turn the call over to Bressan, our CEO, so that he can provide more information about the verticals and our outlooks for the year. I will be back soon for the Q&A session, and I would like to invite you all to start submitting your questions. Feel free to use the chat on the platform. Thank you very much.

Bressan, over to you.

Iison Bressan:

Thank you, Olavo, for providing the overview of our financial results. Good morning, all our shareholders. Good morning to the market in general. Let's talk about each of our verticals, and let's go deeper into the specific dynamics of each of them.

Starting with the Valid ID. For sure, this is the vertical which is less subject to the ups and downs of the market because our contracts are long-term, so the rumors of the market do not affect this vertical negatively. And this is where we have consistent growth both year-to-date, when you compare year-on-year, and also when we compare this quarter with the 3Q24. Our growth in revenue amounts to more than 16%, and year-to-date we will reach 18%, and our EBITDA growth stands at 19%.

Of course, we see a volume, which is very consistent, of 8.2 million of documents issued, and if you compare with the 3Q24, it stands at the same level, a little bit below, and that means that we have executed with discipline all the operations of the issuance of the documents in Valid ID.

On the next slide, we see the behavior of what we have already been announcing in the last calls, and we see this growth since the 2Q. The CNH volume is dropping, and the CIN volume growing. It's the 2Q when we see an advance in the numbers of the CIN and stabilization of CNH at lower levels, and this is likely to continue for the years to come, especially because the document will be valid for 10 years, the CNH.

You can see that there's a growing trend. Not only the UFs are managing to make the correct execution of this new document, and this has been recognized as the safest document of ID in Latin America, and Valid in Brazil has been the leader of issuing those documents, and we have been posting the highest volume according to the agreements that we established.

On the right, we can see the behavior in the Southeastern region, São Paulo being the leader, and also in the Northeastern region with Bahia as the leader. Why is it so important to be issuing those documents? As we have mentioned in previous calls, safe identity is the pillar of a safe digital society. And the more Valid is present in this issuance process, the more contact we have with the technic innovations, especially biometrics, which is a part of our integrated platform.

And we intend to show to the society at large what is the platform that we are building in such a way that we can have the proper infrastructure to ensure safe transactions, so to be there present using the best biometrics technologies and the best onboarding technology. It's a competence and a fundamental asset that a Valid ID delivers.

Talking about Mobile, we can notice a growth, which is also consistent year-to-date when we compare year-on-year. But a reminder is that in the first months of 2024, Mobile vertical had a downward turn, and at this moment we have a growth of nearly 19%. An excellent result.

Something important to share with you is that the volume increased in the last 14 quarters, and this is the largest volume of SIM cards that were posted, and the new technologies of the SIM card helps us to have a very positive prospect.

Of course, there's an effort that we made to recover the volume when we went for ever more relevant global market share. Smartphones have more and more our technology, and if we maintain this global footprint, it's also another important source to get what the world has the best to offer and capture it into our platform in Brazil.

In relation to Pay, we have some positive news. We are operating in the black. In the 2Q, we had negative EBITDA result. We have already mentioned that the behavior has been more challenging, but after all the structures that we made, this vertical starts to be positive, and we continue making efforts with discipline to gain new market shares as we meet all the demands of the banks in Brazil.

Of course, the Pay specific dynamics has some innovations such as metal card, which is a very important product in our strategy so that we can have a better added value product. So, this vertical for the next quarters will continue to be challenging, but we came to a level where we managed to have profitability in this vertical.

Looking at the highlights, I would like to draw your attention to them, because the highlights for the quarter are based on the same basis that ensure high level of confidence, showing that we are on the right track and we are managing to make this transition, which is not just a sprint, it's really a big marathon where we need to invest in the new infrastructure of technology, and we are going to have a revenue matrix which is much more significant for the years to come.

So, the highlights that we would like to share with you are the revenues of R\$83 million. This means that there's a growth of 30% when compared to the same quarter of last

year, but 81% when compared to the previous 12 months, as Olavo mentioned beforehand.

So, together with this major result with new businesses and also considering the historic level of EBITDA of Valid ID, we can say that this is the best EBITDA for ID that is driven not only by the operational efficiency, but also in relation to the high volumes that we posted.

