Individual and Consolidated Financial Statements

Valid Soluções S.A.

December 31, 2024
with Independent Auditor's Review Report

Valid Soluções S.A.

Individual and consolidated financial statements

December 31, 2024

Contents

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A free translation from Portuguese into English of Independent Auditor's Report on individual and consolidated financial statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB)

Independent auditor's report on the individual and consolidated financial statements

The Shareholders, Board of Directors and Officers
Valid Soluções S.A.
Rio de Janeiro - RJ

Opinion

We have audited the individual and consolidated financial statements of Valid Soluções S.A. (the "Company"), identified as Individual and Consolidated, respectively, which comprise the statement of financial position as at December 31, 2024, and the statements of profit or loss, of comprehensive income, of changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the individual and consolidated financial position of the Company as at December 31, 2024, and its individual and consolidated financial performance and individual and consolidated cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), currently referred to by the IFRS Foundation as "IFRS accounting standards".

Basis for opinion

We conducted our audit in accordance with the Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the individual and consolidated financial statements section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants and the professional standards issued by Brazil's National Association of State Boards of Accountancy (CFC), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures, is provided in that context. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the individual and consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

1. Impairment of goodwill and deferred tax credits

    As mentioned in Notes 6.b and 10, at December 31, 2024, the Company has significant balances of goodwill and deferred tax credits. These assets are annually tested for impairment to determe whether there are any events or changes in economic, operational or technological circumstances that may indicate impairment losses. The impairment testing on these assets, including, in the case of goodwill, the definition of Cash-Generating Units (CGU), is highly subjective and is based on various assumptions and the realization is affected by market projections and uncertain economic scenarios.

    Due to the significance of the balances, the level of uncertainty and the high degree of judgment inherent to determining the corresponding recoverable amounts, we considered this matter a key audit matter.

    How our audit addressed this matter

    Our audit procedures included, among others: (i) assessing the criteria used to define and identify CGUs as well as understanding and assessing the design of internal controls; (ii) involving specialists to assist us in evaluating the impairment projections that were prepared by the executive board; (iii) assessing the adequacy and consistency of assumptions used in the estimates and projections of future cash flows and taxable profit, comparing them with data from external sources, where available, such as projected economic growth and cost inflation; (iv) evaluating the calculation methodology and sensitivity analysis of the assumptions; and (iv) reviewing the disclosures in the financial statements.

    Based on the result of the audit procedures, which is consistent with the executive board's assessment, we considered the estimates prepared by the executive board, as well as the respective disclosures, acceptable in the context of the financial statements as a whole.

2. Revenue recognition

As mentioned in Note 2.6, the Company recognizes its revenue on an accrual basis at a specific point in time as services are rendered and the control over the goods is transferred to the customer, for an amount that reflects the consideration to which the Company expects to receive in exchange for these goods or services. The high volume requires controls and processes that ensure the integrity of the operations.

Due to the significance of the amounts involved and the characteristics inherent in the revenue recognition process, as well as the transaction volume and security, including those generated in other jurisdictions within the accrual period, we considered this matter a key audit matter.

How our audit addressed this matter

Our audit procedures included, among others: (i) evaluating the Company's internal processes for measuring and recognizing revenue, and understanding and assessing the design of internal controls; (ii) checking, on a sampling basis, the supporting documentation of sales made and services rendered in the year; (iii) cut-off test of revenue accrual period, including checking of documentation that proves the delivery of the goods and/or services; (iv) monthly analysis of revenues using aggregated and disaggregated data in order to identify relations or changes contrary to our expectations based on our knowledge of the Company and industry; and (v) review of the disclosures in the financial statements.

Based on the result of our audit procedures, which is consistent with executive board's assessment, we considered the Company's revenue recognition policies acceptable to support the judgments, estimates and information included, in the context of the financial statements as a whole.

Other matters

Statements of value added

The individual and consolidated statements of value added (SVA) for the year ended December 31, 2024, prepared under the responsibility of the Company's executive board, and presented as supplementary information for purposes of IFRS, were submitted to audit procedures conducted together with the audit of the Company's financial statements. To form our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content comply with the criteria defined by Accounting Pronouncement CPC 09 - Statement of Value Added. In our opinion, these individual and consolidated statements of value added were prepared fairly, in all material respects, in accordance with the criteria defined in the abovementioned Accounting Pronouncement, and are consistent in relation to the overall individual and consolidated financial statements.

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Other information accompanying the individual and consolidated financial statements and the auditor's report

The executive board is responsible for such other information, which comprise the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the executive board and those charged with governance for the individual and consolidated financial statements

The executive board is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and for such internal control as the executive board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, the executive board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the executive board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and its subsidiaries' financial reporting process.

Auditor’s responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries’ internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive board.
- Concluded on the appropriateness of the executive board’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or future conditions may cause the Company to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements, including applicable independence requirements, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Rio de Janeiro, March 12, 2025.

ERNST & YOUNG
Auditores Independentes S.S. Ltda.
CRC SP-015199/F

Wilson J. O. Moraes
Accountant CRC 1RJ 107.211/O

A free translation from Portuguese into English of individual and consolidated financial statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB)

Valid Soluções S.A.

Statements of financial position
December 31, 2024 and 2023
(In thousands of reais)

		Individual		Consolidated	
	Note	**12/31/2024**	**12/31/2023**	**12/31/2024**	**12/31/2023**
Assets					
Current assets					
Cash and cash equivalents	4	**158,895**	179,837	**569,472**	422,029
Marketable securities	4	**32,723**	-	**32,723**	-
Restricted financial investments	4	**13,404**	16,117	**13,404**	16,142
Accounts receivable	5	**229,478**	195,182	**471,854**	386,929
Taxes recoverable	6.a	**98,020**	57,321	**137,928**	86,137
Inventories	7	**140,632**	160,004	**274,491**	267,477
Other		**22,918**	18,168	**43,304**	40,164
		696,070	626,629	**1,543,176**	1,218,878
Assets available for sale		**2,478**	12,749	**9,393**	48,557
Noncurrent assets					
Marketable securities	4	**13,303**	13,538	**13,303**	13,538
Restricted financial investments	4	**154,726**	180,780	**154,726**	180,780
Related parties	14	**6,362**	36,944	**2,678**	2,038
Recoverable taxes	6.a	**62,086**	71,891	**63,079**	71,891
Judicial deposits	8	**20,522**	19,455	**20,746**	19,767
Deferred income and social contribution taxes	6.b	**8,577**	17,971	**75,117**	93,644
Investments in subsidiaries and associates	9	**1,381,983**	873,515	**2,074**	18,886
Other investments at fair value	23	**-**	-	**99,502**	-
Property, plant and equipment	11	**176,818**	164,000	**233,969**	207,775
Intangible assets	10	**26,373**	31,513	**706,257**	656,347
Other		**18,680**	10,453	**19,829**	13,525
		1,869,430	1,420,060	**1,391,280**	1,278,191
Total assets		**2,567,978**	2,059,438	**2,943,849**	2,545,626

		Individual		Consolidated	
	Note	**12/31/2024**	**12/31/2023**	**12/31/2024**	**12/31/2023**
Liabilities					
Current liabilities					
Trade accounts payable		**81,648**	64,642	**173,806**	162,379
Obligations arising from the purchase of goods and services		**2,618**	2,959	**2,618**	2,959
Loans, financing, debentures and lease liabilities	12	**91,842**	98,835	**116,131**	172,061
Payroll, accruals and social charges payable		**68,905**	54,851	**126,995**	103,227
Taxes, charges and contributions payable	6.c	**30,139**	33,175	**75,748**	65,579
Dividends and interest on equity payable	15.d	**12,830**	8	**12,830**	8
Advances from customers and other accounts payable		**3,023**	12,648	**31,242**	44,957
		291,005	267,118	**539,370**	551,170
Noncurrent liabilities					
Related parties	14	**1,136**	1,716	**1,136**	1,716
Loans, financing, debentures and lease liabilities	12	**411,124**	386,809	**483,085**	537,893
Provisions for litigation and contingencies	13	**35,581**	52,600	**45,608**	57,261
Taxes, charges and contributions payable	6.c	**1,415**	1,415	**1,415**	1,415
Deferred income and social contribution taxes	6.b	**-**	-	**13,434**	9,940
Business acquisition liabilities	9	**27,285**	45,947	**28,083**	45,947
Other accounts payable		**5,721**	5,370	**9,621**	9,015
		482,262	493,857	**582,382**	663,187
Equity					
Capital	15.a	**1,022,370**	1,022,370	**1,022,370**	1,022,370
Capital reserves	15.b	**31,272**	27,936	**31,272**	27,936
Treasury shares	15.b	**(49,376)**	(25,324)	**(49,376)**	(25,324)
Income reserves	15.c	**469,063**	174,978	**469,063**	174,978
Other comprehensive income		**321,382**	73,857	**321,382**	73,857
Additional dividends proposed	15.d	**-**	24,646	**-**	24,646
		1,794,711	1,298,463	**1,794,711**	1,298,463
Noncontrolling interests		**-**	-	**27,386**	32,806
		1,794,711	1,298,463	**1,822,097**	1,331,269
Total liabilities and equity		**2,567,978**	2,059,438	**2,943,849**	2,545,626

See accompanying notes.

Valid Soluções S.A.

Statements of profit or loss
Years ended December 31, 2024 and 2023
(In thousands of reais, unless otherwise stated)

		Individual		Consolidated	
	Note	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Sales revenue, net	17	**1,151,356**	1,108,472	**2,171,344**	2,255,510
Cost of sales and/or services	18	**(781,898)**	(739,641)	**(1,394,290)**	(1,432,675)
Gross profit		**369,458**	368,831	**777,054**	822,835
Selling expenses	18	**(63,007)**	(42,488)	**(220,823)**	(194,042)
General and administrative expenses	18	**(112,856)**	(108,667)	**(164,621)**	(165,762)
Other operating income (expenses), net	20	**(4,065)**	(49,146)	**88,557**	(71,044)
Equity pick-up	9	**229,532**	101,871	**(1,958)**	(227)
Income before finance income (costs)		**419,062**	270,401	**478,209**	391,760
Finance income	19	**65,479**	57,075	**199,833**	277,106
Finance costs	19	**(91,392)**	(107,854)	**(242,147)**	(395,703)
Pretax income		**393,149**	219,622	**435,895**	273,163
Income and social contribution taxes	6.d	**(12,235)**	(6,336)	**(56,246)**	(62,542)
Net income for the year		**380,914**	213,286	**379,649**	210,621
Income (loss) attributable to controlling interests		**380,914**	213,286	**380,914**	213,286
Income (loss) attributable to noncontrolling interests		**-**	-	**(1,265)**	(2,665)
Basic and diluted earnings per share, attributable to controlling interests (in reais)	16	**4.76166**	2.66521	**4.76166**	2.66521

See accompanying notes.

Valid Soluções S.A.

Statements of comprehensive income
Years ended December 31, 2024 and 2023
(In thousands of reais)

	Individual		Consolidated	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Net income for the year	**380,914**	213,286	**379,649**	210,621
Other comprehensive income				
Items that may be subsequently reclassified	**-**	-	**-**	-
Foreign exchange effects on the translation of foreign investments	**184,949**	(101,453)	**187,391**	(102,419)
Net income from instruments at fair value through other comprehensive income	**83,131**	-	**83,131**	-
Deferred taxes on instruments at fair value through other comprehensive income	**(20,555)**	-	**(20,555)**	-
Total comprehensive income (loss) for the year	**628,439**	111,833	**629,616**	108,202
Comprehensive income attributable to:				
Income attributable to controlling interests	**628,439**	111,833	**628,439**	111,833
Income (loss) attributable to noncontrolling interests	**-**	-	**1,177**	(3,631)

See accompanying notes.

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Statements of changes in equity
Years ended December 31, 2024 and 2023
(In thousands of reais)

			Capital reserve			Income reserve							
	Note	Capital	Stock option recognized	Capital transactions	Treasury shares	Legal reserve	Investment reserve	Additional dividends	Other comprehensive income	Retained earnings	Total equity – controlling interests	Noncontrolling interests	Total equity
Balances at December 31, 2022		1,022,370	25,359	(719)	(25,666)	4,208	34,505	-	175,310	-	1,235,367	37,308	1,272,675
Treasury shares	15.b	-	-	-	342	-	-	-	-	-	342	-	342
Foreign exchange effects on the translation of foreign investments		-	-	-	-	-	-	-	(101,453)	-	(101,453)	(966)	(102,419)
Recognized options granted	15.b	-	3,296	-	-	-	-	-	-	-	3,296	-	3,296
Net income for the year		-	-	-	-	-	-	-	-	213,286	213,286	(2,665)	210,621
Adjustments for inflation to foreign subsidiary	15.c	-	-	-	-	-	25,657	-	-	-	25,657	-	25,657
Interest on equity		-	-	-	-	-	-	-	-	(76,665)	(76,665)	-	(76,665)
Payment of dividends to noncontrolling interests		-	-	-	-	-	(845)	-	-	-	(845)	(871)	(1,716)
Recognition of legal reserve		-	-	-	-	10,664		-	-	(10,664)	-	-	-
Recognition of investment reserve		-	-	-	-	-	101,311	-	-	(101,311)	-	-	-
Additional dividends proposed		-	-	-	-	-	-	24,646	-	(24,646)	-	-	-
Subsidiary reserve		-	-	-	-	-	(522)	-	-	-	(522)	-	(522)
Balances at December 31, 2023		1,022,370	28,655	(719)	(25,324)	14,872	160,106	24,646	73,857	-	1,298,463	32,806	1,331,269
Treasury shares	15.b	**-**	**-**	**-**	**(24,052)**	**-**	**-**	**-**	**-**	**-**	**(24,052)**	**-**	**(24,052)**
Foreign exchange effects on the translation of foreign investments			**-**	**-**	**-**	**-**	**-**	**-**	**184,949**	**-**	**184,949**	**2,441**	**187,390**
Recognized options granted	15.b	**-**	**3,336**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,336**	**-**	**3,336**
Net income for the year		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**380,914**	**380,914**	**(1,265)**	**379,649**
Adjustments for inflation to foreign subsidiary	15.c	**-**	**-**	**-**	**-**	**-**	**29,594**	**-**	**-**	**-**	**29,594**	**-**	**29,594**
Payment of dividends to noncontrolling interests			**-**	**-**	**-**	**-**	**(432)**	**-**	**-**	**-**	**(432)**	**(1,400)**	**(1,832)**
Net income from instruments at fair value through other comprehensive income	23	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**62,576**	**-**	**62,576**	**-**	**62,576**
Disposal of equity interest in subsidiary		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(5,196)**	**(5,196)**
Recognition of legal reserve		**-**	**-**	**-**	**-**	**19,046**	**-**	**-**	**-**	**(19,046)**	**-**	**-**	**-**
Recognition of investment reserve		**-**	**-**	**-**	**-**	**-**	**244,263**	**-**	**-**	**(244,263)**	**-**	**-**	**-**
Distribution of additional dividends	15.d	**-**	**-**	**-**	**-**	**-**	**-**	**(24,646)**	**-**	**-**	**(24,646)**	**-**	**(24,646)**
Interest on equity	15.d	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(117,605)**	**(117,605)**	**-**	**(117,605)**
Subsidiary reserve	15.c	**-**	**-**	**-**	**-**	**-**	**1,614**	**-**	**-**	**-**	**1,614**	**-**	**1,614**
Balances at December 31, 2024		**1,022,370**	**31,991**	**(719)**	**(49,376)**	**33,918**	**435,145**	**-**	**321,382**	**-**	**1,794,711**	**27,386**	**1,822,097**

See accompanying notes.

Valid Soluções S.A.

