

# Valid



## 1Q22 EARNINGS RELEASE

PORTUGUESE CONFERENCE CALL  
(WITH SIMULTANEOUS TRANSLATION INTO ENGLISH)  
Wednesday, May 11, 2022 - 10 a.m. (BRT)  
Webcast Access: [click here](#)

## VALID's Net Revenue reaches R\$580 million in 1Q22 and EBITDA R\$103 million.

**Rio de Janeiro, May 10, 2022** – Valid (B3: VLID3 - ON) announces today its results for the first quarter of 2022 (1Q22). The following financial and operating information is presented on a consolidated basis, in accordance with International Financial Reporting Standards (IFRS).

### Net Revenue

- In the quarter, we presented a net revenue of R\$580 million, representing a growth of 18.4% compared to that achieved in 1Q21. This increase was due to the evolution in all of the company's verticals.

### EBITDA

- In 1Q22, Valid reached an EBITDA of R\$103 million, a 68.5% growth compared to 1Q21. EBITDA reached is the best result for a quarter by the Company, and this was the 3rd consecutive quarter that Valid achieved record EBITDA for a 3-month period. The result was influenced by the following factors:
  - i. continuous resumption of the government fronts (VGS), mainly in document issuance, with 5.6 million documents issued in the first quarter;
  - ii. higher revenue from business solutions (VBS), especially bank cards in Brazil and Argentina;
  - iii. growth in revenues from digital initiatives (VDS);
  - iv. maintenance of consistent results at Telco Global; and
  - v. resumption of positive results in the US.

### Subsequent Events

- Valid finished the extension of debts abroad during the month of April, being: €17.4 million added to US\$14.9 million through subsidiary Valid Espanha. The renegotiation was conducted together with long-term creditors that offered Valid better terms and costs compared to previous transactions.
- On April 19, 2022, at a Board of Directors Meeting, Valid's 9th Debenture Issue was approved for R\$250 million and a cap rate of CDI + 3.20% p.a., which resources will be used mainly for the partial early redemption of the 8th debenture issue.
- Valid's Board of Directors' Meeting held on April 19, 2022 approved the Company's New Share Buyback Program, as per Notice to Market disclosed on April 22, 2022. Under the Program, the Company will buy back up to 1,000,000 Valid common shares, so as to comply with its Long-Term Incentive Plan. At the same date we announced the closing of the previous Share Buyback Program with the acquisition of the 2,000,000 shares included in the Program.

Dear sirs,

Today we release our results for the 1Q22. After 2021 marked by a strong result delivery, we believe that in 2022, we will be able to replicate a good performance in all our business fronts. Over the course of this Release we will provide more details on how we start this new period.

Net Revenue in 1Q22 was R\$579.7 million, an increase of 18.4% over the same period of 2021, and slightly down -0.8% from 4Q21, despite the seasonality of the beginning of the year being the lowest quarter. In terms of EBITDA, we ended the period with R\$102.9 million, an increase of 68.5% over the previous year, and 2.4% compared to 4Q21. Valid's record quarterly EBITDA is the 3rd consecutive quarter. We reached 17.8% in margin, representing an increase of 5.3%p.p. versus 1Q21 and of 0.6% p.p. versus the last quarter of 2021. In Net Income, we had a negative result of R\$18.1 million, compared to a loss of R\$5.0 million in the same period of 2021. The negative impact was mainly due to the large depreciation of currencies (euro and dollar) in 1Q22, resulting in negative mark-to-market of the intercompany loan operations, but with no cash effect for the Group, which closed the quarter at R\$567 million.

Results in the 1Q22 indicate once again a balance in sales and generation of results by the different segments in which the Company operates.

Consistent numbers have enabled Valid in the process of balancing its Capital Structure. During the first quarter and in the following months, we strengthened our partnership with the major creditor banks, obtaining from all of them: i) extension of maturities; and/or ii) cost reductions. We also announced on April 19, 2022 the approval by the Board of Directors for Valid's 9th Debenture Issue amounting to R\$250 million and CDI + 3.20% p.a. rate, whose resources will be used mainly for the partial early redemption of the 8th debenture issue. This new longer term operation, 5 years, and with a grace period of 30 months for principal payment, will further balance Valid's liabilities, reducing the concentration of maturities in 2022 and 2023.

We also announce the closure of the Share Buyback Program opened on October 19, 2021 with total repurchase of the 2 million shares under the Program. The Board of Directors also approved on April 19, 2022 the new program foreseeing the repurchase of up to 1 million shares within 12 months.

The next paragraphs will present the key events of 1Q22 broken down by our main business lines.

In the government segment (VGS) we issued 5.6 million documents in 1Q22, a growth of 57% compared to the volume issued in 1Q21. This number is slightly below that reached in 4Q21 due to the calendar effect that occurs at the beginning of the year. On the financial side, revenue growth compared to 1Q21 was 39% and EBITDA 105%, with a margin of 37%, 11.9 p.p. higher than the same period last year. In this quarter we have started to produce the RG in two new states PI and ES and as of the 2nd quarter, the issuance in Minas Gerais will also start. We also achieved a positive result in the renewal of contracts in Rio Grande do Sul.

Also in the Government segment, it is worth mentioning that after the publishing of Decree 10,977 (New National ID), some states will be working towards issuing the first documents both in paper and in polycarbonate in the first half of 2022. Valid's long-term relationship with the main secretaries and state agencies responsible for issuing documents, in addition to the Company's expertise in producing polycarbonate documents is an advantage and may increase the sale of documents over the next few years. Today Valid is already the leader in issuing polycarbonate documents in Brazil.

In the business solutions segment (VBS) we presented revenue growth of 17% when compared to that obtained in 1Q21. We highlight the 50% increase in EBITDA and the margin reached 12.8%, the same level we were at at the end of 2021. We will continue to work on optimizing costs and improving contractual terms with our customers throughout 2022, in addition to our ongoing efforts to increase production of bank cards for our customers. In 2021, our operation in Argentina, previously reporting weak results, had a strong start to the year with the beginning of volume recovery in that location.

The Telco segment was highlighted once again in 1Q22, reaching relevant increases both in revenue and EBITDA, compared to 1Q21 and to 4Q21. Regarding the top line, we reached R\$156 million representing a 20% increase versus the same quarter of 2021, with EBITDA reaching R\$39 million, a 30% increase, and for another quarter the margin was close to 25%. This represented the 7th consecutive quarter in which the EBITDA margin of the Telco segment was in the range of 20%-25%. Valid's focus has been to operate in more developed markets that demand higher revenue and added value products.

In VDS vertical, the revenue growth compared to 1Q21 was 24% reaching the R\$53 million mark in the quarter. EBITDA was R\$3.4MM, which represents -17.8% less than the previous year. We highlight the Company's capacity to add revenue generating positive EBITDA, demonstrating the commitment of the management team to concentrate its efforts on activities designed to help the Company's consolidated figures over the next few years. We have made significant progress in VDS in projects involving real estate and vehicle registration, as well as in services involving banks and financial companies. VDS vertical accumulates sales of over R\$200 million in a 12-month period.