Aligned to that, we have the highest volume of proceeds of share buybacks, more than R\$236 million in those lines, and a balanced position which is very robust, allowing us to have a high level of confidence because, first, we are getting a good result from our core business, and the core businesses are managing to finance our future, our integrated platform, our investment in technology and also the advances in new businesses.

They do not have a short life, they are very resilient, and with the traditional businesses combined with the investments that we constantly make in new businesses, we are sure that this growth pathway is already established, and for the years to come we are going to continue balancing the remuneration of shareholders with the growth of the Company.

Talking about the growth of the Company, I would like to provide some details about what the R\$83 million would mean, as we are going to see on the next slide. So, what do they mean considering the vision that we have for the market? We have a central thesis. Valid is a major player of identity, of personalization and sensitive data with a SIM card or a credit card.

So, we are in a market whose size is much larger when we compare the markets where we operate and when we look at what could bring the digital government and digital onboarding and cyber safety focused on identity considering the identity governance that must be at play.

So, we estimate R\$26 billion in Brazil alone. And when we look at the revenue, annualized revenue of our new businesses, they come to the R\$332 million. And if you compare it to R\$26 billion, that means that we are still scratching the surface of this market, whose potential is absurd for us to continue growing, gaining more clients, offering different portfolios so that we can have a much larger share in this market.

Of course, the R\$332 million is a great accomplishment. In 2022, we had R\$3 million in this business line. In 2023, we had R\$50 million. So, it was already a very large growth. In 2024, we grew from R\$53 million to R\$216 million, a spectacular growth. And for this year, we are going to reach more than R\$332 million in new businesses. This is positive news.

But even so, our ambition shows that this market is much larger and we can achieve this market as we advance with our portfolio. And we are using a fundamental concept: players such as Valid, who have large expertise to work with complex operations, and we have large enterprises, B2B, these companies are very well-positioned and Valid has the competencies to take advantage of all this central thesis.

The more we are digitalized, we have to prove our identity in digital transactions. In a digital environment, we have to prove who we are, and we can do what we want to do in a digital transition.

And our central thesis is the following. We understand that by managing the consent, by interoperating different database, we can provide more than a platform. We can provide an infrastructure for a banking client, a telecom client, retail clients, e-commerce clients, insurance clients, society at large. We can provide this infrastructure that will allow safe transactions considering our expertise that we have related to ID.

So, when we adapted this central thesis to our portfolio, we noticed that the fundamental competencies of Valid are already installed in the three ecosystems we operate in. Identity, because we use biometrics, digital onboarding and digital data; safe connectivity, because of the high scalability that we have in the connections in the smartphones, or because we can operate and be one of the major players in Brazil in the leadership of issuing credit card.

When we combine all those competencies, and when we notice what those competencies mean for this need that society is demanding as of now, we start to see a portfolio. And this is what we refer to Valid integrated platform.

And for the first time ever, we are providing details on what our platform is. This integrated platform places us in a position where we maintain the businesses that we already have in our Company, which allows us the fundamental competence of the new portfolio.

But we have to consider four more lines. One, continue the online and the compliance with companies in digital platform environment. Second, it's not only do the onboarding process, we have to accompany the behavior of that entity, individual or company, depending on all the variations, so that we can provide identity governance with cyber security by designing all our operations, so that we can make transactions and be present in the biometric transactions, multibiometric transactions so that we can ensure that there are no frauds.

In this sense, on one hand, we are an infrastructure platform that ensures safe transactions, but we are also an antifraud platform so that we can move to a place just like open finance, so that we can have complete control of the information that is in the digital world.

So, this concept of a platform that has consent and data privacy and data transparency available to the citizen, together with a plain operability with banks, private or government banks, these are elements that ensure that we have the right competence to be, at the right time, providing this portfolio to the Brazilian society with the safety in all the transactions that we must make as the society gets more and more digitalized.

To wrap up, I would like to draw your attention on this last slide, as we mentioned in the previous calls. So, those journeys that we have been following with investments in platform, so that we can be better positioned in the Brazilian society, they provide us with the confidence that, on the one hand, the business core provides support and finance the growth. On the other hand, the new businesses are showing that the traction is very consistent, R\$83 million in this quarter or 15% on this percentage on the total revenue, and the EBITDA margin in the business alone.

These are indicators that this is just not a desire, but a business that accounts for more than R\$300 million in annual levels within Valid.