Statements of cash flows
Years ended December 31, 2024 and 2023
(In thousands of reais)

	Individual		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Pretax income	**393,149**	219,622	**435,895**	273,163
Adjustments to reconcile income or loss to cash flows from operating activities				
Depreciation	**38,146**	38,766	**52,602**	59,553
Net gains (losses) on write-off/disposal of assets	**12,880**	10,127	**(122,301)**	19,343
Amortization	**8,506**	16,780	**50,732**	61,386
Changes in fair value of Criatec III fund	**403**	(995)	**403**	(995)
Restatement of judicial deposits	**(1,134)**	(733)	**(1,158)**	(760)
Recognized options granted	**3,336**	3,296	**3,336**	3,296
Provisions for litigation and contingencies	**(13,538)**	22,566	**(9,091)**	24,168
Allowance for expected credit losses	**843**	(17,565)	**7,638**	(19,476)
Provision for impairment	**-**	21,789	**24,029**	22,729
Provision for inventory obsolescence	**-**	-	**1,388**	1,568
Derivatives (Swap transaction)	**(4,304)**	-	**(4,304)**	-
Equity pickup	**(229,532)**	(101,871)	**1,958**	227
Interest expenses on debentures, loans and financing	**63,858**	85,968	**75,143**	100,616
Foreign exchange differences on loans	**5,238**	-	**6,288**	(649)
Interest, write-offs and foreign exchange differences on leases	**(58)**	1,303	**1,015**	2,196
Foreign exchange differences and interest on intercompany loans	**(1,448)**	(3,015)	**561**	(443)
Credits and financial adjustments on tax credits	**(2,673)**	(1,915)	**(2,673)**	(1,915)
Changes in fair value of earn *out* payable	**-**	6,600	**-**	6,600
Other	**(3,127)**	2,367	**18,033**	91,258
Changes in assets and liabilities				
Accounts receivable	**(40,899)**	43,156	**(62,374)**	(40,237)
Recoverable taxes	**(28,344)**	15,592	**(32,494)**	(718)
Inventories	**19,372**	14,418	**6,193**	6,214
Judicial deposits	**(1,427)**	(694)	**(1,438)**	(746)
Other accounts receivable	**8,959**	(5,709)	**34,678**	75,463
Related-party receivables	**5,760**	(20,017)	**457**	100
Trade accounts payable	**10,627**	(11,480)	**(8,766)**	4,714
Related-party payables	**5,331**	(6,894)	**(928)**	(598)
Payroll, accruals and social charges payable	**14,054**	(4,532)	**17,403**	11,050
Taxes, charges and contributions payable	**689**	9,645	**(2,911)**	24,563
Advances from customers and other accounts payable	**(7,744)**	(168)	**(12,525)**	(31,970)
Payment of labor, civil and tax contingencies	**(1,987)**	(25,265)	**(2,138)**	(28,906)
Payment of income and social contribution taxes (IRPJ and CSLL)	**(6,443)**	(6,220)	**(36,453)**	(11,669)
Cash flows from operating activities	**248,493**	304,922	**438,198**	649,125
Cash flows from investing activities				
Acquisition of property, plant and equipment	**(45,983)**	(16,875)	**(51,055)**	(28,250)
Acquisition of intangible assets	**(3,330)**	(5,201)	**(28,115)**	(22,919)
Capital increase in subsidiaries	**(24,047)**	(919)	**-**	-
Marketable securities	**(32,891)**	(603)	**(32,891)**	(603)
Restricted financial investment	**28,767**	(48,853)	**28,792**	(48,855)
Net cash received from the disposal of equity interest	**5,177**	-	**177,680**	-
Acquisition of investments	**-**	(20,000)	**(20,939)**	(16,766)
Receipt of dividends	**18,041**	468	**-**	-
Other investments	**(14,100)**	-	**(14,100)**	-
Payment of earn-out for acquisition of Flexdoc	**(20,716)**	(2,811)	**(20,716)**	(2,811)
Cash flows from (used in) investing activities	**(89,082)**	(94,794)	**38,656**	(120,204)
Cash flows from financing activities				
Related-party receivables	**32,030**	58,112	**-**	-
Interest on equity paid	**(104,786)**	(97,669)	**(104,786)**	(97,669)
Payment of dividends	**(24,643)**	-	**(24,643)**	-
Payment of dividends to noncontrolling interests	**-**	-	**(1,832)**	-
Treasury shares	**(24,052)**	342	**(24,052)**	342
Lease payments	**(8,072)**	(7,258)	**(14,040)**	(13,984)
Payment of interest on leases	**-**	-	**(117)**	(87)
Debentures raised	**241,392**	-	**241,392**	-
Payment of debentures	**(244,282)**	(90,000)	**(244,282)**	(90,000)
Payment of interest on debentures	**(33,498)**	(46,705)	**(33,498)**	(46,705)
Financing raised	**-**	30,000	**-**	30,000
Repayment of financing	**(30,000)**	-	**(30,000)**	-
Payment of interest on financing	**(3,564)**	-	**(3,564)**	-
Loans raised	**216,137**	236,948	**279,842**	412,251
Repayment of loans	**(175,588)**	(312,578)	**(387,183)**	(494,939)
Payment of interest on loans	**(21,427)**	(35,520)	**(43,603)**	(47,809)
Cash flows used in financing activities	**(180,353)**	(264,328)	**(390,366)**	(348,600)
Increase (decrease) in cash and cash equivalents	**(20,942)**	(54,200)	**86,488**	180,321
Cash and cash equivalent balances at beginning of year	**179,837**	234,037	**422,029**	365,161
Effect of exchange rate differences on the balance of cash and cash equivalents	**-**	-	**60,955**	(123,453)
Cash and cash equivalent balances at end of year	**158,895**	179,837	**569,472**	422,029
Increase (decrease) in cash and cash equivalents	**(20,942)**	(54,200)	**86,488**	180,321

See accompanying notes.

Valid Soluções S.A.

Statements of value added
Years ended December 31, 2024 and 2023
(In thousands of reais)

	Individual		Consolidated	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Revenues	**1,322,080**	1,279,158	**2,384,896**	2,448,098
Sales of services and goods, net of returns	**1,308,689**	1,261,278	**2,345,614**	2,426,692
Other revenues	**14,234**	315	**15,154**	1,930
Allowance for expected credit losses	**(843)**	17,565	**24,128**	19,476
Materials acquired from third parties	**(584,145)**	(595,051)	**(1,148,490)**	(1,177,449)
Cost of sales and services	**(488,806)**	(466,123)	**(926,539)**	(970,455)
Materials, power, services from suppliers and other	**(95,339)**	(128,928)	**(221,951)**	(206,994)
Gross value added	**737,935**	684,107	**1,236,406**	1,270,649
Depreciation and amortization	**(46,954)**	(55,546)	**(105,141)**	(120,563)
Net value added	**690,981**	628,561	**1,131,265**	1,150,086
Value added received from transfers	**295,067**	156,257	**335,000**	274,189
Equity pick-up	**229,532**	101,871	**(1,958)**	(227)
Finance income	**65,479**	57,075	**199,833**	277,106
Other	**56**	(2,689)	**137,125**	(2,690)
Total value added to be distributed	**986,048**	784,818	**1,466,265**	1,424,275
Personnel and charges (except INSS)	**298,003**	266,167	**529,711**	509,849
Salaries	**236,586**	209,823	**446,001**	434,369
Benefits	**45,492**	42,393	**63,547**	57,132
Unemployment Compensation Fund (FGTS)	**15,925**	13,951	**20,163**	18,348
Taxes and contributions	**209,304**	185,755	**306,438**	295,366
Federal taxes	**168,471**	143,784	**258,643**	244,850
State taxes	**10,017**	12,653	**12,653**	16,077
Local taxes	**30,816**	29,318	**35,142**	34,439
Debt remuneration	**97,827**	119,610	**250,467**	408,439
Interest	**91,392**	107,854	**242,147**	395,703
Rent	**6,435**	11,756	**8,320**	12,736
Equity remuneration	**380,914**	213,286	**379,649**	210,621
Controlling interests in retained profits	**380,914**	213,286	**380,914**	213,286
Noncontrolling interests in retained losses	**-**	-	**(1,265)**	(2,665)
Value added distributed	**986,048**	784,818	**1,466,265**	1,424,275

See accompanying notes.

1. Operations

Valid Soluções S.A. (“Valid”, “Parent Company” or “Company”), headquartered at Rua Laura Maiello Kook, No. 511, Ipanema das Pedras, Sorocaba, São Paulo State, has been operating in Brazil since 1957 and is primarily engaged in the production and provision of services for the security market in identification, management, and protection of data, whether physical or digital. Its main customers include state governments and government agencies, financial institutions, telecommunications companies, retailers, agricultural cooperatives, and self-employed professionals.

The Company's portfolio of solutions includes bank cards and statements, smart cards, contactless cards, internet banking applications, SIM Cards, e-SIM, subscription management systems for mobile operators, intelligent storage systems, driver's licenses and identification cards, processing and issue of documents with security printing and fraud prevention, traceability services using RFID technology, digital certificates, biometric identification systems, administrative modernization systems, traceable seals, document logistics, and supply management of graphic products and utility service bills.

Valid and its subsidiaries (collectively referred to as the "Group") have a global presence, with entities domiciled in Brazil, the United States, Spain, Denmark, Republic of Mauritius, Singapore, South Africa, Nigeria, United Arab Emirates, Indonesia, Argentina, Mexico, Uruguay, Colombia, China, and Ireland, as detailed in Note 2.3.

The Company has its shares traded on B3 under ticker symbol “VLID3” and has been listed since April 12, 2006 in the governance listing segment called Novo Mercado (New Market).

2. Basis of preparation

2.1. Statement of compliance

The individual and consolidated financial statements have been prepared and are presented in accordance with the accounting practices adopted in Brazil, which comprise the rules set forth by the Brazilian Securities and Exchange Commission (CVM) and the accounting pronouncements issued by Brazil’s Financial Accounting Standards Board (CPC), which are in line with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), currently referred to by the IFRS Foundation as “IFRS accounting standards”.

Additionally, the Company considered the accounting guidance OCPC 07 issued by CPC in November 2014 in preparing its financial statements. Accordingly, significant information inherent in the financial statements, and only such information, is being disclosed and corresponds to that used by management to manage the Company’s activities.

The individual and consolidated financial statements were approved and authorized for publication by the Board of Directors on March 12, 2025.

(In thousands of reais, unless otherwise stated)

2.2. Basis of measurement

The individual and consolidated financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value through profit or loss and the financial statements of Valid Soluciones y Servicios de Seguridad en Medios de Pago e Identificación S.A. (“Valid Argentina”), which were prepared under the requirements of IAS 29 - Financial Reporting in Hyperinflationary Economies.

2.3. Basis of consolidation

The consolidated financial statements comprise the financial information of the Company and its subsidiaries as at December 31, 2024. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The percentage of equity interest held at the reporting dates is as follows:

		(%) Equity interest			
		12/31/2024		12/31/2023	
Subsidiaries	**Denomination**	**Direct**	**Indirect**	**Direct**	**Indirect**
1. Valid Soluciones y Servicios de Seguridad en Medios de Pago e Identificación S.A.	Valid Argentina	**100**	-	100	-
2. Valid Certificadora Digital Ltda.	Valid Certificadora	**100**	**-**	100	-
3. Valid Soluciones y Servicios de Seguridad en Medios de Pago e Identificación S.A.	Valid Uruguay	**100**	**-**	100	-
4. Valid Soluciones y Servicios de Seguridad en Medios de Pago e Identificación S.A. de C.V.	Valid Mexico	**100**	**-**	100	-
5. Valid Link Sol em Rastreabilidade S.A.	Valid Link	**100**	**-**	100	-
6. Guaratinguetá Consórcio Rotativo (Serbet investee. Company sold on January 26, 2024. See Note 9)	Guaratinguetá Consórcio	**-**	**-**	-	100
7. Valid Soluções e Serviços de Segurança em Meios de Pagamento e Identificação	Valid Sucursal	**100**	**-**	100	-
8. Blu Pay Tecnologia de dados Ltda.	BluPay	**100**	**-**	100	-
9. Serbet - Sistema de Estacionamento Veicular do Brasil Ltda.disposed of on January 26, 2024. See Note 9)	Serbet	**-**	**-**	50% + 1 unit of interest	-
10. Mitra - Acesso em Rede e Tecnologia da Informação Municipal Ltda.	Mitra	**51**	**-**	51	-
11. Flexdoc Tecnologia da Informação Ltda.	Flexdoc	**100**	**-**	100	-
12. Valid Hub Consultoria em Tecnologia e Tratamento de Dados S.A.	Valid Hub	**98**	**-**	60	-
13. Contiplan Tecnologia Gráfica Ltda - EPP (see Note 9)	Contiplan Tecnologia	**-**	**100**	-	-
14. Contiplan Indústria Gráfica Ltda (see Note 9)	Contiplan Indústria	**-**	**100**	-	-
15. Valid Soluciones Tecnológicas	Valid Spain	**100**	**-**	100	-
a. Valid USA, Inc.	Valid USA	**-**	**100**	-	100
i. Valid Identity Solutions, LLC (company discontinued on Jan 05, 2024)	Valid ID	**-**	**-**	-	100
ii. Marketing *Software* Company, LLC (company discontinued on Jul 29, 2024)	MSC	**-**	**-**	-	100
b. Valid A/S	Valid A/S	**-**	**100**	-	100
i. Valid Logistics Limited	Valid Logistics	**-**	**100**	-	100
ii. Valid Holding Denmark Aps	Valid Holding	**-**	**100**	-	100
Valid Panamá Inc. (company discontinued on Aug 06, 2024)	Valid Panama	**-**	**-**	-	100
1. Valid South Africa (Pty) Ltd.	Valid South Africa	**-**	**70**	-	70
2. Valid Africa Ltd.	Valid Africa	**-**	**100**	-	100
3. Valid Middle East FZE	Valid Middle East	**-**	**100**	-	100
4. Valid Technologies India Pvt. Ltd.	Valid Technologies India	**-**	**99.9**	-	99.9
5. Valid Asia Pte Ltd	Valid Singapore	**-**	**100**	-	100
6. PT Valid Technologies Indonesia	Valid Indonesia	**-**	**99**	-	99
iii. Logos Smart Card A/S	Logos Denmark	**-**	**100**	-	100
iv. PT Valid Technologies Indonesia	Valid Indonesia	**-**	**1**	-	1
v. Valid Technologies India Pvt. Ltd.	Valid Technologies India	**-**	**0.1**	-	0.1
c. Valid Technologies (Beijing) Co, Ltd.	Valid Beijing	**-**	**100**	-	100
d. Valid Card Nigeria Limited	Valid Nigeria	**-**	**70**	-	70
e. Valid Deutschland GmbH (company incorporated on Sept 19, 2024)	Valid Germany	**-**	**100**	-	-

Assets and liabilities of foreign subsidiaries are translated into Brazilian reais at the closing exchange rate prevailing at the respective reporting date, and their statements of profit or loss are translated at the exchange rates prevailing at the transaction dates, as well as the statements of cash flows, except when hyperinflationary economy requirements apply. The exchange differences arising on such translation are recognized in other comprehensive income. On disposal of a foreign operation, cumulative translation differences relating to this foreign operation, recognized in other comprehensive income, are reclassified to profit or loss.

2.4. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any noncontrolling interests in the acquiree. For each business combination, the acquirer must measure the noncontrolling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes in fair value of contingent consideration regarded as an asset or a liability will be recognized in accordance with the Financial Instruments, equivalent to IFRS 9, in the statement of profit or loss.