Our US operation presented a slight increase of 5% in revenue in 1Q22 when compared to 1Q21, reaching the R\$134 million mark. Despite the average US\$ in 1Q21 of R\$5.48 was 4.96% above the average US\$ in 1Q22 of R\$5.22, we achieved this result. We achieved a positive EBITDA of R\$6.1 million, which shows an important reversal compared to the negative result of R\$2.6 million obtained in 1Q21.

Since 1Q21 when Valid presented leverage (Net Debt / EBITDA) of 3.5x, the management's focus has been to balance the liabilities and reduce the debt indicator. At the end of 1Q22 we presented the indicator at 1.5x and a cash position of R\$567 million. Significant improvement in the indicator allowed the company to remove its maturities concentration from the 2Q22, in addition to reinforcing with its main creditors its ability to extend maturities with a reduction in spreads. Merging the new debt incurred with previous debt will enable the Company to maintain a more stable flow of amortization over the next few years.

As in 2021, we will also hold the Valid Capital Markets Day in the 2nd quarter of 2022, when we will present more details about the Valid's ongoing initiatives.

We are pleased to end another year with many achievements and will remain dedicated, counting on the support of all our employees to deliver higher and better results.

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

Consolidated Results (R\$ million)			
	1Q21	1Q22	Var. %
<b>Net Revenues</b>	489.7	579.7	18.4%
Costs of goods and/or service sold	(392.0)	(426.0)	8.7%
<b>Gross Profit</b>	<b>97.7</b>	<b>153.7</b>	57.3%
Gross margin	20.0%	26.5%	
<b>Operating Revenues (Expenses)</b>			
Selling expenses	(40.5)	(46.5)	14.8%
General and Administrative expenses	(26.7)	(38.0)	42.3%
Other operating income (expenses)	(10.4)	(8.4)	-19.2%
Equity pickup	0.0	(0.4)	n.a.
<b>Income before finance income (costs)</b>	<b>20.1</b>	<b>60.4</b>	200.5%
<b>Finance Result</b>			
Financial Revenues	17.3	33.4	93.1%
Financial Expenses	(35.9)	(118.2)	229.2%
<b>Income (loss) before income taxes</b>	<b>1.5</b>	<b>(24.4)</b>	n.a.
<b>Income and social contribution taxes</b>			
Current income and social contribution	(9.0)	(7.0)	-22.2%
Deferred income and social contribution	4.7	14.9	217.0%
<b>Net income (loss) for the period</b>	<b>(2.8)</b>	<b>(16.5)</b>	489.3%
<b>Income (loss) attributable to:</b>			
Controlling interest	(5.0)	(18.1)	262.0%
Noncontrolling interest	2.2	1.6	-27.3%

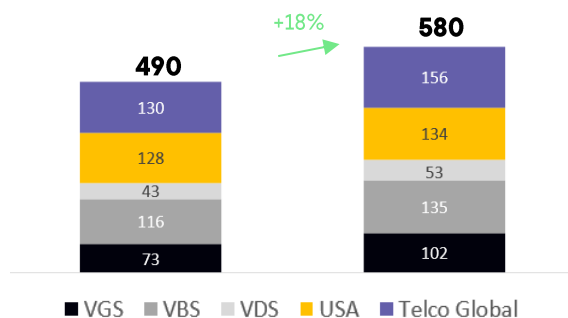
## \* Breakdown of Other Normalized Operating Revenues/Expenses

	1Q21	1Q22	Var. %
<b>Other operating income</b>			
<b>Total other operating income</b>	<b>156</b>	<b>470</b>	<b>201.3%</b>
<b>Other operating expenses</b>			
Brazil <sup>1</sup>	(7,104)	(5,586)	-21.4%
Foreign	(3,529)	(3,240)	-8.2%
<b>Total other operating expenses</b>	<b>(10,633)</b>	<b>(8,826)</b>	<b>-17.0%</b>
<b>Other operating income (expenses)</b>	<b>(10,477)</b>	<b>(8,356)</b>	<b>-20.2%</b>

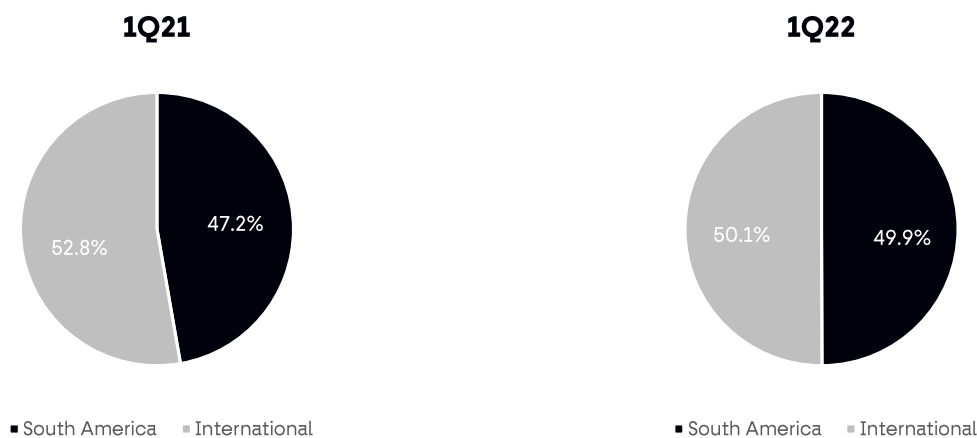
<sup>1</sup> main drivers of 1Q22: legal consulting expenses and expenses with the transfer and shutdown of SBC and Caju operations to SOC.

## NET REVENUE

Valid's Total Net Revenue reached R\$579.7 million in 1Q22, representing an increase of 18.4% YoY. The growth was due to progress in all the Company's segments, especially in the government sector, which grew 39% compared to 1Q21, when we had social protection measures partially adopted due to the 2nd wave of COVID-19 in Brazil.

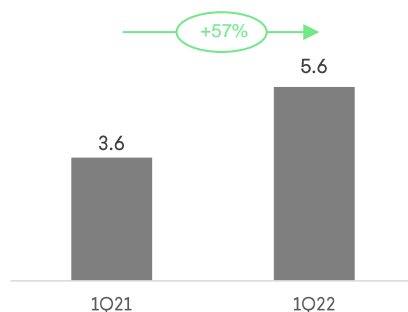


The business resumption in South America and the strengthening of the Real versus other currencies increased the presence of this region in the Valid Group's revenue composition. The share of South America's revenues against the total jumped from 47.2% in 1Q21 to 49.9% in 1Q22.



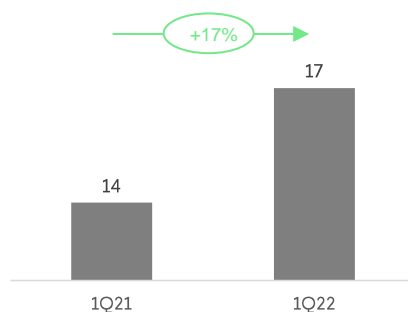
In 1Q22, Valid's South American operations totaled revenues of R\$289.5 million (+25.1% YoY and -3.8% QoQ). We had the highest volume of document issuance after the pandemic in 4Q21, and in 1Q22 we recorded 5.6 million units, a 57% growth compared to the first quarter of 2021, when some services in Brazil were partially shut down. Net Revenue on the government segment showed growth of 39% YoY and a decrease of 3.5% QoQ.