When we observe our capital structure and how we have been able to allocate the capital to remunerate shareholders or for organic or inorganic investments, we are sure that the journey that we started back then is very well founded, with all the principles and with all the pillars that we have already mentioned to you since the last calls, based on the latest results that we posted.

So, I believe that those pillars are very solid. And at this time, I would like to draw your attention to our internal culture and our internal team. So, I would also like to thank all Valid's employees across Brazil, and also in other countries where we work, the management level that helps us move forward and the translation of all those indicators into strategies. This is something that will continue for the years to come.

And also, our management team that has been sponsoring and encouraging and have been helping us for us to execute this plan, and also providing support to the ambitious plan that we have ahead, and with the results that we have seen so far.

So, we have a lot of confidence that the next quarters, the next years have a pathway which is very clear for the implementation of the strategy. And every year, every quarter, we are going to deliver an ever-growing Valid and remunerating the shareholders, investing in growth. And this is the task we have as the management team of Valid.

Thank you, everyone. And let's organize the panel so that we can start the Q&A session. Thank you so much and feel free to submit your questions.

Luccio (via webcast):

Good morning. Congratulations on the result. Could you talk about the water seal in São Paulo? Is it possible to expand it to other types of beverages?

Iison Bressan:

Good morning, Lucio. Water seal has an implementation in São Paulo of a technology that we already use in other six or seven states in Brazil. It consists of making the individual marking on a water bottle, especially the smaller bottles of 500 ml. And each of the water bottle, they have a unique QR code that can be verified by the consumer, and they can know the origin, the accuracy and the legality of this water as to tax collection.

So it's an implementation of a technology connected to the beverage companies together with the Secretary of Finance of the State of São Paulo. And therefore, we can have a very clear vision of a product that has origin and authenticity seal certificate.

And this is something that start happening in October in the state of São Paulo. Some factories already have this implemented in their production lines and we started to make investment in CAPEX for this purpose. So it has to have an operation that is connected to the production line of the manufacturer.

So it's a process that involves a lot of technology with a lot of technological integration, it involved the manufacturers, Valid, and the Secretary of Finance. And this shows an evolution for the next year, which is very significant for this business unit.

We estimate that for the year, the group of the six states where we operate, and we are now bringing São Paulo into this ecosystem, it tends to double in the next year in relation to water seal.

You ask if it can be expanded to other types of beverages. Yes, this technology is very differentiated. There's a lot of technology investment here. There are some legal guardrails. There are some models of seal allocation that has the exclusivity of another government company, and we are beginning to see the possibilities of doing this.

Luciana (via webcast):

Together with Pay for positive levels, what can we expect to the future? And are there any further adjustments to be made?

Olavo Vaz:

Good morning, Luciana. In the Pay unit, since the beginning of the year, we started the year with this line performing very slowly. And then we started a process of organizing it in home. So there's an organization that starts with the operational and commercial fronts, and we have to strike a balance to what our structure would be in comparison to the demand that we have in the market.

The numbers that we posted for the 3Q are far from being the ideal numbers that we would like to have in this vertical. However, we reached an inflection point. We start to see a positive scenario that provides more energy to the commercial team. As Bressan said, we are after differentiated solutions. The governmental card is one of the solutions, and we have made a lot of headway in this regard.

But we have to understand the general context. The context now in Brazil or in Argentina is not a large demander of the cards. So we expect some improvements in the unit. We are looking for opportunities in Brazil, in Argentina, and in other countries, especially countries in South America. But this number is likely to reach a higher level than what we saw in the 3Q.

You asked about the adjustments in this vertical. The adjustments have already been made.

Leticia (via webcast):

Incredible the results in ID. Could you talk about the performance of CIN? I see that the growth has been grown. What can we expect for the years to come? And how about the acceleration?

Ibson Bressan:

Thank you, Leticia, for the question. I think CIN issuance is very good news for the Brazilian society in the past few years. As the leader player in this ecosystem, of course, we are proud to be able to take part, to be able to deliver to the Brazilian society another level of safety and security in terms of identification document.

So the new CIN is a real opportunity to the Brazilian society so that they can have identity proof at a level that we did not know, that was not implemented in Brazil before that. But there are other things that we have to consider. Of course, we are going to be defining

new supply standards with operational excellence to our clients, maybe in the paper format or polycarbonate format. It's already possible to issue the ID in polycarbonate material.