Goodwill is initially measured as the excess of the consideration transferred in relation to net assets acquired (net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the consideration, the difference is recognized as a gain in the statement of profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

2.5. Functional and presentation currencies

The individual and consolidated financial statements are presented in Brazilian reais (R$), which is the functional currency of the Company, and have been rounded to the nearest thousand, unless otherwise stated. The Company and its subsidiaries determine their own functional currency, and for those entities whose functional currencies are other than the Brazilian real, the financial statements are translated into the Brazilian real: assets and liabilities are translated at the closing exchange rate effective at the reporting date, and profit or loss at the average rate for the period, in accordance with CPC 02 (R2) – The *Effects* of *Changes* in *Foreign Exchange* Rates and Translation of Financial Statements, equivalent to IAS - The Effects of Changes in Foreign Exchange *Rates*.

Transactions in foreign currency are initially recorded at their respective functional currency spot rates at the transaction date.

Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date, and any differences are recognized in profit or loss.

Nonmonetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the transaction date. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates at the dates when the fair value is determined. The gain or loss arising on translation of nonmonetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss for the year are also recognized in other comprehensive income or profit or loss for the year, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) relating to advance consideration, the date of the transaction is the date on which the Company initially recognizes the nonmonetary asset or nonmonetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

Functional currencies of the Company and its subsidiaries are as follows:

Companies	Functional currency
Valid	Brazilian real
Blu Pay	Brazilian real
Serbet	Brazilian real
Mitra	Brazilian real
Valid Hub	Brazilian real
Contiplan Indústria Gráfica Ltda	Brazilian real
Contiplan Tecnologia Gráfica Ltda	Brazilian real
Valid Argentina	Argentine peso
Valid Certificadora	Brazilian real
Valid Link	Brazilian real
Guaratinguetá Consórcio	Brazilian real
Flexdoc	Brazilian real
Valid Uruguay	Uruguayan peso
Valid Mexico	Mexican peso
Valid Sucursal	Colombian peso
Valid Spain	Euro
Valid USA	US dollar
Valid A/S (1)	US dollar
Valid Beijing	US dollar
Valid Nigeria	US dollar
Valid Germany	Euro

(1) The functional currency of each Valid A/S subsidiary is determined based on its individual transactions. However, the functional currency US dollar is the most significant for Valid A/S and its subsidiaries.

2.6. Revenue recognition

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. The Company's operating segments and the respective considerations about the time of revenue recognition are described below:

<u>Means of payment</u>

Sales revenue from this segment, in relation to products, is recognized when control over the asset is transferred to the customer, usually upon delivery of the cards, while the services are recognized at the moment the service is provided. The regular credit term is 30 to 90 days after delivery.

Identification

This revenue is recognized upon issue of the documents since, once these documents are issued, responsibility and therefore control over their withdrawal is transferred to the requesting party.

Mobile

In this segment, the Company provides services that improve the communication between telephone service providers and their customers, in the development of technologies for use in cell phones - such as recharge and payment - and also in the production of cards intended for telecommunications. SIM Cards are the main product of this business unit. Revenue is recognized upon transfer of responsibility to the customer.

2.7. Taxes

Income and social contribution taxes - current

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be paid to the taxation authorities, using the tax rates that are approved at the end of the reporting year in the countries where the Company operates and generates taxable profit.

Current income and social contribution taxes relating to items recognized directly in equity are recognized in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income and social contribution taxes

Deferred taxes arise from temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit (or taxable loss); and
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted at the reporting date.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in profit or loss.

The Company records current tax assets and liabilities at their net amount if, and only if, the referred to entities have a legally enforceable right to make or receive one single net payment and the entities intend to make or receive this net payment or recover the asset and settle the liability simultaneously. The Company records deferred tax assets and liabilities at their net amount if, and only if, the entity has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority: (i) on the same taxable entity; or (ii) on different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Sales taxes

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable;
- When receivables and payables are stated with the amount of sales tax included; and
- When the net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.8. Financial instruments

Financial assets

Financial assets are classified upon initial recognition as subsequently measured at amortized cost, at fair value through profit or loss and at fair value through other comprehensive income.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade accounts receivable that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade accounts receivable that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15 (CPC 47) - Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortized cost, it needs to give rise to cash flows that are "solely payments of principal and interest" (also referred to as the SPPI test) on the principal amount outstanding. This assessment is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortized cost;
- Financial assets at fair value through profit or loss; or
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition (equity instruments).

Financial assets at amortized cost

The Company measures financial assets at amortized cost if both the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets to collect the contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost include trade accounts receivable, intercompany loans, cash and banks, and other noncurrent financial assets.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition as at fair value through profit or loss or financial assets that are required to be measured at fair value. Financial assets are classified as held for trading if they are acquired to be sold or repurchased in the short term.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria used to classify debt instruments at amortized cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if this eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of: (i) the carrying amount of the asset; and (ii) the maximum amount of consideration that the entity could be required to repay (amount of the guarantee).

Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition (equity instruments).

At initial recognition, the Group may irrevocably choose to classify its equity instruments designated at fair value through other comprehensive income (loss) when they meet the definition of equity under IFRS 9 (CPC 39) - Financial Instruments: Presentation and are not held for trading. The classification is determined by considering each instrument, specifically.

Gains and losses on these financial assets are never reclassified to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right to payment is established, except when the Group benefits from these proceeds as a recovery of part of the cost of the financial asset, in which case these gains are recorded in other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment test.

The Company has chosen to irrevocably classify its unlisted equity investments in this category.

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or as financial liabilities at amortized cost, as appropriate.

All financial liabilities are measured initially at fair value and, in the case of a financial liability not at fair value through profit or loss, plus or less transaction costs directly attributable to the issue of the financial liability.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria under “IFRS 9 (CPC 48) - Financial Instruments” are satisfied.

Financial liabilities at amortized cost

After initial recognition, interest-bearing loans, borrowings and financing are subsequently measured at amortized cost using the effective interest (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans, borrowings and financing.

Derecognition

A financial liability is derecognized when the obligation under the liability is terminated, i.e. when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.9. Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the statement of profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration is recognized in other capital reserves.

2.10. Financial reporting in hyperinflationary economies

In July 2018, the cumulative inflation rate over three years in Argentina exceeded 100%. During the last quarter of 2018, the Argentine peso depreciated sharply against other currencies, and interest rates exceeded 40%. The International Accounting Standards Board (IASB) does not establish when an economy is hyperinflationary. However, IAS 29 - *Financial Reporting* in *Hyperinflationary Economies* establishes certain quantitative and qualitative parameters that help determine if an economy is hyperinflationary.

The Company carried out an evaluation of Argentina's current economic scenario including, in its analysis, the evaluation of Argentina's future projections and concluded that there is no expectation of reversal in the short term. For that reason, considering the standard clarifications on maintaining the currency's purchasing power, the Company has treated the Argentine peso as a hyperinflationary currency and recorded the transactions in subsidiary Valid Argentina under the requirements of IAS 29 from the third quarter of 2018.

The financial statements of an entity whose functional currency is the currency of a hyperinflationary economy, whether they are based on a historical cost approach or a current cost approach, must be stated in terms of the measuring unit that is current at the reporting position date and translated into Brazilian reais at the spot rate prevailing at the end of the reporting period.

As a result of the foregoing, the Company applied the accounting for hyperinflationary economies for its Argentine subsidiaries, by applying the rules of IAS 29 in preparing its financial statements, as follows:

- The accounting and disclosure standard for hyperinflationary economies was applied as of January 1, 2018 (as per paragraph 4 of IAS 29, the standard should be applied to the financial statements of any entity from the beginning of the period in which the existence of hyperinflation is identified);
- Nonmonetary assets and liabilities recorded at historical cost and equity of subsidiaries in Argentina were restated using an inflation index. The impacts of hyperinflation resulting from changes in general purchasing power up to December 31, 2017 were reported in equity and the impacts of changes in general purchasing power as of January 1, 2018 were reported in the statement of profit or loss in an account specific for hyperinflation adjustment, in finance income (costs). In accordance with paragraph 3 of IAS 29, there is no defined general price index; however, this standard allows for use of judgment in cases in which restatement of the financial statements is required; and
- The statement of profit or loss is adjusted at the end of each reporting period by reference to the general price index and is then translated at the exchange rate in force at the end of each reporting period, thus reflecting the cumulative inflation and currency rates for the year in profit or loss.

Monetary restatement of the statement of financial position of subsidiary Valid Argentina generated an impact of R$38,436 in the Company's assets, (R$51,663) in liabilities (including R$29,594 in equity) and R$13,227 in P&L. It is important to highlight that there is a slowdown in inflation in Argentina and the Company continues to monitor attendant impacts in light of applicable accounting standards.

2.11. Inventories

Inventories are measured at the lower of cost and net realizable value. The inventory cost is based on the average cost principle and includes the costs incurred in acquiring inventories, production and processing costs, and other costs incurred in bringing them to their existing locations and conditions, where applicable.

In the case of manufactured or in-process inventory, the cost includes a portion of the overhead manufacturing costs based on normal operating capacity. Net realizable value is the selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.12. Property, plant and equipment

Property, plant and equipment items of the Company and its subsidiaries are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. When significant parts of property, plant and equipment are replaced, the Company and its subsidiaries recognize these parts as an individual asset item, with a specific useful life and depreciation. All other repair and maintenance costs are recognized in the statement of profit or loss as incurred. The residual value and the estimated useful lives of the assets are reviewed and adjusted prospectively, when applicable, at year end.

Depreciation is calculated on a straight-line basis over the useful life of the asset and at weighted average rates of the years reported, which take into consideration the useful life of these assets, as follows:

	Annual average depreciation rate
Buildings	9.3%
Machinery and equipment	12.1%
Furniture and fixtures	12.8%
Vehicles	16.3%
EDP equipment	21.9%
Leasehold improvements	22.1%

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss for the year when the asset is derecognized.

2.13. Intangible assets

Finite-lived intangible assets acquired separately are initially recorded at cost and are stated at cost less amortization and accumulated impairment losses. Amortization is recognized using the straight-line method based on the estimated useful life of the assets. The estimated useful life and amortization method are reviewed at each year end, and the effect of any changes in estimates is accounted for prospectively. Indefinite-lived intangible assets acquired separately are recorded at cost, less accumulated impairment losses.

Internally generated intangibles resulting from expenses are recognized if and only if all the conditions set out in IAS 38 (CPC 04) - Intangible Assets are met, based on the expenses incurred since the date the intangible asset has met the recognition criteria. Following initial recognition, internally generated intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, as well as intangible assets acquired separately.

In the consolidated financial statements, intangible assets acquired in a business combination and recorded separately from goodwill are recognized at fair value at acquisition date, which is equivalent to cost. Following initial recognition, intangible assets acquired in a business combination are carried at cost less any accumulated amortization and accumulated impairment losses.

An intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of an intangible asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit or loss when the asset is derecognized.

2.14. Impairment of nonfinancial assets

At year end, the Company and its subsidiaries review the carrying amount of tangible and intangible assets to identify whether there is any indication that these assets are impaired. If there is such indication, the recoverable amount of the asset is estimated in order to measure this loss amount, if any. When the recoverable amount of an asset may not be estimated on an item-by-item basis, the recoverable amount of the CGU to which the asset belongs is calculated. When a reasonable and consistent allocation base may be identified, the corporate assets are also allocated to the individual CGUs and to the smallest group of CGUs for which a reasonable and consistent allocation base may be identified.

Intangible assets with an indefinite useful life or not yet available for use are subject to impairment testing at least on an annual basis and whenever there is any indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimated future cash flows were not adjusted. If the recoverable amount of an asset or CGU calculated is lower than its carrying amount, the carrying amount of this asset or CGU is reduced to its recoverable amount. Impairment loss is recognized immediately in the statement of profit or loss. Impairment related to goodwill is not reversed. In relation to other assets, impairment loss is reversed only on the condition that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized.

2.15. Noncurrent assets held for sale

The Company classifies noncurrent assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. These noncurrent assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition, subject only to the terms that are usual and customary for the sale of such assets. The Company’s appropriate management hierarchy level is committed to the plan to sell assets and a firm program was implemented to locate a buyer, to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale, except when they are linked to an operation that will be closed and, consequently, realized through its continuing use.

Assets and liabilities classified as held for sale and/or discontinued operation are presented separately as current items in the statement of financial position. When a set of assets is characterized as a discontinued operation, the results are presented separately in the statements of profit or loss for the current year and the prior year, as provided for in IFRS 5 (CPC 31) - Noncurrent Assets Held for Sale and Discontinued Operations.

2.16. Use of estimates and judgments

The preparation of the individual and consolidated financial statements in accordance with the accounting practices adopted in Brazil and the IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognized in the year when such estimates are reviewed and in any future years that may be affected. Set out below are the main areas involving estimates, except for estimates of allowance for expected losses on accounts receivable and impairment losses on nonfinancial assets, which were addressed in specific topics.

a) Provision for profit sharing

The provision for profit sharing is measured monthly, based on quality and financial performance metrics, as well as the individual objectives of employees, annually established and recalculated at year-end, based on the best estimate of goals achieved, as established in the annual budget.

b) Provisions for tax, civil and labor contingencies

The Company is a party to various legal and administrative proceedings. Provisions for tax, civil and labor contingencies are recognized for all contingencies referring to legal proceedings whose settlement is likely to result in an outflow of economic benefits, and for which a reliable estimate can be made. Assessment of the likelihood of loss includes analysis of available evidence, the hierarchy of laws, available case law, the most recent court decisions and their relevance in the legal system, as well as the opinion of outside legal advisors. Provisions are constantly reviewed and adjusted to take into consideration changes in circumstances, such as the applicable statute of limitations, tax audit conclusions, or additional exposures that may be identified based on new matters or court decisions.

c) Restructuring provisions

Restructuring provisions are recognized only when the Company has a constructive obligation, which is when: (i) there is a detailed formal plan that identifies the business or part of the business concerned, the main locations and roles, and number of employees affected, the detailed estimate of the associated costs, and the timeline; and (ii) the employees affected have been notified of the plan's main features.

3. New accounting pronouncements applicable to the Company

IFRS 18: Presentation and Disclosure in Financial Statements

In April 2024, the International Accounting Standard Board (IASB) issued IFRS 18, which supersedes IAS 1 (equivalent to CPC 26 (R1) - Presentation of Financial Statements). IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, of which the first three are new.

It also requires disclosure of performance measures defined by management, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'functions' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 (equivalent to CPC 03 (R2) - Statement of Cash Flows), which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss for the period' to 'operating profit or loss' and removing the optionality around classification of cash flows relating to dividends and interest.

The IFRS 18 and the amendments to the other standards are effective for financial reporting periods beginning on or after January 1, 2027 and must be applied retrospectively. In Brazil, early adoption will not be permitted.

The Group is currently working to identify all impacts the amendments will have on the financial statements and notes to the financial statements.

Amendments to CPC 18 (R3) - Investment in Associate, Subsidiary and Joint Venture and ICPC 09 - Individual Financial Statements, Separate Financial Statements, Consolidated Financial Statements and Application of the Equity Method

In September 2024, Brazil's Financial Accounting Standards Board (CPC) issued amendments to Accounting Pronouncement CPC 18 (R3) and Accounting Interpretation ICPC 09 (R3), with the purpose of aligning Brazilian standards with IFRS.

The update to Accounting Pronouncement CPC 18 includes the application of the equity method to measure investments in subsidiaries in individual financial statements, reflecting the change in international standards that now permit this practice in separate financial statements.

This convergence harmonizes accounting practices adopted in Brazil with international ones, without generating material impacts in relation to the current standard.

The amendments are effective for financial statement periods beginning on or after January 1, 2025.