Issue of physical documents in Brazil (millions of units):



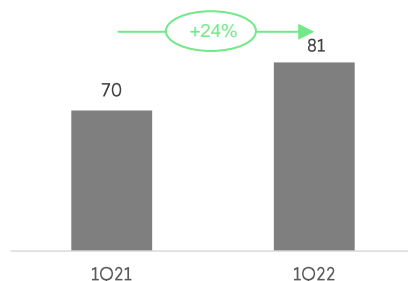
The business solutions segment saw another quarter of strong growth (VBS: +16.6% YoY; and -5.1% QoQ). The segment was once again positively impacted by the significant advance in credit card issues, mainly driven by the growing demand from new banks, financiers, other digital platforms, and traditional banks, as well as the recovery seen in Argentina.

Card production in Brazil (millions of units):



In 1Q22, revenues from the Company's digital solutions showed growth, advancing 24.4% YoY with different sub-segments showing expressive growth. During 2021, we highlighted that as the quarters went by, the VDS segment would increase in relevance within Valid. When we consider a 12-month period, this segment already represents Revenues of more than R\$200 million.

Revenue from the Digital Solutions segment (R\$ million):



International business ended the quarter at R\$290.1 million, up from the first quarter last year (+12.3% YoY and 2.5% QoQ). The International division consists of Telco Global and the USA. In Global Telco we reached R\$156.1 million in 1Q22 (+19.6% YoY and +15.7% QoQ). In the United States, we continued the recovery of revenue in payment methods, generating growth in the quarter of +4.8%, due to a weaker 1Q21 in the segment.

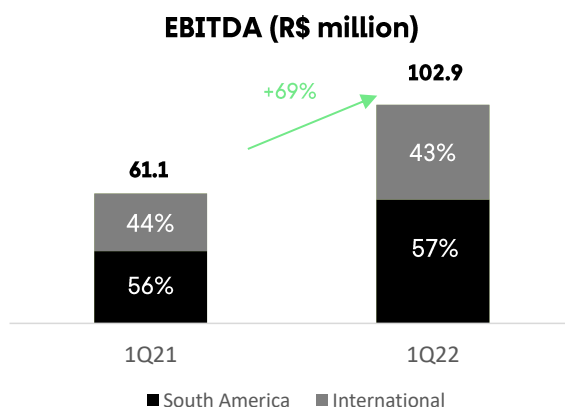


## OPEX AND EBITDA

Valid's Consolidated OPEX totaled R\$476.8 million in the quarter (+11.2% YoY). This growth reflects the higher production of documents and cards, driving costs to rise by 8.7% over 1Q21, to R\$426 million. The growth in revenue – which is significantly above the growth in Valid's operating costs – shows that the Company's efforts to pursue greater operational efficiency have already paid off.

In 1Q22, expenses increased 25.7%, explained by: (i) the increase in selling expenses; and (ii) administrative expenses, impacted by legal and personnel expenses.

As a result, Valid's EBITDA totaled R\$102.9 million in the quarter, which represents a 68.5% YoY growth. Normalized EBITDA Margin in 1Q22 reached 17.8% (+5.3 p.p. YoY).



## NET INCOME

This quarter, the Company reported Net Loss of R\$18.1 million, compared to Net Loss of R\$5.0 million in 1Q21. This decrease is mainly explained by higher Financial Expenses. The most relevant effect was the Financial Result which showed a large variation, due to the appreciation of the Real in the period, which impacts the intercompany loans line for pre-payments of foreign debt. We emphasize that these adjustments have no cash effect.

Net Income (R\$ Million)			
	1Q21	1Q22	Var. %
<b>EBITDA</b>	<b>61.0</b>	<b>102.9</b>	68.8%
<i>EBITDA Margin</i>	12.5%	17.8%	
(+) Others (income) operating expenses	(10.4)	(8.3)	-20.2%
(+/-) Equity pickup - Minority	0.0	(0.4)	n.a.
(+) Noncontrolling interest	(2.2)	(1.6)	-27.3%
(+) Income tax and social contribution	(4.3)	7.9	n.a.
(+) Financial revenues / (expenses)	(18.6)	(84.8)	355.9%
(+) Depreciation and amortization	(30.5)	(33.8)	11.0%
<b>Net Income (loss)</b>	<b>(5.0)</b>	<b>(18.1)</b>	262.0%



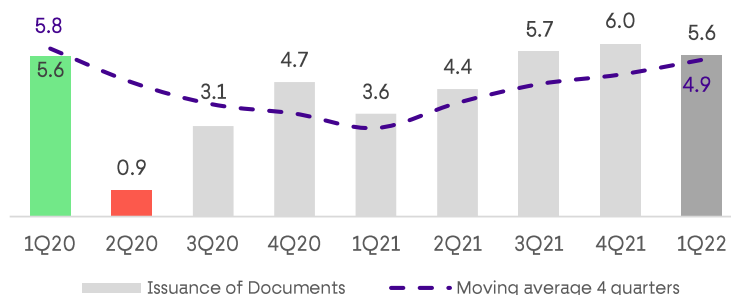
Valid's revenues from governments solutions (VGS) totaled R\$101.6 million in 1Q22, up 39.0% YoY and -3.5% QoQ. 1Q22 was another quarter with volume consistent with the usual document issuance level. We renewed relevant agreements with Detran/RS and IGP/RS. In 1Q22, we started production for the states of Piauí and Espírito Santo, which we won in the last quarter.

R\$ million	1Q21	1Q22	Chg.%	4Q21	Chg.%
Net Revenue	73.1	101.6	39.0%	105.2	-3.5%
EBITDA	18.3	37.6	105.1%	45.1	-16.8%
EBITDA Margin	25.1%	37.0%	11.9 p.p.	42.9%	-5.9 p.p.
OPEX	54.7	64.0	16.9%	60.1	6.5%
Volume of Documents (millions)	3.6	5.6	57.2%	6.0	-6.7%

Total volume of documents issued in the quarter reached 5.6 million units, a 57%

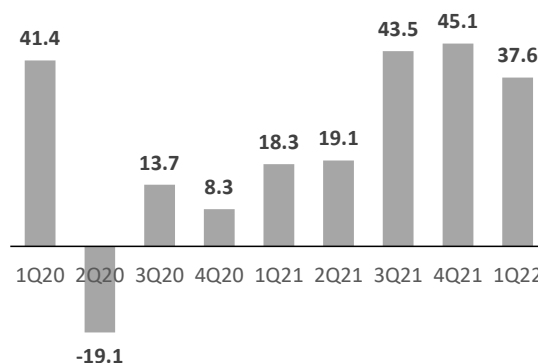
increase over the 3.6 million produced in 1Q21, a period impacted by the second wave of COVID-19, which caused new shutdowns all over Brazil. There was a 6.7% QoQ decrease due to the natural seasonality of the segment, caused by the lower number of working days in the first quarter of the year.