And for Valid, that means that we have many long-term agreements. And this is a revenue that will be predictable, recurrent, that would provide us with the safety that this vertical will continue at double digits at very high rates as we have seen.

But it also represents other things. I am going to make reference to one municipality in Piauí state, which was the first one in Brazil, called Novo Santo Antônio, a municipality with nearly 3,000 inhabitants. It was the first municipality whose 100% of the population had the document issued with the standard of CIN.

So we need to issue the new documents up to 2032 based on this new format. For this municipality in Piauí state or to any city across Brazil, CIN is more than an ID document to show you at a hotel. CIN is representing a safe way of providing a public benefit, showing what is the cluster of the population that would need this benefit, and making sure that the public manager will ensure that there's no fraud, and considering all the data formats that are being remodeled.

And this is the basis of the national infrastructure for data. This is an integrated platform that we intend to create, which is the player which is best positioned to offer this infrastructure to our clients.

So it's not just a document issued by the government, it's not just a citizenship instrument, but it's a base for a country to be built in differently. So for any country that has managed to make headway in their transaction, like India, that can offer benefits across information about telephone number, biometrics with the telephone companies and the bank account. Or maybe Estonia, we could mention, which is a good benchmark that we have, the Nordic countries or Singapore. We have many countries as examples that managed to have safe infrastructure when they distributed public benefits.

First, they solved the identity problem. That shows that we have a chance to solve the problem of the issuance of ID in Brazil. And from this, we are going to create a fundamental pillar so the digital world can operate with a lot of confidence.

This is our expectation. And for sure, this is going to be also a way of having an access key to public services. The government can understand how the public services are used.

So this data mass is part of an intelligence that allows the manager to create a better public policy. This is something revolutionary to Brazil, and we are going to continue executing all this quality delivery to the state government.

And we will also be able to provide technology to major players in Brazil. Because we managed to integrate, we managed to produce, and we managed to make the operation of the biometric onboarding, ensuring the safe information of citizens.

So of course, this is a major opportunity. I think this identity pillar is the most important for any society. And I am also glad to say that Valid is the leader in the Brazilian market. And with using CIN together with the banks, together with the telcos, we are going to improve our portfolio with this safe integrated platform that we are delivering to the Brazilian population.

Felipe (via webcast):

Good morning. Congratulations on the result, especially on the cash management. I would like to ask about new businesses. Could you provide more color on how you see 2026 for each of the units? Government and digital onboarding, and also talking about the identity.

Iison Bressan:

Good morning, Felipe. Prospects for the future. We have shown the results of our business in different lines, digital onboarding, ID proof platforms, and digital government. Each one has a different dynamics. And we are going to add another element next year, which is revenues from our identity integrated platform.

Talking about digital government, we have made a lot of headway in the last year in the implementation of the technology, especially in the government of Ceará, which has a bundle of solutions, which are highly integrated. The interoperability among different secretariat, different databases in Ceará has been a very important benchmark, showing how each state can have cost efficiency, which is much higher as they share data without losing the autonomy on that data bank.

So the trend for next year in terms of digital government is to expand this offer to other states, also meeting the demands of municipalities of more than 500,000 inhabitants. So the digital government is on a very good growth pathway.

The same happens with digital onboarding, because we do not only meet the demands of the current clients of FlexDoc, but we have been using all the existing technology, not only for documents, not only for the models of workflow with hyper automation of OCR with artificial intelligence, but also using FlexDoc platform to build the unified platform for Valid, where we are going to create the one-stop shop model, where a company, a retail, a store, a traditional store or an insurance company, or any company that would need to relate to the client digitally, they will be able to have more elements than workflows in those documentoscopy. They can have biometrics, they can have KUB and identification models as well, related to profiles and powers, especially in the Know Your Business.

So FlexDoc is a very important integrated platform that we have. In addition to Caixa, as a major client, we are starting to expand to other clients. So we see 2026 with good prospects.

And Mobile may be where we will have the biggest surprise, because since we have a very important presence at the global level, the eSIM, it starts to show that it will accelerate across the world.

So much so that last month we saw China moving towards this market. We have a very positive relationship with Chinese players. We have been establishing good relationships with operators in China and they can provide not only OEM, but we have been operating with OEM and we have created operating systems to ensure safe connectivity.