Amendments to CPC 02 (R2) - Effects of Changes in Foreign Exchange Rates and Translation of Financial Statements and CPC 37 (R1) – First-time Adoption of International Financial Reporting Standards

In September 2024, Brazil's Financial Accounting Standards Board (CPC) issued Revision of Accounting Pronouncements 27, which includes changes brought by the Lack of Exchangeability issued by the IASB, with changes in Accounting Pronouncement CPC 02 (R2) - Effects of Changes in Foreign Exchange Rates and Translation of Financial Statements and in CPC 37 (R1) – First-time Adoption of International Financial Reporting Standards. The amendments seek to define the concept of translatable currency and provide guidance on procedures for nonconvertible currencies, determining that exchangeability should be assessed at the measurement date based on the purpose of the transaction. If the currency is not translatable, the entity should estimate the exchange rate that reflects market conditions. In situations with multiple rates, the one that best represents the settlement of cash flows should be used. The pronouncement also highlights the importance of disclosures about nonconvertible currencies, so that users of financial statements understand the financial impacts, risks involved and criteria used to estimate the exchange rate.

The amendments are effective for financial reporting periods beginning on or after January 1, 2025. The amendments are not expected to have a material impact on the Group's financial statements.

(In thousands of reais, unless otherwise stated)

4. Cash and cash equivalents, marketable securities, and restricted financial investments

	Individual		Consolidated	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Current				
Cash and banks	**7,994**	5,492	**237,692**	212,111
Cash equivalents	**150,901**	174,345	**331,780**	209,918
Total cash and cash equivalents	**158,895**	179,837	**569,472**	422,029
Marketable securities	**32,723**	-	**32,723**	-
Restricted financial investments	**13,404**	16,117	**13,404**	16,142
	205,022	195,954	**615,599**	438,171
Noncurrent				
Marketable securities	**13,303**	13,538	**13,303**	13,538
Restricted financial investments	**154,726**	180,780	**154,726**	180,780
	168,029	194,318	**168,029**	194,318
	373,052	390,272	**783,629**	632,489

Cash equivalents refer to highly liquid financial investments held in first-tier financial institutions, which can be redeemed at any time and are readily convertible into a known cash amount, with insignificant risk of change in value, and comprise, mainly, investments in floating-income Bank Deposit Certificates (CDB) and repurchase agreements backed by debentures, with guaranteed buyback and yield based on Interbank Deposit Certificate (DI) rates.

Short-term marketable securities refer to short-term investments held in a non-exclusive investment fund and those held in the long term refer to investments in the Criatec III Equity Investment Fund, which is intended to capitalize innovative micro and small companies.

Restricted short-term investments are guarantees for certain loan agreements and debentures. Redemptions may be made upon repayment of loans, and the segregation between short and long term was made through the assessment of the unconditional right to redeem the amounts invested.

Valid Soluções S.A.

Notes to the individual and consolidated financial statements
December 31, 2024
(In thousands of reais, unless otherwise stated)

5. Accounts receivable

	Individual		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Trade accounts receivable (b)	**204,995**	164,096	**497,608**	433,696
Receivables from related parties (a)	**29,417**	35,177	**-**	-
Allowance for expected credit losses	**(4,934)**	(4,091)	**(25,754)**	(46,767)
	229,478	195,182	**471,854**	386,929

(a) These transactions refer to the sale of inputs from the parent company to other companies in the Group in order to meet operational sales demands in the different countries where the Group operates. See Note 14 for further details on the balances.No interest is charged on the balances of accounts receivable, which generally consider payment terms of 30 to 90 days.

(b) No interest is charged on the balances of accounts receivable, which generally consider payment terms of 30 to 90 days.

The aging list of accounts receivable is as follows:

	Individual		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Falling due	**173,016**	133,971	**341,247**	262,792
Past due				
Within 30 days	**12,155**	11,851	**59,166**	48,095
From 31 to 90 days	**4,464**	3,165	**27,412**	32,075
From 91 to 120 days	**391**	259	**25,867**	5,567
From 121 to 180 days	**1,695**	242	**5,757**	26,250
From 181 to 365 days	**901**	10,411	**6,085**	15,067
Above 365 days	**12,373**	4,197	**32,074**	43,850
Total past due	**31,979**	30,125	**156,361**	170,904
Total	**204,995**	164,096	**497,608**	433,696

At December 31, 2024, part of the past due consolidated balance, amounting to R$113,712, derives from foreign subsidiaries based in Spain, Denmark, Mexico, Colombia, Nigeria, and Valid USA (R$135,911 at December 31, 2023) and, therefore, is subject to the appreciation or depreciation of the Brazilian real against the functional currencies of these subsidiaries.

At December 31, 2024, changes in the balance of the allowance for expected credit losses are as follows:

	Individual		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Opening balance	**(4,091)**	(21,656)	**(46,767)**	(72,200)
Additions	**(1,916)**	(6,917)	**(15,869)**	(15,178)
Reversals (receipts) (1)	**1,073**	24,482	**8,231**	34,654
Write-offs (1)	**-**	-	**31,766**	2,590
Translation adjustments	**-**	-	**(3,115)**	3,367
Closing balance	**(4,934)**	(4,091)	**(25,754)**	(46,767)

(1) In 2024, subsidiary Valid Spain carried out the effective write-off of notes past due for more than 365 days, mostly in the Mobile segment. In 2023, the Company received significant amounts of previous allowance balances, mostly relating to customers of the identification segment.

(In thousands of reais, unless otherwise stated)

The Company analyzes the balances of past due receivables individually and uses, as an assumption, the history of receivables from and amounts rescheduled with such customers to hedge against possible risks. In addition, the allowance for expected credit losses is calculated considering qualitative aspects to measure the expected loss for the next 12 months and/or over the useful life of the asset depending on the risk at the reporting date. These aspects take into consideration the history of losses and an additional individual assessment of the credit risk of the Company's customers, as disclosed by the credit rating agencies for each country and/or region in which the Group companies operate. Management uses a publicly-available *rating* disclosed by credit rating agencies to measure the exposure of its customers in order to obtain the most adequate risk assessment and, consequently, record the allowance, irrespective of whether balances are past due.

6. Taxes

a) Taxes recoverable

	Individual		Consolidated	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
IRPJ and CSLL recoverable (1)	**95,502**	54,472	**109,209**	64,378
ICMS recoverable	**1,139**	2,503	**14,698**	12,873
IPI recoverable (2)	**26,738**	26,328	**26,743**	26,328
Federal taxes withheld by customers	**-**	-	**6,497**	7,969
PIS and COFINS recoverable (3)	**28,323**	35,099	**29,627**	35,480
Other	**8,404**	10,810	**14,233**	11,000
	160,106	129,212	**201,007**	158,028
Current	**98,020**	57,321	**137,928**	86,137
Noncurrent	**62,086**	71,891	**63,079**	71,891

(1) These refer mainly to income tax on financial investments and prepaid Corporate Income Tax (IRPJ) and Social Contribution Tax on Net Profit (CSLL).

(2) Federal VAT (IPI) recoverable classified as noncurrent assets referring to credits that the Company expects to realize through request for refund with taxation authorities. Until December 31, 2024, the Company had applied for the request for refund of IPI credits amounting to R$25,772 and is now awaiting a decision from the federal agency.

(3) This refers mainly to the discussion related to State VAT (ICMS) in the Contribution Tax on Gross Revenue for Social Integration Program (PIS) and for Social Security Financing (COFINS) tax bases, on which Brazil's Federal Supreme Court (STF) handed down a decision favorable to the taxpayer in 2017, with limitation of the effects of the decision in time judged in 2021, confirming unconstitutionality and defining that the ICMS separately identified in the invoices must not be included in the PIS and COFINS tax bases. Therefore, considering that these credits are now classified as 'virtually certain', management recognized the amount of R$50,603, including monetary restatement. In May 2023, the Company had credits amounting to R$34,000 approved, of which R$28,756 has already been used.

(In thousands of reais, unless otherwise stated)

b) Deferred income and social contribution taxes

The main components of deferred income and social contribution tax assets (liabilities) and related changes are as follows:

	Individual					
	12/31/2022	**Addition (reversal/ realization in P&L for the year)**	**12/31/2023**	**Addition (reversal/ realization in P&L for the year)**	**Addition (reversal/ realization in equity)**	**12/31/2024**
Income and social contribution tax losses	5,481	(1,018)	4,463	**(953)**	**-**	**3,510**
Commissions payable	665	18	683	**(126)**	**-**	**557**
Attorney's fees	1,741	(310)	1,431	**626**	**-**	**2,057**
Provisions for litigation and contingencies	19,177	(1,293)	17,884	**(5,786)**	**-**	**12,098**
Allowance for doubtful accounts	6,725	(5,334)	1,391	**(362)**	**-**	**1,029**
Provisions for equipment obsolescence	3,537	(3,537)	-	**-**	**-**	**-**
Restructuring provisions	2,450	2,532	4,982	**-**	**-**	**4,982**
Provisions for profit sharing	11,306	(2,573)	8,733	**2,308**	**-**	**11,041**
Provisions for royalties	795	39	834	**(144)**	**-**	**690**
Recognized options granted	1,292	-	1,292	**-**	**-**	**1,292**
Impairment	7,422	1,794	9,216	**(9,216)**	**-**	**-**
Tax amortization of deductible goodwill	(35,290)	-	(35,290)	**-**	**-**	**(35,290)**
PIS and COFINS tax credits on ICMS	(7,321)	-	(7,321)	**-**	**-**	**(7,321)**
Taxation on worldwide income (TBU)	-	-	-	**3,321**	**-**	**3,321**
Revaluation surplus of assets	(2,511)	493	(2,018)	**-**	**123**	**(1,895)**
Other temporary additions (exclusions), net	6,537	5,154	11,691	**815**	**-**	**12,506**
Total deferred taxes	22,006	(4,035)	17,971	**(9,517)**	**123**	**8,577**

(In thousands of reais, unless otherwise stated)

	Consolidated							
	12/31/2022	Addition (reversal/ realization in P&L for the year)	Translation/ monetary adjustments	12/31/2023	Addition (reversal/ realization in P&L for the year)	Addition (reversal/ realization in equity)	Translation/ monetary adjustments	12/31/2024
Income and social contribution tax losses	76,418	(2,752)	(4,095)	69,571	**(5,379)**	**-**	**14,105**	**78,297**
Commissions payable	1,021	(190)	-	831	**(116)**	**-**	**-**	**715**
Finance costs related to loans	3,414	87	(2,629)	872	**152**	**-**	**6**	**1,030**
Attorney’s fees	1,741	(310)	-	1,431	**626**	**-**	**-**	**2,057**
Provisions for litigation and contingencies	20,266	(296)	(903)	19,067	**(3,748)**	**-**	**260**	**15,579**
Allowance for doubtful accounts	8,760	(6,619)	(75)	2,066	**(794)**	**-**	**35**	**1,307**
Provisions for equipment obsolescence	3,632	(3,599)	(33)	-	**-**	**-**	**-**	**-**
Provisions for profit sharing	11,834	(2,911)	-	8,923	**2,997**	**-**	**-**	**11,920**
Recognized options granted	1,292	-	-	1,292	**-**	**-**	**-**	**1,292**
Financial instruments	4,018	39	(198)	3,859	**1,166**	**-**	**857**	**5,882**
Impairment	7,422	1,794	-	9,216	**(9,216)**	**-**	**-**	**-**
Tax amortization of deductible goodwill	(35,290)	-	-	(35,290)	**-**	**-**	**-**	**(35,290)**
PIS and COFINS tax credits on ICMS	(7,322)	-	-	(7,322)	**-**	**-**	**-**	**(7,322)**
Financial instruments at fair value	-	-	-	-	**-**	**(22,491)**	**1,936**	**(20,555)**
Accounting vs. tax depreciation difference	(4,845)	920	7	(3,918)	**(6,638)**	**-**	**(23)**	**(10,579)**
Inflation adjustment - Valid Argentina	(6,441)	(18,038)	17,540	(6,939)	**(3,758)**	**-**	**(98)**	**(10,795)**
Revaluation surplus of assets	(4,989)	1,180	-	(3,809)	**4,348**	**(1,913)**	**-**	**(1,374)**
Taxation on worldwide income (TBU)	-	-	-	-	**3,321**	**-**	**-**	**3,321**
Other temporary additions (exclusions), net	13,339	11,449	(934)	23,854	**2,132**		**212**	**26,198**
Total deferred taxes	94,270	(19,246)	8,680	83,704	**(14,907)**	**(24,404)**	**17,290**	**61,683**
Deferred tax assets	103,855	-	-	93,644	**-**	**-**	**-**	**75,117**
Deferred tax liabilities	(9,585)	-	-	(9,940)	**-**	**-**	**-**	**(13,434)**

The presentation in the individual and consolidated financial statements considers the offsetting of deferred tax assets and liabilities by legal entity.

Management expects to realize deferred tax assets within 5 to 10 years, based on the approved future taxable profit projections.

(In thousands of reais, unless otherwise stated)

c) Taxes, charges and contributions payable

	Individual		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
IR and CSLL	**-**	-	**21,075**	16,375
State Value-added Tax (ICMS)	**500**	587	**6,343**	4,449
Service Tax (ISS)	**6,693**	11,019	**15,860**	18,918
Contribution tax on gross revenue for social security financing (COFINS)	**18,721**	17,782	**21,484**	18,859
Contribution tax on gross revenue for social integration program (PIS)	**3,850**	3,621	**4,468**	3,871
Social Security Tax (INSS) withheld from customers	**659**	648	**672**	661
Other	**1,131**	933	**7,261**	3,861
	31,554	34,590	**77,163**	66,994
Total current	**30,139**	33,175	**75,748**	65,579
Total noncurrent	**1,415**	1,415	**1,415**	1,415

d) Reconciliation between tax expenses and statutory rates

	Individual		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Income before income taxes	**393,149**	219,622	**435,895**	273,163
IRPJ and CSLL nominal rate	**34%**	34%	**34%**	34%
IRPJ/CSLL expense at nominal rate	**133,671**	74,671	**148,204**	92,875
Reconciliation with effective rate:				
Recognized options granted	**1,576**	1,121	**1,576**	1,121
Difference in rate for foreign companies and taxation on income abroad	**-**	-	**(43,301)**	1,843
Difference in rate for Brazilian companies whose profit is computed as a percentage of gross revenue	**-**	-	**(4,595)**	418
Equity pickup	**(78,041)**	(34,636)	**(666)**	(77)
Restatement of unduly paid taxes	**(844)**	(2,996)	**(844)**	(2,996)
ICMS matching credit	**(5,175)**	(5,823)	**(5,175)**	(5,823)
Interest on equity	**(39,986)**	(26,066)	**(39,986)**	(26,066)
Amortization of revaluation surplus	**-**	(493)	**-**	(493)
Other	**1,034**	558	**1,033**	1,740
IRPJ and CSLL expense charged to profit or loss for the year	**12,235**	6,336	**56,246**	62,542
Expenses in profit or loss				
Current IRPJ/CSLL	**2,718**	2,302	**41,339**	43,297
Deferred IRPJ/CSLL	**9,517**	4,034	**14,907**	19,245

(In thousands of reais, unless otherwise stated)

7. Inventories

	Individual		Consolidated	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Raw materials	**86,304**	112,243	**139,424**	140,144
Work-in-process	**31,160**	31,979	**42,041**	45,739
Replacement parts and materials	**8,539**	6,827	**8,667**	6,894
Goods for resale	**949**	2,039	**52,645**	49,285
Advances to suppliers	**14,922**	6,916	**38,173**	29,363
Provision for inventory losses	**(1,242)**	-	**(6,459)**	(3,948)
	140,632	160,004	**274,491**	267,477

8. Judicial deposits

	Individual		Consolidated	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Judicial deposits - labor	**3,723**	3,582	**3,818**	3,729
Judicial deposits - tax	**3,273**	2,975	**3,273**	2,975
Judicial deposits - civil	**13,526**	12,898	**13,655**	13,063
	20,522	19,455	**20,746**	19,767

The most individually significant amount refers to deposit of R$6,646, made on February 8, 2013, related to a civil lawsuit classified as possible loss, filed against Brazil's National Telecommunications Agency (ANATEL), claiming the suspension of the penalty imposed by this Agency against the Company, under an administrative proceeding, for the alleged production of an inductive card with an expired certificate number. At December 31, 2024, the restated judicial deposit amounts to R$13,215 (R$12,601 at December 31, 2023).