Issue of documents (millions of units):



1Q21 OPEX totaled R\$64.0 million, which represents an increase of 16.9%. We emphasize that, in 1Q21, this segment was impacted by the lower issue of documents, due to the second wave of COVID-19, compromising the comparison base. Thus, VGS's EBITDA reached R\$37.6 million in 1Q22 (+105.1% YoY and -16.8% QoQ). EBITDA Margin ended 1Q22 at 37.0% (+11.9 p.p. YoY and -5.9 p.p. QoQ).

### EBITDA (R\$M)

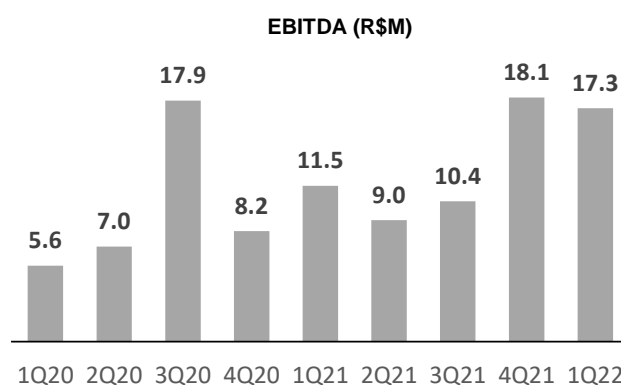


R\$ million	1Q21	1Q22	Chg. %	4Q21	Var. %
Net Revenue	115.6	134.8	16.6%	142.1	-5.1%
EBITDA	11.5	17.3	49.8%	18.1	-4.3%
EBITDA Margin	10.0%	12.8%	2.8 p.p.	12.7%	0.1 p.p.
OPEX	104.0	117.5	13.0%	124.0	-5.2%
Card Volume (Millions)	14.2	16.7	17.4%	21.0	-20.8%

In 1Q22, revenue from Valid Business Solutions (VBS) totaled R\$134.8 million, an increase of 16.6% YoY.

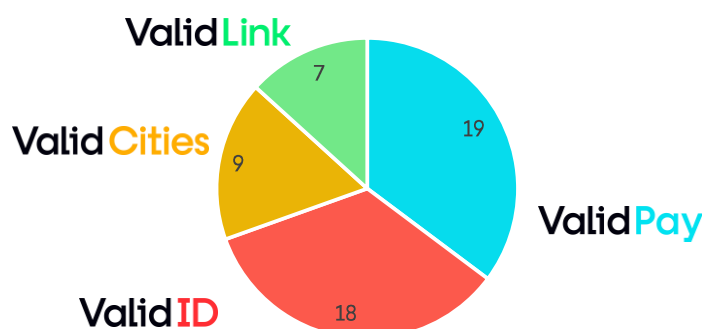
The Brazilian bank cards segment – which accounts for around 2/3 of all revenue – is buoyant due to the high demand from traditional banks, new banks and fintechs, which have included a robust number of clients in their base, offering them higher value-added cards. As a result, Smart Cards issued in Brazil increased by 17.4% YoY, leading its revenues to grow by 16.6% YoY in 1Q22. In Argentina, we noticed a more favorable market, with strong sales of Smart Cards in 1Q22, after some periods still impacted by the pandemic.

VBS OPEX grew by 13.0% YoY, mainly influenced by the significant increase in card production, and cost pressure, especially related to items such as chips, PVC, and antennas, in addition to higher logistics costs. This resulted in EBITDA for the segment ending 1Q22 at R\$17.3 million (+49.8% YoY) and EBITDA Margin at 12.8% (+ 2.8 p.p.) in the period.



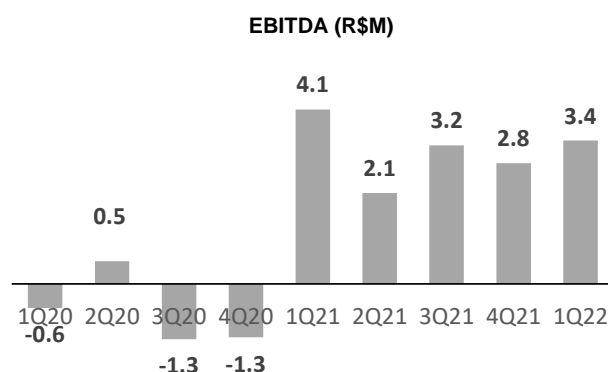
R\$ million	1Q21	1Q22	Chg.%	4Q21	Chg.%
Net Revenue	42.7	53.1	24.4%	53.7	-1.0%
EBITDA	4.1	3.4	17.8%	2.8	18.8%
EBITDA Margin	9.6%	6.3%	-3.2 p.p.	5.3%	1.1 p.p.
OPEX	38.6	49.8	28.9%	50.9	-2.1%

Revenue from Valid Digital Solutions (VDS) saw a strong growth in 1Q22, amounting to R\$53.1 million (+24.4% YoY).



Several Digital Solutions fronts have seen substantial growth quarter on quarter. As for ValidPay, the data and dematerialization fronts stood out with a growth of 38.2%, while solutions offered to the Colombian market saw a growth of 45.6%. Revenue from Smart Cities grew over 74.1%, with Valid consolidating its position in the cities where it operates. At ValidLink, the tracking front grew by 9.6% in 1Q22.

OPEX from Valid's digital operations grew 28.9% YoY in 1Q22, ending the quarter at R\$49.8 million, which can be explained by the significant advances in most digital products offered by Valid. We highlight that VDS has seen a robust growth while keeping sustainable margins. As a result, EBITDA came to R\$3.4 million in 1Q22, reaching a margin of 6.3%. EBITDA in this segment reached R\$11.5 million in the last 12 months.

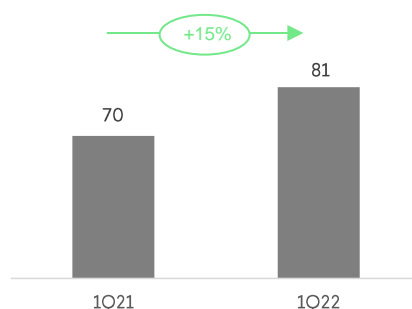


R\$ million	1Q21	1Q22	Chg.%	4Q21	Chg.%
Net Revenue	258.4	290.1	12.3%	283.1	2.5%
USA	127.9	134.1	4.8%	148.2	-9.5%
Telco Global	130.5	156.1	19.6%	134.9	15.7%
EBITDA	27.1	44.7	64.7%	34.5	29.7%
EBITDA Margin	10.5%	15.4%	4.9 p.p.	12.2%	3.2 p.p.
OPEX	231.2	245.4	6.2%	248.7	-1.3%
USA	130.5	127.9	-2.0%	147.5	-13.3%
Telco Global	100.7	117.5	16.7%	101.1	16.2%

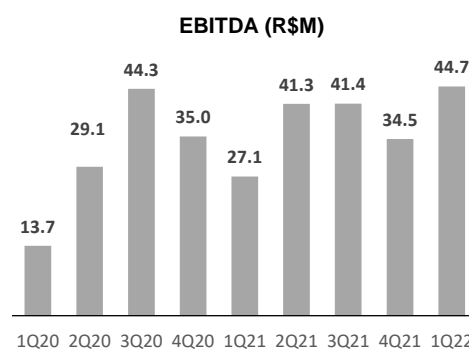
International revenues for 1Q22 totaled R\$290.1 million (+12.3% YoY). Compared to 4Q21, it presented a slight growth of 2.5%.