So in addition to this market we have been operating with, in China we see the possibility of implementing eSIM. So eSIM is not approved in China yet, but as soon as this is released, we can have phenomenal results next year. We are very close to Chinese

players who are making this migration to SIM card, to eSIM. We have a local team dedicated to accelerate this initiative. So this can be a very good surprise for next year.

And about the platform, maybe I mentioned something about the platform, but since I am speaking way too much, talking about the platform, if we go back to the slide we just presented, the concept is the following. As we have a number of services being digitalized, usually a client needs to connect with different providers. Several providers of biometrics, several providers of documentoscopy, several servers of biometrics and biographic data, and also address data, a number of components that comprise the consumption profile of a person.

What we are trying to say is that all those elements will be in a single platform, and then all the market will have a platform that is a more complete bundle. We are an integrator hub of the best technologies in the world, and we are going to put this at the disposal of people.

So we have a hub that will provide the services available to clients. So a client would not need to connect to several hubs, but just one. So we are going to deliver according to the level of criticality of each transaction.

Next year, we are going to be reporting this, how this has been helping us increase with the business with a client. And this is a central point of our strategy, because with this integrated platform, we will start to integrate also other elements from our other fundamental competences, like biometrics and safe pay.

So this is the highest investment that we have. There was a first phase when we amplified the technology team, and we have been making significant investments this year with people and technology. And now it's time for us to make investments also in the go-to-market front for the commercial teams, so that we can ensure that distribution of the products, and products that can be very effective for next year.

Fabio (via webcast):

Congratulations on the result. What will be the strategy in relation to the operations in Argentina for 2026?

Olavo Vaz:

Fabio, good morning. Thank you very much once again for taking part in this conference call. I am going to divide this question into some blocks. First, we have to provide a context, how our scenario used to be, especially in 2022, 2023 and part of 2024.

We were operating alone in that market, and that allowed us to use high prices when we compare similar products that we operate in Brazil and South America. And when the frontiers were open and new competitors also operated there, of course, the price is going to drop because you have more competition.

And when the competition started to come, we realized that in the SIM cards, and we saw that after the pandemic period, because when the players which were out of the market, when they get back to the market, they are very aggressive. And we on our side, we have to know how to live through this moment. We have been there before and we are going to go through those moments. And this is the context that we see there.

And something that we need to see is the size of the structure that we have considering the market that we have to meet. Just like what we did in Brazil, we are going to look at the operational, commercial part and we are going to see what are the adjustments that need to be made. And we have already made some adjustments and if need be, we make further adjustments.

There's another element when we talk about Argentina. When we start to look at the country, we see that the country is opening its market and the economy is more balanced. When we compare Argentina to Brazil in terms of technology, in terms of how they use the finance chain, they are much behind us. So there are many solutions that are already implemented in Brazil.

And considering the strong relationship that we have with the players in Brazil, we also want to use all this structure to introduce those in Brazil. Why not consider onboarding in Argentina? This is what Bressan has just mentioned when he talked about the advances of our front in Brazil.

Argentina is a very important place for us for sales in Paraguay, Uruguay. So we have to take advantage of the chain that we have so that we can explore their markets, and we are going to continue with a focus on the next years.

Fabio (via webcast):

Valid has 4% of the shares in treasury. When are they going to be cancelled or sold to generate cash? What would be the short-term strategy for this asset?

Olavo Vaz:

I do not think we are going to sell the shares to generate cash. It does not really make a lot of sense to us. We believe that our asset is depreciated considering all the opportunities we have for the future. So this is the reason why we continue buying back our shares.

When is the share going to be cancelled? It's up to the board to make this decision. If I am not mistaken, two years ago we cancelled the volume when we were close to 5% or 6%. I am not saying that this is going to happen again, but only to provide you this as a reference.

And the allocation of the shares that we have in the repurchase is to pay the long-term obligations that we have. There was a shareholders meeting where we approved the new plan for the compensation of executives. So next year we have the possibility to execute the swap, and obviously we are going to use some of those shares, but the final decision for the cancellation is up to the board. So we have this 4% level and we are very comfortable at this level.