(In thousands of reais, unless otherwise stated)

9. Investments

Financial information

At December 31, 2024, the significant financial information of direct and indirect subsidiaries is as follows:

Subsidiaries [1]	Total assets	Total liabilities	Equity	Profit or loss for the year
Valid Argentina	235,122	116,548	118,574	61,641
Valid Sucursal	66,113	35,553	30,560	(5,156)
BluPay	30,393	3,146	27,247	124
Serbet [2]	-	-	-	(114)
Valid Hub	7,442	7,295	147	1,557
Mitra	26,896	7,973	18,923	5,930
Valid Certificadora	43,245	14,048	29,197	(2,218)
Contiplan Tecnologia Gráfica	1,560	747	813	(109)
Contiplan Indústria Gráfica	7,819	1,427	6,392	235
Valid Mexico	71,227	54,698	16,529	1,539
Valid Uruguay	6,857	1,997	4,860	575
Valid Link	9,049	1,465	7,584	(399)
Flexdoc	24,810	4,194	20,616	25,527
Valid Spain	1,148,730	291,592	857,138	146,836
Valid Beijing	21,609	5,883	15,726	7,256
Valid Nigeria	10,681	30,074	(19,393)	(15,172)
Valid USA (consolidated)	123,730	8,332	115,398	31,153
Valid A/S (consolidated)	296,894	110,361	186,533	5,643
Valid Germany	589	129	460	(150)

Valid Soluções S.A.

Notes to the individual and consolidated financial statements
December 31, 2024
(In thousands of reais, unless otherwise stated)

Changes in investments

	Individual							
	12/31/2023	Additions (write-offs)	Equity pickup	Adjustment for inflation – IAS 29 (1)	Cumulative translation adjustment	Dividends	Other changes	12/31/2024
Subsidiaries								
Valid Argentina	26,438	-	61,641	29,594	901	-	-	118,574
Valid Sucursal	31,986	-	(5,156)	-	3,730	-	-	30,560
Valid Spain	481,181	-	146,836	-	227,977	-	1,144	857,138
Blu Pay (2)	2,516	24,047	124	-	-	-	560	27,247
Serbet	4,968	(4,911)	(57)	-	-	-	-	-
Valid Hub	(845)	(9)	998	-	-	-	-	144
Mitra	7,519	-	3,025	-	-	(892)	-	9,652
Flexdoc	12,189	-	25,527	-	-	(16,673)	(427)	20,616
Via Soft	415	-	566	-	-	-	(103)	878
V/Soft	(241)	-	915	-	-	-	13	687
Valid Certificadora	31,475	-	(2,218)	-	-	(60)	-	29,197
Valid Uruguay	3,721	-	575	-	564	-	-	4,860
Valid Link	8,399	-	(399)	-	-	(416)	-	7,584
Valid Mexico	13,983	-	1,539	-	1,007	-	-	16,529
	623,704	19,127	233,916	29,594	234,179	(18,041)	1,187	1,123,666
Goodwill								
Interprint	103,793	-	-	-	-	-	-	103,793
Valid Link	2,851	-	-	-	-	-	-	2,851
Valid Argentina	94	-	-	-	-	-	-	94
Valid Spain	65,841	-	-	-	13,346	-	-	79,187
BluPay	2,436	-	-	-	-	-	-	2,436
Flexdoc	47,072	-	-	-	-	-	-	47,072
Mitra	7,357	-	-	-	-	-	-	7,357
Revaluation surplus – technology	9,091	(456)	(1,602)	-	-	-	-	7,033
Revaluation surplus – brands	2,809	-	(1,213)	-	-	-	-	1,596
Revaluation surplus - customer portfolio	8,467	-	(1,569)	-	-	-	-	6,898
	249,811	(456)	(4,384)	-	13,346	-	-	258,317
Total investments	873,515	18,671	229,532	29,594	247,525	(18,041)	1,187	1,381,983

(1) Effects of the hyperinflation in Argentina.

(2) The balance of R$24,047 refers to an increase in the subsidiary's capital, through the issue of 23,587,023 new common shares, registered and without par value, at an issue price of R$1.00 each.

(In thousands of reais, unless otherwise stated)

	Individual								
	12/31/2022	Additions	Equity pickup	Adjustment for inflation – IAS 29 (1)	Foreign exchange difference	Amortization	Subsidiary reserve and dividends received	Impairment	12/31/2023
Subsidiaries									
Valid Argentina	25,169	-	37,295	25,657	(61,683)	-	-	-	26,438
Valid Sucursal	18,899	-	8,889	-	4,198	-	-	-	31,986
Valid Spain	475,428	-	47,355	-	(41,599)	-	(3)	-	481,181
BluPay	2,341	180	(5)	-	-	-	-	-	2,516
Serbet	6,699	-	(1,692)	-	-	-	-	(39)	4,968
Valid Hub	647	-	(1,492)	-	-	-	-	-	(845)
Mitra	4,211	-	3,776	-	-	-	(468)	-	7,519
Flexdoc	-	8,503	4,515	-	-	-	(829)	-	12,189
Via Soft	201	-	294	-	-	-	(80)	-	415
V/Soft	293	-	(78)	-	-	-	(456)	-	(241)
Valid Certificadora	31,223	-	252	-	-	-	-	-	31,475
Consórcio Guaratinguetá	149	(311)	162	-	-	-	-	-	-
Valid Uruguay	3,393	-	523	-	(195)	-	-	-	3,721
Valid Link	5,906	739	1,754	-	-	-	-	-	8,399
Valid Mexico	12,786	-	323	-	874	-	-	-	13,983
	587,345	9,111	101,871	25,657	(98,405)	-	(1,836)	(39)	623,704
Goodwill									
Interprint	103,793	-	-	-	-	-	-	-	103,793
Valid Link	2,851	-	-	-	-	-	-	-	2,851
Valid Argentina	462	-	-	-	(368)	-	-	-	94
Valid Spain	68,521	-	-	-	(2,680)	-	-	-	65,841
BluPay	2,436	-	-	-	-	-	-	-	2,436
Serbet	1,050	-	-	-	-	-	-	(1,050)	-
Flexdoc	-	47,072	-	-	-	-	-	-	47,072
Mitra	7,357	-	-	-	-	-	-	-	7,357
Revaluation surplus – technology	9,377	1,759	-	-	-	(2,045)	-	-	9,091
Revaluation surplus – brands	-	3,411	-	-	-	(602)	-	-	2,809
Revaluation surplus - customer portfolio	1,339	8,013	-	-	-	(885)	-	-	8,467
	197,186	60,255	-	-	(3,048)	(3,532)	-	(1,050)	249,811
Total investments	784,531	69,366	101,871	25,657	(101,453)	(3,532)	(1,836)	(1,089)	873,515

(1) Effects of the hyperinflation in Argentina.

(In thousands of reais, unless otherwise stated)

	Consolidated					
Investments	**12/31/2023**	**Equity pickup**	**Cumulative translation adjustment**	**Subsidiary reserve**	**Transfer to investment at fair value (1)**	**12/31/2024**
Associates						
Cubic	2,246	**(2,377)**	**574**	**-**	**(443)**	**-**
VCMC	(792)	**(761)**	**(271)**	**-**	**-**	**(1,824)**
VSoft	(241)	**915**	**-**	**13**	**-**	**687**
ViaSoft	415	**566**	**-**	**(103)**	**-**	**878**
Total investments	1,628	**(1,657)**	**303**	**(90)**	**(443)**	**(259)**
Goodwill – Cubic	14,624	**-**	**79**	**-**	**(14,703)**	**-**
Revaluation surplus - technology	1,462	**(167)**	**-**	**-**	**-**	**1,295**
Revaluation surplus - customer portfolio	1,172	**(134)**	**-**	**-**	**-**	**1,038**
Total	18,886	**(1,958)**	**382**	**(90)**	**(15,146)**	**2,074**

(1) Refers to the change in the measurement treatment of the investment held in Cubic Telecom. Refer to Note 23 for more information.

	Consolidated						
Investments	**12/31/2022**	**Equity pickup**	**Foreign exchange difference**	**Subsidiary reserve**	**Amortization**	**Transfer (assets available for sale)**	**12/31/2023**
Associates							
Cubic	6,357	760	(1,234)	-	-	(3,637)	2,246
VCMC	285	(1,203)	126	-	-	-	(792)
VSoft	293	(78)	-	(456)	-	-	(241)
ViaSoft	201	294	-	(80)	-	-	415
Total investments	7,136	(227)	(1,108)	(536)	-	(3,637)	1,628
Goodwill – Cubic	46,829	-	(1,831)	-	-	(30,374)	14,624
Revaluation surplus - technology	1,671	-	-	-	(209)	-	1,462
Revaluation surplus - customer portfolio	1,339	-	-	-	(167)	-	1,172
Total	56,975	(227)	(2,939)	(536)	(376)	(34,011)	18,886

Disposal of subsidiary Serbet

On January 26, 2024, the Company disposed of 100% of the interest held in the subsidiary "Serbet" for R$10.4 million, received at the time of sale. The Company had recorded a loss allowance for the digital parking business unit to keep it at realizable value. Therefore, the sale did not have a significant impact on profit or loss.

(In thousands of reais, unless otherwise stated)

Acquisition of subsidiaries

Contiplan Indústria Gráfica Ltda. (“Contiplan Indústria”) and Contiplan Tecnologia Gráfica Ltda. (“Contiplan Tecnologia”)

On October 1, 2024, by means of its subsidiary BluPay, the Company acquired all of the shares of the companies Contiplan Indústria and Contiplan Tecnologia for the amount of R$23,970, paid on the date of purchase, except for the amount of R$1,000 retained to cover possible contingencies for a period of 5 years.

The acquired companies are headquartered in São Paulo and operate as high-level security printers, with special solutions for identity cards, diplomas, certificates, authenticity seals and tickets, among others. They are currently suppliers of security documents to all national public spheres.

These acquisitions are in line with the Company’s strategy to strengthen the “ID” vertical.

At the date of acquisition, according to the valuation report, the fair values of identifiable assets acquired and liabilities assumed of the acquirees are as follows:

	Fair value of assets and liabilities at acquisition date
Cash and cash equivalents	2,030
Taxes recoverable	722
Accounts receivable	1,320
Inventories	1,023
Intangible assets	3,118
Property, plant and equipment	3,580
Other assets	3,605
Salaries payable	(142)
Trade accounts payable	(454)
Taxes payable	(426)
Other liabilities	(1,667)
Net assets of the acquiree	**12,709**
	23,970
Deferred tax on revaluation surplus	**2,036**
Goodwill on acquisition	**13,297**

(In thousands of reais, unless otherwise stated)

The allocations are summarized below:

Revaluation surplus of customer relationship (1)	2,199
Revaluation surplus of licenses (2)	917
Revaluation surplus of property, plant and equipment (3)	2,873
Total	5,989

(1) The fair value of customer relationship was measured using the multi-period excess earnings method (MEEM). The estimated remaining finite useful life of this intangible asset is 12.2 years, brought to present value at a discount rate of 14.26%.

(2) The fair value estimate was calculated using the "With and Without" method and was based on management's estimates of the effects that the absence of the license would have on the Company's revenues and cash flows. This intangible asset has a finite useful life of 1.25 years.

(3) The general assessment criterion adopted considered fixed assets in good condition and suitable for use, i.e., the assets were assessed assuming that they will continue to be used for the same purpose and in a physical and functional state of conservation. The level of rigor of the assessment work is preferably defined as Level of justification 1 (Table 4 - NBR14.653-5:2006), meeting the requirements and provisions updated by the standards of the Brazilian Association of Technical Standards (ABNT).

The acquirees' contribution to the Group is as follows:

Contribution to the Group with net revenue from the acquisition date to 12/31/2024	1,944
Contribution to the Group with profit from the acquisition date to 12/31/2024	126
Acquiree's net revenue from January 1 to December 31, 2024	3,013
Acquiree's loss from January 1 to December 31, 2024	(286)

The Company did not incur significant costs to complete the acquisition and the amounts were recognized in profit or loss for the year as incurred.

<u>Flexdoc</u>

The Company acquired 100% interest in Flexdoc Tecnologia da Informação Ltda. ("FlexDoc") on May 22, 2023 and the consideration to be transferred was R$68,758, calculated as follows:

(i) R$20 million paid on the date of acquisition; and

(ii) Contingent consideration of: (a) an additional amount of up to R$20 million, depending on Flexdoc's profitability in 2023 and 2024, and (b) 61.85% of the profit earned by Flexdoc over the next 4 years. The payment of this amount is subject to compliance with contractual metrics and conditions. The fair value of this contingent consideration was estimated using the Monte Carlo model at R$48,757. Of this amount, R$2,811 was paid in 2023 and R$20,716 in 2024, with a remaining balance of R$27,285, after restatement in the amount of R$2,055 at December 31, 2024 being recognized in business acquisition liabilities.

(In thousands of reais, unless otherwise stated)

Flexdoc is a company based in Brasília, Federal District, that operates throughout the Brazilian territory and is specialized in process automation, data and document validation, and document image processing systems that help customers accelerate growth through the implementation of intelligent and manageable flows with a high degree of automation and reliability for data, documents and processes.

The acquisition of Flexdoc is in line with the Company's strategy of leveraging Digital ID for the ecosystem of both public and private sector customers, and provides Valid with the possibility of expanding and building up its portfolio of solutions, and exploring new geographies and businesses in the market in which the company already operates.

At the date of acquisition, according to the preliminary valuation report, the fair values of identifiable assets acquired and liabilities assumed of Flexdoc are as follows:

	Fair value of assets and liabilities at acquisition date
Cash and cash equivalents	2,008
Taxes recoverable	392
Accounts receivable	551
Property, plant and equipment	1,696
Intangible assets	18,003
Other assets	42
Salaries payable	(418)
Trade accounts payable	(550)
Taxes payable	(38)
Net assets of the acquiree	**21,686**
Total estimated consideration	**68,758**
Goodwill on acquisition	**47,072**

The allocations are summarized below:

Revaluation surplus of customer relationship (1)	8,013
Revaluation surplus of brands (2)	3,411
Revaluation surplus - technology (3)	1,759
Total	**13,183**

(1) The fair value of customer relationship was measured using the *multi-period excess earnings method* (MEEM). The estimated remaining finite useful life of this intangible asset is 6 years, brought to present value at a discount rate of 16.76%.

(2) The brand's fair value was measured using the Relief from Royalty method.

(3) The fair value of technology refers to the acquiree's software and was calculated based on replacement cost. The remaining finite useful life was estimated at 4 years.

(In thousands of reais, unless otherwise stated)

The acquiree's contribution to the Group is as follows:

Contribution to the Group with net revenue from the acquisition date to 12/31/2023	19,388
Contribution to the Group with profit from the acquisition date to 12/31/2023	4,515
Acquiree's net revenue from January 1 to December 31, 2023	32,385
Acquiree's profit from January 1 to December 31, 2023	8,589

The Company did not incur significant costs to complete the acquisition and the amounts were recognized in profit or loss for the year as incurred.