The Company's Net Revenues in the United States grew 4.8% YoY in BRL in 1Q22. Despite the average US\$ in 1Q21 of R\$5.48 was 4.96% above the average US\$ in 1Q22 of R\$5.22, we achieved this result. In the Global Telco segment, revenues totaled R\$156.1 million in 1Q22, with growth of 19.6% YoY and 15.7% QoQ. Telco has maintained margins in the 20%-25% range for 7 consecutive quarters.

Worldwide SIM Card sales (millions of units):



Valid's international operations' 1Q22 OPEX grew slightly by 6.2% YoY. EBITDA grew 64.7% in the quarter and reached R\$44.7 million in the period. In 1Q22, the EBITDA Margin was 15.4%, an increase of 4.9 p.p. YoY.

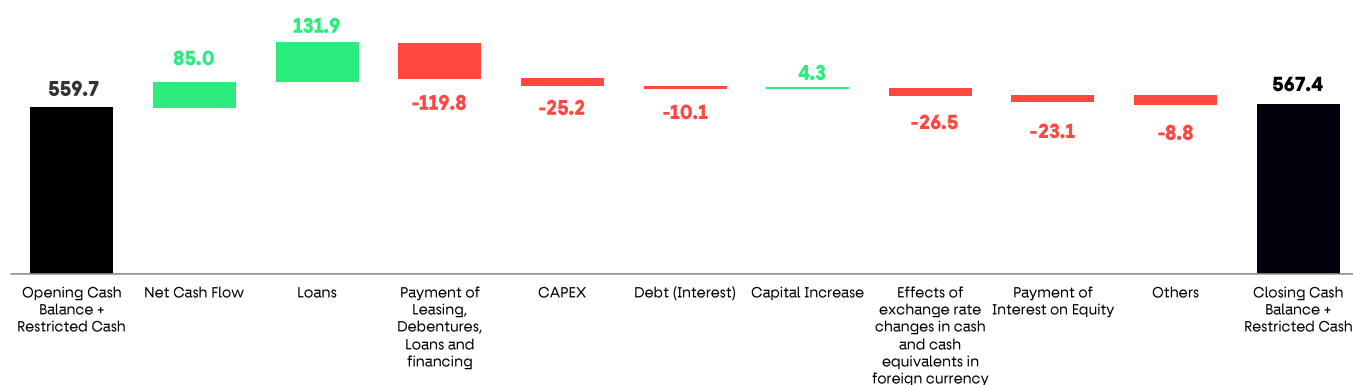


We reported a positive operating cash generation of R\$85.0 million, compared to a negative cash generation in 1Q21 of R\$68 million, impacted by the second wave of COVID-19.

In 1Q22, there were some highlights for capital structure activities: restructuring of some bilateral debts with our partner banks, as well as the increase of R\$30 million in our current credit line with CEF; increase of R\$4.3 million in private capital following partial exercise of subscription bonus. In addition, we also received Interest on Equity (IOE) in the amount of R\$23.1 million referring to the 2021 fiscal year.

In the quarter, the main changes in the financing activities are as follows:

- Loans: R\$131.9 million;
- Debt amortizations: R\$113.8 million;
- CAPEX: R\$25.2 million;
- Payment of Interest on Equity: R\$23.1 million;
- Payment of interest on financing, loans and debentures: R\$9.0 million; and
- Capital increase of R\$4.3 million.



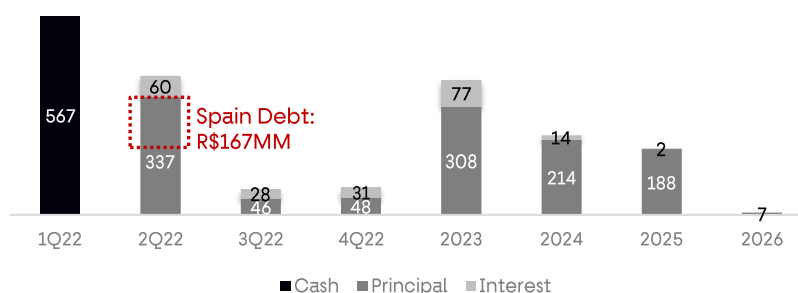
## LOANS AND FINANCING

Thanks to its improved operational results, Valid has been enhancing its leverage ratio quarter by quarter. In 1Q21, the Net Debt/EBITDA ratio was 3.5x and we are ending the quarter with a ratio of 1.5x, showing the management's focus on balancing the liabilities. Keeping this operational improvement trend, we managed to once again achieve a ratio very close to that historically recorded by the Company.

In 1Q22, we extended some debts maturing in the first half of 2022. In all cases, the renegotiation was conducted together with long-term creditors that offered Valid better terms and costs compared to previous transactions. In Brazil, we renegotiated R\$26.7 million with Safra and R\$100 million with Caixa Econômica Federal, of which R\$30 million in new money. We conducted a new transaction for US\$15 million with HSBC in the United States maturing in 2025 and, after the end of the quarter, we successfully extended €17.4 million in addition to US\$14.9 million in Spain. Merging the new debt incurred with previous debt will enable the Company to maintain a more stable flow of amortization over the next few years.

Debt pegged to the Brazilian real currently accounts for 80% of the total. The consolidated debt amortization schedule and the debt position in Brazilian reais and U.S. dollars as of March 31, 2022 are as follows: We highlight the portion referring to Spain, because after the end of the quarter we extended these maturities. We also announced via Material Fact on April 22, 2022 the approval by the Board of Directors for the process of Valid's 9th debenture issue. This operation will help to further balance the Company's liabilities and will include a cap rate considerably lower than the 8th debenture issue. Most proceeds will be used for a partial early amortization of the 8th issue.