Alexandre (via webcast):

Good morning, congratulations on the work you have done. About artificial intelligence, could you talk about the initiatives that Valid has been developing in this front, and what are the synergies with the business lines for the next quarters? In addition, are there pilot projects on their way?

Ibson Bressan:

Alexandre, thank you very much for the question. The use of artificial intelligence in our portfolio has not shown 100% of the potential it has. What we have seen in the last quarters is that we have devoted to looking for AI applications to accelerate the offers in the digital government dimension.

So we have the need of operating on a data structure that can respond appropriately. So the work that we have done, and we have seen a reality when we do the interoperability between different database, we see a lot of problems related to the taxonomy considering different database, federal revenue services, government database, state level database.

So I believe there is a first work that needs to be done so that we can offer this model, so that the database needs to be cleaned in such a way that they can be interoperable so that we will then accelerate the digital journeys.

So we first have to simplify services. And instead of taking our client to one app or one portal, the artificial intelligence will be used in different platforms, not in the app but WhatsApp.

So there are different initiatives that have already started to be ensourced. We are trying to find new journeys where we can simplify the application of artificial intelligence, but without a doubt this is a pathway that we are going to follow and we are going to cover different cases of use for the future. We are very cautious on our side, especially in relation to the citizen and the government.

There are other initiatives that are used internally, but this generates a lot of efficiency and that will help us in the management, but they are not in our external portfolio. So we are going to be very alert to this topic.

Matheus (via webcast):

Congratulations on the result. In the release, you mentioned R\$20 million in investments in new businesses. Could you talk about those new investments?

Olavo Vaz:

Generally speaking, and even in addition to what Bressan mentioned, the major investments that we have been making in new businesses are related to functionality in products that we already have.

All the squads are involved in creating a platform with interoperability to our current clients. In other words, we are activating hours based on projects. So when we use technology, a product does not remain stopped in time. And depending on the demands that come up in different municipalities, those technologies are improved. We are always improving the latency, the flows.

So major investments are in those types of projects, the projects that we have in-house and also in the services we want to deliver to our clients.

Alexandre (via webcast):

Excellent result, excellent management. What are the possibilities for future M&A? Is it possible to grow inorganically?

Olavo Vaz:

I am going to start answering your question and then I will ask Bressan to complement. From some calls ago, we have been talking about the M&A front. M&As are part of our history, be them to go after something new or to defend our territory, M&A is part of our strategy.

And this is something that is going to continue. We have a team which is fully dedicated to that purpose. And once we create a company with a light balance sheet, it allows us to look at things which are even bigger to what we considered in the past.

M&A is an art. It takes time, it requires a lot of research. Only because something's hyped, it will not make sense to us. We are extremely diligent to what we consider. I think in Brazil, we went through different periods of evaluation. So we also have to consider this, considering the new reality.

So we continue active in this line. There are some fronts that are related to improving our deliveries, our products, and this has caught a lot of our attention. And this is a part of our M&A funnel. I am not going to say that we are going to have an M&A in the next three or six months, but I would like to say that this is part of our pipeline down the road.

Iison Bressan:

You summarized very well, Olavo. Maybe I could complement saying the following, Alexandre. Clearly, this is part of the growth strategy of the Company, to have inorganic actions. In which areas? There are some areas related to GovTech, so that we can accelerate our line of digital government. There's a clear area of biometric match, and we are putting together the payment world with the identity check world.

So, it's a structure when we provide safe elements to a secure transaction. So startups, which are in these ecosystems, are on our radar, of course. And as for identity, a specific area related to cybersecurity, focused on identity governance, is also something we are looking at.

As Olavo said, this is an art. And not always the valuations are appropriate, and we can find the cultural fit that we need. Because in addition to acquiring technology, or market, you need people that need to be part. We need to have a door that will promote this growth mindset that we want to bring on board.

We cannot promise anything. It's an art that we have to manage on a case-by-case basis. And of course, this is part of our strategy, and in the future, we are likely to see something happening along this line.

Little by little, we have been very diligent with the guardrails that were provided by the board. And any action needs to be effectively sustainable. The business has to be perennial, sustainable, and grow with profitability.

So, diligence is going to continue to be the basis of our decision.

Operator:

Thank you, Bressan. Thank you, Olavo. Thank you, everyone who attended our call. And we finished the earnings result call, and our IR department is available, should you have any other questions.

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