10. Intangible assets

Changes in intangible asset balances are as follows:

	Individual			
	12/31/2023	**Additions**	**Amortization**	**12/31/2024**
Finite useful life				
Software	27,866	**3,366**	**(8,506)**	**22,726**
Finite useful life	27,866	**3,366**	**(8,506)**	**22,726**
Indefinite useful life				
Goodwill				
Trust	3,647	**-**	**-**	**3,647**
Total intangible assets	31,513	**3,366**	**(8,506)**	**26,373**

	Individual				
	12/31/2022	**Additions**	**Impairment**	**Amortization**	**12/31/2023**
Finite useful life					
Software	36,019	5,259	(164)	(13,248)	27,866
Finite useful life	36,019	5,259	(164)	(13,248)	27,866
Indefinite useful life					
Goodwill					
Trust	3,647	-	-	-	3,647
Total intangible assets	39,666	5,259	(164)	(13,248)	31,513

(In thousands of reais, unless otherwise stated)

	Consolidated								
	12/31/2023	Additions	Write-offs	Sale/ acquisition of subsidiaries	Amortization	Translation adjustments	Impairment[(2)]	Transfers [(4)]	12/31/2024
Finite useful life									
Software	140,998	**28,722**	**(736)**	**917**	**(43,036)**	**12,883**	**(24,029)**	**(4,255)**	**111,464**
Customer portfolio	9,425	**-**	**-**	**2,199**	**(6,185)**	**2,595**	**-**	**-**	**8,034**
Right of use [(1)]	7,975	**-**	**-**	**(7,678)**	**(297)**	**-**	**-**	**-**	**-**
Trademarks and patents	3,413	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,413**
Digital certification license	36	**-**	**-**	**-**	**(10)**	**-**	**-**	**-**	**26**
Total - finite useful life	161,847	**28,722**	**(736)**	**(4,562)**	**(49,528)**	**15,478**	**(24,029)**	**(4,255)**	**122,937**
Indefinite useful life									
Trademarks and patents	17,311	**-**	**-**	**-**	**(1,204)**	**4,999**	**-**	**-**	**21,106**
Digital certification license	490	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**490**
Goodwill									
Trust	3,647	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,647**
Argentina	94	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**94**
Interprint	103,793	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**103,793**
Valid Link	2,851	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,851**
Spain	65,841	**-**	**-**	**-**	**-**	**13,346**	**-**	**-**	**79,187**
Valid A/S	230,577	**-**	**-**	**-**	**-**	**64,344**	**-**	**-**	**294,921**
BluPay	2,436	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,436**
Serbet	5,962	**-**	**-**	**(5,962)**	**-**	**-**	**-**	**-**	**-**
Flexdoc	47,072	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**47,072**
Contiplan Indústria [(3)]	-	**-**	**-**	**6,336**	**-**	**-**	**-**	**-**	**6,336**
Contiplan Tecnologia [(3)]	-	**-**	**-**	**6,961**	**-**	**-**	**-**	**-**	**6,961**
Mitra	14,426	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**14,426**
Total - indefinite useful life	494,500	**-**	**-**	**7,335**	**(1,204)**	**82,689**	**-**	**-**	**583,320**
Total intangible assets	656,347	**28,722**	**(736)**	**2,773**	**(50,732)**	**98,167**	**(24,029)**	**(4,255)**	**706,257**

(1) This amount basically refers substantially to grants for operation of the digital parking activity. Written off in 2024, together with goodwill, due to the disposal of the subsidiary Serbet, as mentioned in Note 9.

(2) In April 2024, the Company identified *impairment* indicators in the assets held with the investee VCMC, after discussions with the investee's controlling shareholder. Management determined the recoverable amount of the related assets based on their value in use and wrote off such assets as there was no expectation of recoverability due to estimated reduction in the generation of cash from assets linked to such operation. The amounts had an impact on the mobile segment.

(3) Company acquired on October 1, 2024, as mentioned in Note 9.

(4) On December 16, 2024, the Company entered into a sale agreement for the payment operation of Valid Colombia.

(In thousands of reais, unless otherwise stated)

	Consolidated								
	12/31/2022	Additions	Business combination	Write-offs	Amortization	Foreign exchange difference	Transfers	Impairment	12/31/2023
Finite useful life									
Software	175,341	24,022	6,577	(7,474)	(52,606)	(5,345)	647	(164)	140,998
Customer portfolio	6,941	-	8,013	-	(4,837)	(692)	-	-	9,425
Right of use	11,532	-	-	-	(3,557)	-	-	-	7,975
Trademarks and patents	-	-	3,413	-	-	-	-	-	3,413
Digital certification license	36	-	-	-	-	-	-	-	36
Total - finite useful life	193,850	24,022	18,003	(7,474)	(61,000)	(6,037)	647	(164)	161,847
Indefinite useful life									
Trademarks and patents	19,305	-	-	-	-	(1,994)	-	-	17,311
Digital certification license	500	-	-	-	(10)	-	-	-	490
Goodwill									
Trust	3,647	-	-	-	-	-	-	-	3,647
Argentina	462	-	-	-	-	(368)	-	-	94
Interprint	103,793	-	-	-	-	-	-	-	103,793
Valid Link	2,851	-	-	-	-	-	-	-	2,851
Spain	68,521	-	-	-	-	(2,680)	-	-	65,841
Valid A/S	248,503	-	-	-	-	(17,926)	-	-	230,577
Blu Pay	2,436	-	-	-	-	-	-	-	2,436
Serbet	7,952	-	-	-	-	-	-	(1,990)	5,962
Flexdoc	-	-	47,072	-	-	-	-	-	47,072
Mitra	14,426	-	-	-	-	-	-	-	14,426
Total - indefinite useful life	472,396	-	47,072	-	(10)	(22,968)	-	(1,990)	494,500
Total intangible assets	666,246	24,022	65,075	(7,474)	(61,010)	(29,005)	647	(2,154)	656,347

Intangible assets with finite useful lives are represented basically by trademarks and patents, customer portfolio, and software licenses, amortized at the average rates of 6.2% to 33.3% p.a., based on the estimated useful lives or license terms (applicable to software licenses), while digital certification licenses are amortized at the average rate of 5% to 10% p.a.

Impairment losses – Net fair value of sale expenses

The Company reviewed the investments and business plans related to the Digital Parking business unit, which in turn had an impact on the identification segment. As a result of this review, the Company carried out the impairment test and recognized a provision for losses totaling R$24,832 in 2022, comprising R$20,040 referring to goodwill and R$4,792 referring to revaluation surplus of technology and customer portfolio.

In the year ended December 31, 2023, the Company recognized an additional loss of R$1,990 relating to goodwill. In year 2024, management did not identify the need to recognize any additional losses.

Impairment losses - Value in use

At least once a year and whenever there is an indication of impairment, the Company tests goodwill for impairment based on the valuation of value in use, where estimated future cash flows are discounted to their present values at a pretax discount rate that reflects a current market assessment of the time value of money and the specific risks for the asset or cash-generating unit ("CGU" or "CGUs").

The goodwill on a business combination is allocated to the CGU or the group of CGUs that are expected to benefit from combination synergies. Such allocation reflects the lowest level where goodwill is monitored for internal purposes and is not higher than an operating segment determined in accordance with IFRS 8 (CPC 22).

The Company cannot predict whether an event that causes devaluation of assets will occur, when it will occur or when it will affect the reported asset amount. The Company and its subsidiaries believe that all the estimates are reasonable, and are consistent with internal reports and the business of the Company and its direct or indirect subsidiaries, as well as reflect the management's best estimates. The impairment test is based on a series of judgments, estimates and assumptions. The key assumptions on which management based its future cash flow projections, estimates and judgment, are as follows:

- Projection of operating income or loss for the first year, based on the growth rate of the current year. The flows are based on the strategy plans approved by the Board of Directors of the Company and its subsidiaries. Such projection is prepared by country and/or business, where applicable, and considers external sources such as macroeconomic scenarios of the Group's business segment, business evolution, inflation, exchange rates and the Group's historical profit or loss.
- Income projection considers 5 years as an observable period for all cash-generating units, based on the P&L expected by the Group by attracting new customers, maintaining existing customers and developing new solutions for the market. To estimate the recoverable amount, management used as assumptions the sector's growth rates, rates of return on investment made and the continuity of operations of the Company and its subsidiaries.

The impairment test was performed using the discounted future cash flow model, and by applying a discount rate (Weighted Average Cost of Capital – WACC), as shown in the table below. The future cash flow was adjusted by the specific risk of the industry in which the Company's subsidiaries operate, based on the country risk of each investee, as determined by the local management and the management in Brazil.

(In thousands of reais, unless otherwise stated)

CGU	Location	Average growth rate	Discount rate (1)	Perpetuity growth rate	Net assets at 12/31/2024
Trust Selos	Brazil	12.40%	15%	2%	**R$ 22,458**
Driver's licenses	Brazil	6.31%	15%	2%	**R$ 219,432**
Valid Link	Brazil	25.08%	15%	2%	**R$ 10,509**
Mitra + BluPay	Brazil	45.09%	15%	2%	**R$ 37,743**
Flexdoc	Brazil	20.05%	15%	2%	**R$ 65,938**
Mobile	Global	4%	9.6%	3%	**US$ 150,127**

(1) According to the criteria defined in IAS 36 (CPC 01 (R1)), the discount rate should be a pretax rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. Additionally, the discount rate also needs to reflect the risks specific to the asset and the return that investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that an entity expects to derive from the asset. The discount rate is estimated from the rate implicit in current market transactions for similar assets or from the weighted average cost of capital of a listed entity that has a single asset (or a portfolio of assets) similar in terms of service potential and risks to the asset under review. However, the discount rate (or rates) used to measure an asset's value in use shall not reflect risks for which the future cash flows estimates have been adjusted. Otherwise, the effect of some assumptions will be double-counted. Finally, when an asset-specific rate is not directly available from the market, an entity uses surrogates to estimate the discount rate.

In this regard, the Company management used the weighted average cost of capital ("WACC") methodology to determine the (pretax) discount rate of the projected cash flow of each cash generating unit described above. This rate indicates the minimum level of attractiveness of the investment, i.e. in practice it considers the return on investment that the Company expects. The indicators used by the Company management in determining the discount rates for each cash generating unit are described below:

- Risk-free rate: determined using the yield of government securities linked to the countries in which operations are located.
- Unlevered beta: determined using the average unlevered beta of similar companies in the market.
- Size risk: determined using the characteristics of the operation and the maturity of the cash generating unit.
- Market risk: determined using the operational characteristics of each company (segment), such as: market, ability to attract new customers, characteristics of service demand and sales of products, etc.

The Company concluded that no reasonably possible changes in key assumptions on which the recoverable amount is based would cause the total carrying amount to exceed the total recoverable amount of the cash-generating units; thus, at December 31, 2024, there was no need to recognize a provision for impairment.

(In thousands of reais, unless otherwise stated)

11. Property, plant and equipment

	Individual				
	12/31/2023	Additions	Write-offs [(2)]	Transfers	12/31/2024
Cost					
Land	3,222	**-**	**-**	**-**	**3,222**
Buildings	88,251	**58**	**(18,367)**	**11,148**	**81,090**
Machinery and equipment	167,371	**5,947**	**(988)**	**(7,291)**	**165,039**
Furniture and fixtures	23,279	**2,501**	**(604)**	**21**	**25,197**
Vehicles	650	**-**	**-**	**-**	**650**
Data processing equipment	193,477	**25,168**	**(3,507)**	**133**	**215,271**
Leasehold improvements	14,609	**1,689**	**(128)**	**1,380**	**17,550**
Construction in progress	499	**515**	**(249)**	**(753)**	**12**
Advances to suppliers	2,324	**10,774**	**(982)**	**(4,638)**	**7,478**
Right of use [(1)]	18,454	**7,187**	**(3,616)**	**-**	**22,025**
Subtotal - cost	512,136	**53,839**	**(28,441)**	**-**	**537,534**
Depreciation					
Buildings	(64,328)	**(2,478)**	**18,390**	**(2,437)**	**(50,853)**
Machinery and equipment	(91,893)	**(9,287)**	**673**	**2,437**	**(98,070)**
Furniture and fixtures	(17,313)	**(1,452)**	**509**	**-**	**(18,256)**
Vehicles	(650)	**-**	**-**	**-**	**(650)**
Data processing equipment	(154,222)	**(15,979)**	**3,198**	**-**	**(167,003)**
Leasehold improvements	(10,081)	**(1,816)**	**91**	**-**	**(11,806)**
Right of use	(9,649)	**(7,134)**	**2,705**	**-**	**(14,078)**
Subtotal - depreciation	(348,136)	**(38,146)**	**25,566**	**-**	**(360,716)**
Total property, plant and equipment, net	164,000	**15,693**	**(2,875)**	**-**	**176,818**

	Individual					
	12/31/2022	Additions	Write-offs [(2)]	Impairment [(3)]	Transfers	12/31/2023
Cost						
Land	3,222	-	-	-	-	3,222
Buildings	96,103	1,177	-	(10,586)	1,557	88,251
Machinery and equipment	284,500	6,785	(112,601)	(12,553)	1,240	167,371
Furniture and fixtures	24,573	580	(5)	(1,890)	21	23,279
Vehicles	650	-	-	-	-	650
Data processing equipment	191,353	5,347	(260)	(3,212)	249	193,477
Leasehold improvements	12,710	688	-	-	1,211	14,609
Construction in progress	2,456	580	-	-	(2,537)	499
Advances to suppliers	1,325	2,922	(182)	-	(1,741)	2,324
Right of use [(1)]	19,244	819	(1,609)	-	-	18,454
Subtotal - cost	636,136	18,898	(114,657)	(28,241)	-	512,136
Depreciation						
Buildings	(67,189)	(3,875)	-	6,736	-	(64,328)
Machinery and equipment	(186,020)	(9,619)	102,242	1,504	-	(91,893)
Furniture and fixtures	(16,893)	(1,708)	6	1,282	-	(17,313)
Vehicles	(650)	-	-	-	-	(650)
Data processing equipment	(141,735)	(15,693)	324	2,882	-	(154,222)
Leasehold improvements	(8,377)	(1,704)	-	-	-	(10,081)
Right of use	(5,440)	(6,167)	1,958	-	-	(9,649)
Subtotal - depreciation	(426,304)	(38,766)	104,530	12,404	-	(348,136)
Total property, plant and equipment, net	209,832	(19,868)	(10,127)	(15,837)	-	164,000

(1) These refer mainly to the lease of real estate properties held by the Company.

(2) These refer mainly to the sale of the property in São Bernardo do Campo.

(3) Impairment related to the discontinuation of the *Education* business unit. Management has determined the recoverable amount of the related assets by determining their values in use. The amounts impacted the identification segment.

Valid Soluções S.A.