### Quarterly Amortization Schedule (R\$MM)



### Open Balance (R\$ MM)

Brazil Debt	R\$ 920
International Debt	R\$ 228
Total	R\$ 1,149
%BR	80%

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

#### DEBT PROFILE

Gross Debt (R\$ MM)	R\$ 1,149
Cash* (R\$ MM)	R\$ 567
Net Debt (R\$ MM)	R\$ 582

#### FINANCIAL COVENANTS

Net Debt/EBITDA	1.5
EBITDA/Financial Expenses	2.8

#### TARGET COVENANTS

Net Debt/EBITDA	≤ 3,00
EBITDA/Financial Expenses	> 1,75

\*Considering short-term securities and financial investments

The breakdown of the company's outstanding debts is as follows:

#### Debentures

Debentures	7th Issuance - 05/24/2018	8th Issuance - 1st Series	8th Issuance - 2nd Series
Approval of public offering	Board of Directors Meeting of 05/21/2018	Board of Directors Meeting of 05/05/2021	Board of Directors Meeting of 05/05/2021
Quantity	36,000 simple, non-convertible debentures.	27,000 simple, non-convertible debentures.	530,700 simple, non-convertible debentures.
Unit Value	R\$ 10 thousand	R\$ 1 thousand	R\$ 1 thousand
Total Value	R\$ 360,000 Thousand	R\$ 27,000 Thousand	R\$ 530,700 Thousand
Type and series	Unsecured, in single series		
Maturity	30/06/2023	05/10/2024	05/10/2025
Remuneration	115,0% of the Average Accumulated DI Rate	CDI + 3.85%	CDI + 4.25%
Guarantee	No real guarantee	Fiduciary Assignment of Escrow Account	Fiduciary Assignment of Escrow Account
Amortization of principal	4 Annual installments (as of 11/20/2018)	Quarterly (As of Feb/22)	Quarterly (As of May/22)
Payment of interest	Semi-annual as of Dec/18	Quarterly (As of Nov/21)	Quarterly (As of May/22)
R\$ ('000)	R\$ 185,670	R\$ 24,440	R\$ 524,234



## Loans and Financing

Description	Loan	Loan	Loan	Loan	Loan
Recipient	Valid S.A	Valid S.A	Valid S/A	Valid S.A.	Valid S.A.
Total amount	R\$45.000 thousand	R\$45.000 thousand	R\$ 50.000 thousand	R\$ 30.000 thousand	R\$ 70.000 thousand
Maturity	06/04/2022	06/17/2022	07/13/2023	03/12/2024	03/30/2024
Remuneration	CDI + 3,95% per year	CDI + 4,20% per year	CDI + 4% per year	CDI + 3,99% per year	CDI + 0,22% per year
Guarantee	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.
Amortization of principal	Monthly (as of oct/20)	Annually	Monthly after 09 month grace period	Quarterly (As of Jan/22)	Monthly (as of Apr/22)
Payment of interest	Monthly (as of oct/20)	Quarterly (as of sep/20)	Quarterly Interest, during the grace period for Principal - 10 months and monthly, after grace period	Quarterly (As of Jul/21)	Monthly (as of Apr/22)
R\$ ('000)	R\$ 6,229	R\$ 19,679	R\$ 32,953	R\$ 26,694	R\$ 100,000

Description	Loan	Loan	Loan	Loan
Recipient	Valid USA	Valid USA	Valid USA	Valid USA
Total amount	USD 4.000 thousand	US\$12.000 thousand	US\$ 4.667 thousand	US\$14.000 thousand
Maturity	#REF!	02/01/2025	04/07/2022	04/27/2022
Remuneration	Libor + 2,64%	Libor + 3,50% per year	Libor +6,00%	Libor + 1.98% per year
Guarantee	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.
Amortization of principal	Bullet	Annually(as of mar/21)	Annually (as of Apr/21)	Annually(as of may/20)
Payment of interest	Monthly	Quarterly (as of sep/19)	Quarterly (as of jul/19)	Quarterly (as of aug/19)
Currency of the country of origin ('000)	#REF!	US\$6.063 mil	US\$2.377	US\$4.690 mil
R\$ ('000)	#REF!	R\$ 28,725	R\$ 11,266	R\$ 22,222

Description	Loan	Loan	Loan	Loan	Loan
Recipient	Valid Spain	Valid Spain	Valid Spain	Valid Spain	Valid Spain
Total amount	EUR 13.000 thousand	US\$38.888 thousand	US\$ 7.142 thousand	US\$ 7.142 thousand	US\$50.000 thousand
Maturity	04/01/2022	04/22/2022	05/05/2022	05/05/2022	05/05/2022
Remuneration	2.42% per year	6.20% per year	6.13% per year	6.05% per year	6.55% per year
Guarantee	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.
Amortization of principal	Bullet (as of apr/22)	Bi-annual (as of May/21)	Bi-annual (as of May/21)	Bi-annual (as of May/21)	Bi-annual (as of May/18)
Payment of interest	Annual (as of May/20)	Bi-annual (as of nov/18)	Bi-annual (as of May/21)	Bi-annual (as of May/21)	Semestral (a partir de Novembro/2017)
Currency of the country of origin ('000)	EUR13.311 mil	US\$7.984mil	US\$2.505	US\$2.504mil	US\$7.312mil
R\$ ('000)	R\$ 69,964	R\$ 37,826	R\$ 11,869	R\$ 11,863	R\$ 34,642

## DIVIDENDS AND INTEREST ON EQUITY

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

EVENT	DATA	YEAR	SHAREHOLDING POSITION DATE	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
Interest on Equity	09/21/2018	2018	09/26/2018	10/11/2018	0.235290	16,565,774.59
Interest on Equity	12/11/2018	2018	12/14/2018	01/10/2019	0.588230	41,414,436.47
Interest on Equity	11/11/2019	2019	11/14/2019	01/03/2020	0.350000	24,606,589.70
Interest on Equity	11/11/2019	2019	11/14/2019	12/10/2020	0.350000	24,606,589.70
Interest on Equity	12/29/2021	2021	01/05/2022	01/31/2022	0.290354	23,145,000.00

## CAPITAL INCREASE

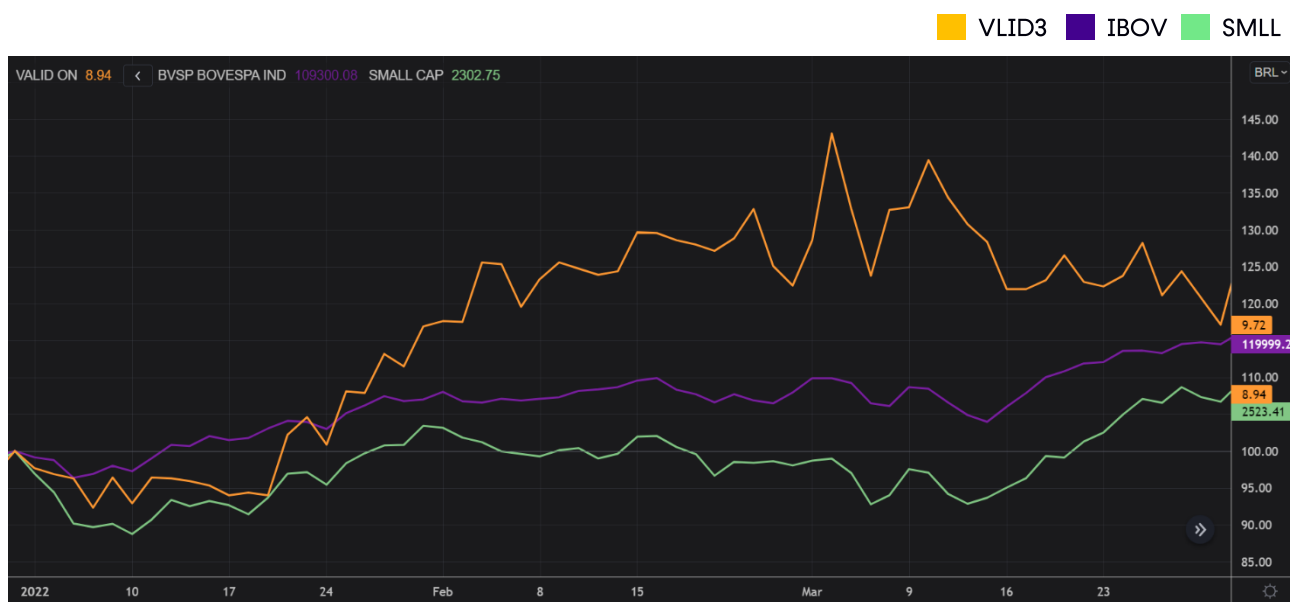
In 1Q21, we increased Valid's private capital with the granting of subscription warrants to the Company's current shareholder base. On March 12, 2021, Valid ratified the issue of 10.8 million shares priced at R\$9.13/each. This transaction initially injected R\$99.0 million into the Company's cash position. For each subscribed share, Valid issued a subscription warrant granting shareholders the right to buy another share at the price of R\$10.67. This subscription warrant can be exercised in two time frames – the first already exercised between February 24, 2022 and March 03, 2022, and the second will occur between August 31, 2022 and September 05, 2022 – which would lead to an additional injection of R\$115.7 million into the Company in 2022. In the first period, 405,055 shares were homologated, resulting in a cash inflow of R\$4.3 million.

## SHARE BUYBACK PROGRAM

Valid's Board of Directors' Meeting held on April 19, 2022 approved the Company's New Share Buyback Program, as per Notice to Market disclosed on April 22, 2022. Under the Program, the Company will buy back up to 1,000,000 Valid common shares, so as to comply with its Long-Term Incentive Plan. On this same date we announced the closing of the previous Share Buyback Program with the acquisition of the 2,000,000 shares included in the Program.

## STOCK PERFORMANCE

Valid's shares (VLID3) have been listed on B3's Novo Mercado since April 2006. On March 31, 2022, the shares closed the trading session quoted at R\$9.72, closing the quarter up 17.1% versus the end of 4Q21. The average daily financial volume in the quarter was R\$6.5 million. The chart below shows the performance of Valid shares (VLID3) throughout 2022 in comparison with the Ibovespa (IBOV) and SmallCap (SMLL) indices.





# EXHIBITS

1Q22 EARNINGS RELEASE

# Valid

## BALANCE SHEETS (In million of reais)

	Company		Consolidated	
	Dez 21	3M22	Dez 21	3M22
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	206.5	217.5	390.0	392.8
Trade accounts receivable	152.4	144.2	428.9	424.1
Receivables from related parties	193.9	165.3	-	-
Taxes recoverable	42.1	48.2	82.6	87.6
Inventories	134.2	147.5	323.3	302.1
linked financial application	45.7	47.3	45.8	47.4
Other assets	4.8	11.5	39.4	46.1
<b>Subtotal of current assets</b>	<b>779.6</b>	<b>781.5</b>	<b>1,310.0</b>	<b>1,300.1</b>
<b>Assets available for sale</b>	8.2	8.2	16.7	16.7
	<b>787.8</b>	<b>789.7</b>	<b>1,326.7</b>	<b>1,316.8</b>
<b>Noncurrent assets</b>				
<b>Long-term assets</b>	<b>444.4</b>	<b>417.3</b>	<b>382.6</b>	<b>398.1</b>
Marketable securities	8.6	9.9	8.6	9.9
Trade accounts receivable	5.6	3.8	5.6	3.8
Receivables from related parties	171.4	144.6	1.7	3.3
Judicial deposits	40.5	19.9	41.2	20.7
Taxes recoverable	52.2	52.4	81.6	82.1
Deferred income and social contribution taxes	41.3	58.5	115.5	122.0
linked financial application	123.9	127.3	123.9	127.3
Other accounts receivable	0.9	0.9	4.5	29.0
Investments	900.0	819.1	62.4	53.7
Property, plant and equipment	190.5	205.0	431.3	402.8
Intangible assets	40.5	43.7	894.8	787.8
	<b>1,575.4</b>	<b>1,485.1</b>	<b>1,771.1</b>	<b>1,642.4</b>
<b>Total Assets</b>	<b>2,363.2</b>	<b>2,274.8</b>	<b>3,097.8</b>	<b>2,959.2</b>
	Company		Consolidated	
	Dez 21	3M22	Dez 21	3M22
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Trade accounts payables	74.8	81.0	203.1	186.2
Payables to related parties	3.3	7.4	0.3	0.3
Loans, financing, debentures and leases payable	323.8	339.6	446.3	513.6
Payroll, provisions and social charge payable	45.6	39.0	92.8	78.7
Taxes, charges and contributions payable	10.4	13.9	29.3	36.0
Dividends and interests on equity payable	23.2	0.0	23.2	0.0
Advances from customers and other payables	3.8	6.5	59.4	89.9
	<b>484.9</b>	<b>487.4</b>	<b>854.4</b>	<b>904.7</b>
<b>Noncurrent liabilities</b>				
Payables to related parties	3.2	3.2	3.2	3.2
Loans, financing, debentures and leases payable	572.6	595.5	820.3	733.7
Provisions	37.4	38.6	45.6	46.5
Taxes, fees and contribution to collect	0.5	0.5	1.2	1.3
Deferred income and social contribution taxes	-	-	38.3	38.9
Other accounts payable	5.8	5.0	28.3	39.5
	<b>619.5</b>	<b>642.8</b>	<b>936.9</b>	<b>863.1</b>
<b>Total liabilities</b>	<b>1,104.4</b>	<b>1,130.2</b>	<b>1,791.3</b>	<b>1,767.8</b>
<b>Equity</b>				
Capital	1003.5	1007.8	1003.5	1007.8
Capital reserves and treasury shares	(10.8)	(18.1)	(10.8)	(18.1)
Income reserves	45.8	48.5	45.8	48.5
Cumulative translation adjustments	220.3	124.5	220.3	124.5
Accumulated Profit/Loss	-	(18.1)	-	(18.1)
<b>Equity attributable to controlling shareholders</b>	<b>1,258.8</b>	<b>1,144.6</b>	<b>1,258.8</b>	<b>1,144.6</b>
Noncontrolling Interest	-	-	47.7	46.9
<b>Total equity</b>	<b>2,363.2</b>	<b>2,274.8</b>	<b>1,306.5</b>	<b>1,191.5</b>
<b>Total liabilities and equity</b>	<b>2,363.2</b>	<b>2,274.8</b>	<b>3,097.8</b>	<b>2,959.3</b>