Notes to the individual and consolidated financial statements
December 31, 2024
(In thousands of reais, unless otherwise stated)

	Consolidated							
	12/31/2023	Additions	Acquisition / sale of subsidiaries	Write-offs	Adjustment for inflation – IAS 29 [1]	Translation adjustments	Transfers [4]	12/31/2024
Cost								
Land	3,222	-	-	-	-	-	-	3,222
Buildings	89,390	204	(39)	(18,367)	-	-	11,148	82,336
Machinery and equipment	253,654	6,424	930	(2,193)	49,841	8,322	(7,291)	309,687
Furniture and fixtures	28,033	2,744	(138)	(738)	994	485	24	31,404
Vehicles	1,429	-	(65)	-	311	5	-	1,680
Data processing equipment	229,127	30,638	(717)	(4,151)	8,878	2,639	(320)	266,094
Leasehold improvements	34,161	2,518	(1,312)	(135)	7,881	1,716	3,922	48,751
Construction in progress	3,312	1,272	-	(264)	(30)	5	(3,649)	646
Advances to suppliers	2,324	10,774	-	(982)	-	-	(4,638)	7,478
Right of use [2]	59,300	14,135	(444)	(3,616)	7,803	7,153	(3,580)	80,751
Subtotal - cost	703,952	68,709	(1,785)	(30,446)	75,678	20,325	(4,384)	832,049
Depreciation								
Buildings	(65,529)	(2,520)	20	18,390	-	-	(2,437)	(52,076)
Machinery and equipment	(161,975)	(11,907)	418	1,786	(42,213)	(7,058)	2,437	(218,512)
Furniture and fixtures	(21,161)	(1,582)	75	526	(917)	(472)	-	(23,531)
Vehicles	(1,227)	(17)	49	-	(206)	(4)	-	(1,405)
Data processing equipment	(181,923)	(19,386)	366	3,252	(8,483)	(1,934)	-	(208,108)
Leasehold improvements	(24,915)	(2,835)	586	91	(7,650)	(1,648)	-	(36,371)
Right of use	(39,447)	(14,355)	208	2,705	(4,582)	(6,186)	3,580	(58,077)
Subtotal - depreciation	(496,177)	(52,602)	1,722	26,750	(64,051)	(17,302)	3,580	(598,080)
Total property, plant and equipment, net	207,775	16,107	(63)	(3,696)	11,627	3,023	(804)	233,969

	Consolidated								
	12/31/2022	Additions	Business combination	Write-offs	Adjustment for inflation – IAS 29 [1]	Translation adjustments	Impairment [3]	Transfers	12/31/2023
Cost									
Land	3,222	-	-	-	-	-	-	-	3,222
Buildings	97,242	1,177	-	-	-	-	(10,586)	1,557	89,390
Machinery and equipment	390,089	11,713	178	(112,602)	70,878	(95,290)	(12,553)	1,241	253,654
Furniture and fixtures	29,137	845	511	(8)	1,485	(2,072)	(1,890)	25	28,033
Vehicles	1,642	-	-	(60)	484	(637)	-	-	1,429
Data processing equipment	225,921	8,885	2,299	(937)	13,417	(17,477)	(3,212)	231	229,127
Leasehold improvements	36,476	997	-	-	13,032	(17,463)	-	1,119	34,161
Construction in progress	3,501	2,742	-	(109)	324	(495)	-	(2,651)	3,312
Advances to suppliers	1,325	2,923	-	(183)	-	-	-	(1,741)	2,324
Right of use [2]	59,221	5,531	-	(3,043)	9,082	(11,491)	-	-	59,300
Subtotal - cost	847,776	34,813	2,988	(116,942)	108,702	(144,925)	(28,241)	(219)	703,952
Depreciation									
Buildings	(68,384)	(3,881)	-	-	-	-	6,736	-	(65,529)
Machinery and equipment	(271,508)	(15,983)	(50)	102,321	(57,804)	79,545	1,504	-	(161,975)
Furniture and fixtures	(20,744)	(2,004)	(245)	7	(1,311)	1,858	1,282	(4)	(21,161)
Vehicles	(1,217)	(150)	-	34	(107)	213	-	-	(1,227)
Data processing equipment	(168,884)	(18,919)	(997)	409	(11,900)	16,045	2,882	(559)	(181,923)
Leasehold improvements	(23,894)	(5,409)	-	-	(7,470)	11,723	-	135	(24,915)
Right of use	(30,583)	(13,207)	-	2,302	(4,621)	6,662	-	-	(39,447)
Subtotal - depreciation	(585,214)	(59,553)	(1,292)	105,073	(83,213)	116,046	12,404	(428)	(496,177)
Total property, plant and equipment, net	262,562	(24,740)	1,696	(11,869)	25,489	(28,879)	(15,837)	(647)	207,775

(1) Effects arising from the subsidiary in Argentina.

(2) These refer mainly to the lease of real estate properties held by the Company.

(3) Impairment related to the discontinuation of the *Education* business unit. Management has determined the recoverable amount of the related assets by determining their values in use. The amounts impacted the identification segment.

(4) On December 16, 2024, the Company entered into a sale agreement for the payment operation of Valid Colombia. The selling process is in line with the strategic planning of the Company, which has been focusing, since 2021, on business lines and geographies presenting greater competitiveness and differentials for its operations. As from classification as a discontinued operation, the recording of amortization and depreciation of related assets ceased.

(In thousands of reais, unless otherwise stated)

12. Loans, financing, debentures and lease liabilities

	Individual		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Loans [a]	**246,283**	196,808	**331,623**	412,074
Debentures [b]	**248,283**	248,050	**248,283**	248,050
Financing	**-**	31,442	**-**	31,442
Lease liabilities [c]	**8,400**	9,344	**19,310**	18,388
	502,966	485,644	**599,216**	709,954
Current	**91,842**	98,835	**116,131**	172,061
Noncurrent	**411,124**	386,809	**483,085**	537,893

a) Loans

Key information on the loans held by the Company as at December 31, 2024 can be summarized as follows:

Borrower:	**Valid Spain**	**Valid Spain**	**Valid Spain**	**Valid S.A.**	**Valid S.A.**	**Valid S.A.**	**Valid S.A.**	**Valid S.A.**
Bank:	Santander	Santander	Santander	Banco do Brasil	Banco ABC	Brazil's Federal Savings and Loans Bank ("CEF")	Brazil's Federal Savings and Loans Bank ("CEF")	Santander
Total amount:	EUR 13,000	EUR 10,000	EUR 4,400	R$30,000	US$5,515	R$71,100	R$85,000	US$5,300
Date of loan:	11/13/2018	12/04/2024	05/05/2022	07/05/2022	07/15/2024	09/27/2024	09/27/2024	12/03/2024
Maturity date:	04/14/2025	12/03/2026	04/22/2025	04/05/2028	07/15/2025	09/26/2028	09/26/2028	12/03/2027
Interest:	4.70% p.a.	4.92% p.a.	4.70% p.a.	CDI + 1.70% p.a.	7.23% p.a.	CDI + 0.12% p.m.	CDI + 0.12% p.m.	CDI + 1.70% p.a.
Guarantee:	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.
Repayment of principal:	Semiannually from October 2022	Bullet	Semiannually from December 2022	12-month grace period (monthly from August 2023)	Bullet	4-month grace period (monthly from February 2025)	4-month grace period (monthly from February 2025)	Bullet
Interest payment:	Semiannually from October 2022	Bullet	Semiannually from October 2022	12-month grace period (monthly from August 23)	3-month grace period (quarterly from October 2025)	Bimonthly during the 4-month grace period (monthly from February 2025)	Bimonthly during the 4-month grace period (monthly from February 2025)	Annually (from December 2025)
Balance in debt currency at 12/31/2024:	EUR 2,551	EUR 9,971	EUR 736	R$22,233	U$5,600	R$71,343	R$85,291	U$5,287
Restated balance at 12/31/2024 – R$:	R$16,422	R$64,179	R$4,741	R$22,233	R$34,677	R$71,343	R$85,291	R$32,739

Loans were obtained to strengthen cash or roll over debt. Loan balances are broken down as follows:

	Individual		Consolidated	
Loans	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Principal	**245,568**	197,934	**330,998**	410,473
Interest	**2,742**	1,035	**3,172**	4,403
Borrowing costs	**(2,027)**	(2,161)	**(2,547)**	(2,802)
	246,283	196,808	**331,623**	412,074
Current	**79,796**	20,687	**100,523**	90,986
Noncurrent	**166,487**	176,121	**231,100**	321,088

(In thousands of reais, unless otherwise stated)

The loans are subject to certain quarterly covenants with which the Company and its subsidiaries were in compliance at December 31, 2024. The main financial and operating covenants relating to loans are as follows:

- Net debt/EBITDA lower than or equal to 3;
- EBITDA/net finance costs higher than or equal to 1.75.

In the year ended December 31, 2024, the amount of R$430,786 (R$542,748 in 2023) was paid, of which R$43,603 (R$47,809 in 2023) refers to interest.

Key information on the loans settled within the year ended December 31, 2024 is presented below:

Borrower:	**Valid S.A.**	**Valid Spain**	**Valid Spain**	**Valid Spain**	**Valid Spain**	**Valid S.A.**	**Valid S.A.**
Bank:	Safra	Itaú	Itaú	Itaú BBA	Santander	Brazil's Federal Savings and Loans Bank ("CEF")	Brazil's Federal Savings and Loans Bank ("CEF")
Total amount:	R$26,666	EUR4,000	EUR6,000	US$38,888	EUR 15,000	R$85,000	R$71,100
Date of loan:	03/12/2021	04/12/2023	10/11/2023	05/07/2019	10/11/2023	12/19/2023	12/19/2023
Original maturity date:	04/24/2025	04/11/2024	10/10/2025	10/22/2025	10/10/2025	12/20/2027	12/20/2027
Settlement date:	01/25/2024	06/28/2024	06/28/2024	06/28/2024	12/04/2024	09/27/2024	09/27/2024
Interest:	CDI + 2.60% p.a.	6.10% p.a.	6.20% p.a.	6.95% p.a.	6.05% p.a.	CDI + 0.14% p.m.	CDI + 0.14% p.m.
Guarantee:	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.

Key information on the loans settled within the year ended December 31, 2023 is presented below:

Borrower:	**Valid Spain**	**Valid Spain**	**Valid Spain**	**Valid S.A.**	**Valid S.A.**	**Valid S.A.**	**Valid S.A.**	**Valid USA**
Bank:	Santander	Santander	Santander	BTG	Brazil's Federal Savings and Loans Bank ("CEF")	Brazil's Federal Savings and Loans Bank ("CEF")	Brazil's Federal Savings and Loans Bank ("CEF")	HSBC
Total amount:	US$7,142	EUR 4,200	US$10,000	R$33,333	R$100,000	R$90,000	R$,83,500	USD 8,000
Date of loan:	05/05/2022	10/11/2022	12/19/2022	04/16/2021	03/31/2022	05/31/2022	05/26/2023	03/17/2023
Maturity date:	05/05/2025	10/06/2023	12/09/2024	02/14/2025	03/30/2026	05/31/2026	05/26/2027	03/16/2024
Settlement date:	10/11/2023	10/06/2023	10/11/2023	07/14/2023	05/29/2023	12/22/2023	12/22/2023	08/01/2023
Interest:	6.90% p.a.	5.99% p.a.	7.72% p.a.	CDI +2.90% p.a.	CDI + 0.20% p.m.	CDI + 0.13% p.m.	CDI + 0.15% p.m.	SOFR + 2.5% p.a.
Guarantee:	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.

(In thousands of reais, unless otherwise stated)

b) Debentures

The main information on debentures can be summarized as follows:

Debentures	9th issue	10th issue
Date of approval	Board of Directors' Meeting held on 04/19/2022	Board of Directors' Meeting held on 04/12/2024
Number	250,000 unsecured nonconvertible debentures	250,000 unsecured nonconvertible debentures
Par value	1,000	1,000
Total amount	R$250,000	R$243,141
Maturity date:	06/20/2027	04/26/2029
Interest:	CDI + 3.0% p.a.	CDI + 1.95% p.a.
Repayment of principal:	Semiannually from December 2024	From 10/26/26 and quarterly thereafter
Interest payment:	Semiannually from December 2022	9-month grace period and quarterly after October 2024
Type and series	Single-series unsecured nonconvertible debentures with security interest	Single-series unsecured nonconvertible debentures with security interest
Restated balance in R$ at 12/31/2024	**R$5,735**	**R$242,548**

The balances of debentures are broken down as follows:

	Individual		Consolidated	
Debentures	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Principal	**248,857**	250,000	**248,857**	250,000
Interest	**5,333**	833	**5,333**	833
Borrowing costs	**(5,907)**	(2,783)	**(5,907)**	(2,783)
	248,283	248,050	**248,283**	248,050
Current	**5,675**	41,345	**5,675**	41,345
Noncurrent	**242,608**	206,705	**242,608**	206,705

The debentures are subject to certain quarterly covenants with which the Company was in compliance at December 31, 2024 and December 31, 2023. Financial covenants related to debentures are described below:

- Net debt/EBITDA lower than or equal to 3;
- EBITDA/net finance costs higher than or equal to 1.75.

In the year ended December 31, 2024, R$277,780 was repaid, of which R$33,498 referred to interest payments (R$136,705 repaid, of which R$46,705 referred to interest payment in 2023).

(In thousands of reais, unless otherwise stated)

The maturity of loans, financing and debentures at December 31, 2024 and 2023 (not including future charges) is as follows:

	Individual		Consolidated	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Within 1 year	**85,471**	93,474	**106,198**	163,773
From 1 to 2 years	**88,206**	149,394	**152,819**	265,315
From 2 to 3 years	**154,515**	140,184	**154,515**	169,230
From 3 to 4 years	**122,564**	93,248	**122,564**	93,248
From 4 to 5 years	**43,810**	-	**43,810**	-
	494,566	476,300	**579,906**	691,566

c) Lease liabilities

The present values of future minimum payments due by the Company and its subsidiaries related to their leases are as follows:

	Individual		Consolidated	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Within 1 year	**6,371**	5,361	**9,933**	8,288
From 1 to 5 years	**2,029**	3,983	**9,377**	10,100
	8,400	9,344	**19,310**	18,388

The carrying amounts of lease liabilities and changes for the years are as follows:

	Individual		Consolidated	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Opening balance:	**9,344**	14,251	**18,388**	27,028
Additions	**7,186**	1,048	**13,697**	4,756
Interest	**962**	1,303	**1,989**	2,236
Write-offs	**(1,020)**	-	**(1,255)**	-
Adjustment for exchange differences	**-**	-	**37**	(40)
Translation adjustments	**-**	-	**611**	(1,521)
Payments	**(8,072)**	(7,258)	**(14,157)**	(14,071)
Closing balance	**8,400**	9,344	**19,310**	18,388

(In thousands of reais, unless otherwise stated)

Changes in liabilities from financing activities

	Individual						
	12/31/2023	Additions	Write-offs	Payments (principal + interest)	Allocation (interest + transaction costs)	Adjustment for exchange differences (P&L)	12/31/2024
Loans	196,808	216,137	-	(197,015)	25,115	5,238	246,283
Debentures	248,050	241,392	-	(277,780)	36,621	-	248,283
Financing	31,442	-	-	(33,564)	2,122	-	-
Leases	9,344	7,186	(1,020)	(8,072)	962	-	8,400
Total debt	485,644	464,715	(1,020)	(516,431)	64,820	5,238	502,966

	Individual				
	12/31/2022	Additions	Payments (principal + interest)	Allocation (interest + transaction costs)	12/31/2023
Loans	269,805	236,948	(348,098)	38,153	196,808
Debentures	338,382	-	(136,705)	46,373	248,050
Financing	-	30,000	-	1,442	31,442
Leases	14,251	1,048	(7,258)	1,303	9,344
Total debt	622,438	267,996	(492,061)	87,271	485,644

	Consolidated								
	12/31/2023	Additions	Disposal of subsidiaries	Write-offs	Payments (principal + interest)	Allocation (interest + transaction costs)	Adjustment for exchange differences (P&L)	Translation adjustments	12/31/2024
Loans	412,074	279,842	(20)	-	(430,786)	36,400	6,288	27,825	331,623
Debentures	248,050	241,392	-	-	(277,780)	36,621	-	-	248,283
Financing	31,442	-	-	-	(33,564)	2,122	-	-	-
Leases	18,388	13,697	(244)	(1,011)	(14,157)	1,989	611	37	19,310
Total debt	709,954	534,931	(264)	(1,011)	(756,287)	77,132	6,899	27,862	599,216

	Consolidated						
	12/31/2022	Additions	Payments (principal + interest)	Allocation (interest + transaction costs)	Adjustment for exchange differences (P&L)	Translation adjustments	12/31/2023
Loans	501,745	412,251	((542,748)	52,801	(649)	(11,326)	412,074
Debentures	338,382	-	(136,705)	46,373	-	-	248,050
Financing	-	30,000	-	1,442	-	-	31,442
Leases	27,028	4,756	(14,071)	2,236	(40)	(1,521)	18,388
Total debt	867,155	447,007	(693,524)	102,852	(689)	(12,847)	709,954

(In thousands of reais, unless otherwise stated)

13. Provisions for litigation and contingencies

The Company and its subsidiaries are plaintiffs and defendants to tax, civil and labor legal and administrative proceedings, arising in the ordinary course of their business, and make judicial deposits as necessary. Provisions for possible disbursements arising out of such proceedings are estimated and restated by the Company management, supported by the opinion of its outside legal advisors.