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

	Company		Consolidated	
	1T21	1T22	1T21	1T22
<b>Revenue from sales and/or services</b>				
Revenue from sales and/or services	182.2	216.9	489.7	579.7
Costs of goods and/or services sold	(147.0)	(159.0)	(392.0)	(426.0)
<b>Gross profit</b>	<b>35.2</b>	<b>57.9</b>	<b>97.7</b>	<b>153.7</b>
Selling expenses	(7.8)	(12.3)	(40.5)	(46.5)
General and administrative expenses	(8.1)	(14.7)	(26.7)	(38.0)
Other operating expenses	(3.5)	(0.5)	(10.4)	(8.4)
Equity pickup	(10.9)	12.2	-	(0.4)
<b>Income before finance income (costs)</b>	<b>4.9</b>	<b>42.6</b>	<b>20.1</b>	<b>60.4</b>
Finance income	4.6	17.5	17.3	33.4
Finance costs	(11.8)	(95.3)	(35.9)	(118.2)
<b>Income (loss) before income taxes</b>	<b>(2.3)</b>	<b>(35.2)</b>	<b>1.5</b>	<b>(24.4)</b>
Current income tax and social contribution taxes	(1.3)	(0.1)	(9.0)	(7.0)
Deferred income tax and social contribution taxes	(1.4)	17.2	4.7	14.9
<b>Result after tax on profit</b>	<b>(5.0)</b>	<b>(18.1)</b>	<b>(2.8)</b>	<b>(16.5)</b>
<b>Net income for the period</b>	<b>(5.0)</b>	<b>(18.1)</b>	<b>(2.8)</b>	<b>(16.5)</b>
Controlling shareholders	(5.0)	(18.1)	(5.0)	(18.1)
Noncontrolling Interest	-	-	2.2	1.6
Number of shares	71.7	79.2	71.7	79.2
Earnings per basic and diluted share (R\$ )	<b>(0.1)</b>	<b>(0.2)</b>	<b>(0.0)</b>	<b>(0.2)</b>



# 1Q22 CASH FLOW STATEMENT

1Q22  
RESULTS

Valid

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

	Company		Consolidated	
	1T21	1T22	1T21	1T22
<b>Cash flows from operating activities</b>				
<b>Cash from operations</b>	<b>31.2</b>	<b>48.8</b>	<b>59.8</b>	<b>111.1</b>
Profit (loss) before income tax and social contribution	(2.3)	(35.2)	1.5	(24.4)
Income before income and social contribution taxes,				
Reconciliation of income before income and social contribution taxes with cash provided by operating activities				
Depreciation	7.9	7.8	21.2	22.0
asset write-off	4.3	(0.7)	5.4	4.1
Amortization	2.0	2.6	15.2	16.4
Fair value of the creative fund III	(1.3)	(0.5)	(1.3)	(0.5)
Restatement of judicial deposits	0.1	(0.5)	0.1	(0.5)
Stock options	-	0.9	-	0.9
Provisions	-	1.9	0.3	2.3
Allowance for doubtful accounts	(0.1)	0.3	(1.9)	1.4
Provision for asset obsolescence	-	-	-	(0.3)
Provision for stock obsolescence	(1.1)	-	(1.9)	(1.2)
Equity pickup	10.9	(12.2)	-	0.4
Interest expense on debentures and loans and financing	6.5	29.8	13.7	32.1
exchange variation of loans	-	-	3.6	0.5
Interest, exchange variation and write-off of leases	0.4	(0.2)	2.1	1.0
Interest and exchange variation on loans	(0.1)	56.0	(0.9)	60.2
Others	0.8	(1.0)	(0.5)	(2.8)
Factory restructuring	3.2	-	3.2	-
PIS and COFINS credits and ICMS financial updates	-	(0.2)	-	(0.5)
<b>Changes in assets and liabilities</b>	<b>(63.4)</b>	<b>6.2</b>	<b>(128.2)</b>	<b>(26.1)</b>
Account receivable	(15.1)	9.6	(44.5)	(34.5)
Taxes recoverable	(3.8)	(6.0)	(2.6)	(11.5)
Inventories	(26.3)	(13.2)	(40.9)	(6.3)
Judicial deposits	(0.1)	21.0	(0.2)	21.0
Other account receivables	(3.5)	(5.8)	(8.2)	(8.9)
Receivables from related parties	(0.5)	(0.5)	-	(1.6)
Trade accounts payable	(19.5)	(1.1)	(26.9)	(5.7)
Debt with related parties	2.0	4.2	-	-
Payroll, provisions and social charges payable	3.9	(6.6)	6.9	(7.9)
Taxes, charges and contributions payable	5.0	3.5	(7.8)	8.2
Advance from customers and other accounts payables	(5.2)	2.6	1.0	26.0
Payment of labor, civil and tax contingencies	(0.2)	(0.7)	(0.3)	(0.9)
Ernaut payment	-	(0.8)	-	(0.8)
Payment of income and social contribution taxes	(0.1)	-	(4.7)	(3.2)
<b>Cash provided by (used in) operating activities</b>	<b>(32.2)</b>	<b>55.0</b>	<b>(68.4)</b>	<b>85.0</b>
<b>Cash flows from investing activities</b>				
Acquisition of PPE	(9.0)	(14.0)	(18.2)	(15.1)
Acquisition of intangible assets	(2.7)	(5.0)	(22.2)	(10.1)
capital increase in subsidiaries	(0.8)	(0.4)	-	-
Marketable securities	(0.4)	(0.8)	(0.4)	(0.8)
Acquisition of financeira vinculada	(21.3)	(4.9)	(21.3)	(4.9)
Acquisition of non controllers	(2.1)	-	(2.1)	-
<b>Net cash provided by (used in) investing activities</b>	<b>(36.3)</b>	<b>(25.1)</b>	<b>(64.2)</b>	<b>(30.9)</b>
<b>Cash flows from financing activities</b>				
Receivables from related parties	(0.6)	(0.1)	-	-
Interest on equity paid net	-	(23.1)	-	(23.1)
Treasury shares	-	(8.1)	-	(8.1)
Issuance of shares in the parent company, net of transaction costs	99.0	4.3	99.0	4.3
Lease payment	(0.9)	(1.5)	(6.8)	(6.0)
Payment of interest leases	-	-	(1.5)	(1.1)
Payment of debentures	-	(2.7)	-	(2.7)
Payment of interest on debentures	-	(0.9)	-	(0.9)
Payment of on Financing	-	-	-	-
Loans	100.0	99.9	111.2	131.9
Payment of loans	(23.1)	(79.8)	(34.4)	(111.1)
Payment of interest on loans	(2.6)	(6.9)	(4.4)	(8.1)
<b>Cash provided financing activities</b>	<b>171.8</b>	<b>(18.9)</b>	<b>163.1</b>	<b>(24.9)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>103.3</b>	<b>11.0</b>	<b>30.5</b>	<b>29.2</b>
<b>Cash balances and cash equivalents</b>				
Cash and cash equivalents at the beginning of the period	316.6	206.5	486.5	390.0
Effect of changes in exchange rates on cash and cash equivalents held in foreign cur	-	-	16.3	(26.5)
Cash and cash equivalents at the end of the year	419.9	217.5	533.3	392.7
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>103.3</b>	<b>11.0</b>	<b>30.5</b>	<b>29.2</b>



# Valid

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