The provision recorded for proceedings whose likelihood of loss has been assessed as probable is broken down as follows:

	Individual					
	12/31/2023	Provisions	Reversals (1)	Payments	Transfers	12/31/2024
Labor	42,261	**12,425**	**(26,921)**	**(1,980)**	**(1,494)**	**24,291**
Tax	2,945	**661**	**(207)**	**-**	**-**	**3,399**
Civil, commercial and other	7,394	**607**	**(103)**	**(7)**	**-**	**7,891**
	52,600	**13,693**	**(27,231)**	**(1,987)**	**(1,494)**	**35,581**

	Individual					
	12/31/2022	Provisions	Reversals	Payments	Transfers	12/31/2023
Labor	26,392	23,579	(3,325)	(3,281)	(1,104)	42,261
Tax	1,957	1,658	-	(670)	-	2,945
Civil, commercial and other	28,054	682	(28)	(21,314)	-	7,394
	56,403	25,919	(3,353)	(25,265)	(1,104)	52,600

	Consolidated							
	12/31/2023	Provisions	Reversals (1)	Payments	Translation adjustments	Transfers	Disposal of subsidiaries	12/31/2024
Labor	44,573	**12,821**	**(27,485)**	**(2,086)**	**(13)**	**(1,496)**	**(444)**	**25,870**
Tax	4,614	**5,416**	**(207)**	**-**	**1,579**	**-**	**-**	**11,402**
Civil, commercial and other	8,074	**1,095**	**(731)**	**(52)**	**-**	**-**	**(50)**	**8,336**
	57,261	**19,332**	**(28,423)**	**(2,138)**	**1,566**	**(1,496)**	**(494)**	**45,608**

	Consolidated						
	12/31/2022	Provisions	Reversals	Payments	Translation adjustments	Transfers	12/31/2023
Labor	28,209	25,128	(3,652)	(3,294)	(714)	(1,104)	44,573
Tax	8,363	5,575	(3,579)	(3,432)	(2,313)	-	4,614
Civil, commercial and other	29,558	777	(81)	(22,180)	-	-	8,074
	66,130	31,480	(7,312)	(28,906)	(3,027)	(1,104)	57,261

(1) Refers substantially to petition for writ of mandamus filed for the purpose of obtaining a declaration that the tax base of Contributions intended for Third Parties is subject to a limit of 20 minimum wages, as well as the right to reimbursement of "overpaid" amounts. The preliminary injunction was granted to the Company, which has opted to benefit from the right to the relief granted, which is why it decided to recognize a provision for the amounts granted. On May 27, 2022, the suspension of the case was certified until the final judgment of Topic 1079 of the Brazilian High Court of Justice (STJ). On March 13, 2024, the STJ ruled on Topic 1079 and issued a decision that was unfavorable to taxpayers, further deciding that the limitation to 20 minimum wages does not apply to the calculation bases of the Employer's Social Security Contribution and of Contributions to Third Parties. Furthermore, the limitation of the effects of the decision in time was decided based on publication of the Court Decision on May 2, 2024, not impacting taxpayers for which favorable decisions had been awarded before the decision. Valid had filed an injunction from which it benefited until publication of the court decision. Accordingly, with limitation of the effects of the decision in time, the previously provisioned amount of R$ 24,143 was fully reversed on the decision date.

The main proceedings by nature are detailed below:

Labor claims

These refer to various labor claims, the most significant of which individually relate to overtime, acknowledgment of employment relationship, health/hazardous duty pay, equal pay for equal work, among other labor rights.

Tax proceedings

Debt annulment action representing a contingency of R$2,373 at December 31, 2024 (R$1,7

28 at December 31, 2023), deriving from deduction of financial investments frozen by the Collor Plan from the taxable profit, offset with credit in favor of the Company. This action is pending a final decision.

Aduana Inlays filed a lawsuit against Valid Argentina claiming taxes and fines on the import of inlays due to a classification difference under the terms of the Customs Code. The proceeding is currently in the discovery phase. At December 31, 2024, the restated amount is R$8,004 (R$1,669 at December 31, 2023).

Civil claims

Collection action filed by United Arenas Ltda. against Valid, aiming at collecting rents referring to the movable property subject matter of the “Lease Agreement for the MM3000 Hologram Application Machine” entered into by the parties. A decision was rendered, partially granting the requests made by the plaintiff, which filed an appeal against a specific portion of the decision. At the same time, the plaintiff required the enforcement of the judgment to execute the entirety of the amount claimed in the main action. The Company appealed against the judgment by the STJ and, in the case records of the main action, filed an appeal to the STJ against the decision that upheld that appeal. This appeal has not yet been judged by the STJ. Provisional enforcement of the judgment was initiated, including attorney's fees, case no. 0047004-58.2022.8.26.0100. An insurance policy was attached to secure the decision, and an objection was filed, which was upheld. The Company filed a Motion for Clarification, which is pending analysis. The motions for clarification were upheld and the case records were provisionally archived. At December 31, 2024, the provision amounted to R$7,780 (R$7,231 at December 31, 2023).

(In thousands of reais, unless otherwise stated)

Proceedings whose likelihood of loss has been assessed as possible

No provision was recognized for legal and administrative proceedings whose likelihood of loss is assessed as possible by management, based on the opinion of outside legal advisors. These proceedings are as follows:

	Individual		Consolidated	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Labor	**23,188**	31,322	**24,035**	32,518
Tax	**361,608**	347,253	**374,710**	359,029
Civil, commercial and other	**20,803**	21,729	**31,101**	33,739
Criminal	**25,391**	22,742	**25,391**	22,742
	430,990	423,046	**455,237**	448,028

The main proceedings by nature are detailed below:

Labor claims

The Company is a party to various labor claims, mostly seeking overtime, acknowledgment of employment relationship, health/hazardous duty pay, equal pay for equal work, and FGTS and INSS-related benefits, among other labor rights.

Tax proceedings

Federal Value-Added Tax (IPI): the Company was served notices of tax deficiency, from 2010 to 2013, by federal tax authorities under the allegation that the tax classification of the Company's customized prints should be different from the one adopted. Pursuant to the tax code informed by the Brazilian IRS, the materials produced by the Company should be subject to IPI taxation and, therefore, the Company should be considered an IPI taxpayer to the Federal Government. Under the same notice of deficiency, the tax authorities used IPI credits that were accumulated due to acquisition of inputs used in the production of said prints, to reduce the calculated debts subject matter of the tax deficiency notices. As a result of amortization of IPI credits with debts, the taxation authorities disallowed the offset returns in which those credits were used. Given a change in financial guidance on the issue, the Company no longer offsets accumulated tax credits against other federal taxes, but requires refund of the corresponding amounts. In August 2022, the Company was notified of the unfavorable decision for the administrative proceedings. The Company appealed and the proceeding is pending a review by the Administrative Board of Tax Appeals (CARF). CARF did not accept the appeal and in November 2023 the Company appealed the decision. Administrative proceedings Nos. 16682.900030/2011-97 and 16682.900029/2011-62, which were part of this discussion, were closed, with the consequent filing by Valid of Annulment Action No. 5005127-98.2023.4.03.6144. The restated amount at December 31, 2024 totals R$13,388 (R$15,891 at December 31, 2023).

The Company was served a notice of tax deficiency by the São Paulo State Department of Finance in December 2015 requiring payment of alleged ICMS amounts from January 2012 to December 2013, as the tax authorities understand that ICMS payment is required on (i) transfers between facilities owned by the same entity and (ii) shipments to other facilities taxed as services rendered. On April 19, 2017, a decision partially favorable to the Parent Company was awarded. Appeals to the High Court of Justice have been filed. Currently, such appeals await trial. In May 2017, a judgment session, by unanimous vote, partially granted the Ordinary Appeal filed by the Company and dismissed the Mandatory Review. In July 2017, an appeal to the STJ was filed by the State Finance Department. In August 2017, the Company filed an appeal to the STJ and a reply brief was presented to the appeal to the STJ filed by the State Finance Department. The referred to appeals filed are currently awaiting inclusion in the court's trial docket by Court of Taxes and Fees (TIT-SP). TIT has unanimously determined the stay of the case until the judgment of the action for the declaration of constitutionality ADC 49, which is pending before the Brazilian Federal Supreme Court (STF). The matter was judged by the STF, which decided on the unconstitutionality of the levy of ICMS on operations between facilities of the same owner. This decision has a binding effect and will possibly be the same applied to the Valid case. However, no changes have occurred in this proceeding, and it is necessary to await trial. At December 31, 2024, the restated amount referring to this lawsuit is R$132,313 (R$125,842 at December 31, 2023).

In December 2019, the Company was served notices of tax deficiency by the Brazilian IRS related to income and social contribution taxes for calendar years 2014 and 2015. A challenge has been lodged and partially accepted. With a voluntary appeal filed, it is currently awaiting trial at CARF. At December 31, 2024, the restated amount referring to this lawsuit is R$31,697 (R$29,695 at December 31, 2023).

In December 2016, Valid Certificadora was served a notice of tax deficiency for collection of ISS, due to alleged incorrect classification of the digital certification activity. At December 31, 2024, the restated amount is R$9,514 (R$8,568 at December 31, 2023).

In 2017, as a result of a favorable decision in an ordinary action that became final and unappealable, Valid proceeded with the validation of PIS and COFINS credits in September 2018. In December 2018, Valid began filing requests for tax offsets, through an E-Request for Federal Tax Recovery, Refund or Offset (PER/DCOMP) to use the credit recognized in court and validly reported in the amount of R$30,931. However, on May 5, 2023, the Brazilian IRS Office (DRF-Sorocaba) issued a decision not approving the offsets reported by the Company, generating a charge in the amount of R$31,224, plus interest and a late payment fine. On June 6, 2023, Valid filed a Protest Letter (which awaits trial) challenging the order. At December 31, 2024, the restated amount is R$52,729 referring to principal + interest and fine (R$48,855 at December 31, 2023).

In August 2023, the Company was served a Notice of Tax Deficiency for allegedly failing to pay ICMS, in the amount of R$58,698, in the periods from January 2019 to December 2020, for issuing electronic invoices without stating the ICMS. The discussion refers to services or products for bank cards. At December 31, 2024, the restated amount is R$65,951 (R$60,765 at December 31, 2023).

Proceeding referring to tax credits related to the collection of IPI, due to alleged classification error for certain graphic prints, from January to December 2007. In July 2021, the Company filed the case documents. In December 2022, the appeal filed by the Federal Government was included in the trial docket of the court session held in January 25, 2023. This appeal was upheld. The Company appealed the decision and is awaiting analysis by the Court. In the event of an unfavorable final and unappealable decision, there is a risk of burden of defeat. At December 31, 2024, the restated amount of this lawsuit is R$23,722 (R$22,675 at December 31, 2023).

Proceeding referring to tax credits related to the collection of IPI, due to alleged classification error for certain graphic prints, from April to December 2006. This proceeding is currently awaiting inclusion in the court's trial docket to judge the Federal Government's appeal and the Company's reply brief. In January 2023, the Federal Government's appeal was upheld. The Company filed motions for review and in October 2023 the Federal Government presented the response from the Court. In the event of an unfavorable final and unappealable decision, there is a risk of burden of defeat. At December 31, 2024, the restated amount of this lawsuit is R$19,344 (R$18,512 at December 31, 2023).

Civil, commercial and other proceedings

Civil proceeding filed by the Company on July 9, 2007, claiming annulment or otherwise reduction of the fine imposed by ANATEL. The proceeding is currently pending judgment at the appellate court. At December 31, 2024, the restated amount of the proceeding, considering a refund of amounts received, is R$15,532 (R$15,612 at December 31, 2023).

This refers to a preliminary injunction for the confiscation of assets determined by virtue of a decision issued by the 10th Federal Criminal Court, which determined the seizure of the Company's assets up to the limit of R$22,742 on December 7, 2021. The Company requested that the amounts frozen be replaced by surety bond. This decision was made in connection with the Police Investigation intended to investigate alleged irregularities in the bidding process for printing of the tests of the National High School Exam (ENEM) between 2010 and 2019, in connection with which search and seizure warrants were executed at the Company's plants in December 2021. The surety bond presented by the Company was accepted. In April 2022, the Company filed an appellate brief. The Company engaged a specialized law firm to monitor the progress of the case until its conclusion. At December 31, 2024, the restated amount of the proceeding is R$25,391 (R$27,742 at December 31, 2023).

(In thousands of reais, unless otherwise stated)

14. Transactions with related parties

	Individual	
	12/31/2024	**12/31/2023**
Assets		
Current (Accounts receivable)		
Valid Argentina	**26,610**	26,764
Valid Uruguay	**1,951**	2,179
Valid Sucursal	**648**	6,229
Mitra	**208**	-
Other	**-**	5
Total current assets	**29,417**	35,177
Noncurrent (intercompany loans receivable)		
Valid Spain	**-**	25,231
Valid Hub	**6,362**	8,677
Serbet	**-**	3,036
Total noncurrent assets	**6,362**	36,944
Total assets	**35,779**	72,121

	Individual	
	12/31/2024	**12/31/2023**
Current (Accounts payable)		
Valid Sucursal	**(103)**	-
Valid Spain	**(4,912)**	-
Valid Certificadora	**(396)**	-
Other	**-**	(80)
Total current liabilities	**(5,411)**	(80)
Noncurrent		
Mitra	**(1,136)**	(1,716)
Total noncurrent	**(1,136)**	(1,716)
Total liabilities	**(6,547)**	(1,796)

(In thousands of reais, unless otherwise stated)

	Individual	
	12/31/2024	**12/31/2023**
Statement of profit or loss		
Net revenues		
Valid Sucursal Colombia	**-**	1,963
Certificadora	**-**	5
Valid Argentina	**6,195**	25,370
Mitra	**792**	287
Valid Hub	**-**	866
Valid Spain	**279**	1,324
Valid Uruguay	**-**	3,145
Other	**4,451**	52
	11,717	33,012
Cost of sales and services		
Valid Certificadora	**(4,070)**	(32)
Valid Spain	**(22,364)**	(44,103)
Valid AS	**-**	(23,064)
Valid Argentina	**(439)**	(19)
Valid Sucursal Colombia	**(2,176)**	-
Mitra	**(343)**	(573)
	(29,392)	(67,791)
Finance income (costs)		
Serbet	**26**	387
Valid Hub	**884**	678
Valid Spain	**293**	5,026
Valid Spain	**-**	(2,905)
	1,203	3,186

Except for the loan agreement above, these refer to intercompany purchases of inputs for production according to the parties' needs, and there is no agreement entered into for minimum production. Days sales/payable outstanding is 96 days and all transactions are conducted in accordance with market practices.

A summary of the contractual conditions for intercompany loans maintained by the Group is as follows:

Intercompany loan	**Spain**	**Serbet**	**Valid Hub**	**Valid Sucursal**
Origin	Valid	Valid	Valid	Valid Spain
Total amount	EUR22,728	R$4,300	R$4,000	US$5,000
Date of loan	05/03/2021	08/03/2022	01/30/2023	06/01/2023
Settlement date	03/13/2024	01/26/2024	-	-
Maturity date (1)	05/03/2026	08/03/2025	07/05/2025	05/31/2025
Interest	6% p.a.	8% p.a. + IPCA	8% p.a.	8% p.a.
Repayment of principal	Only at the end of the contract	Only at the end of the contract	6 fixed installments (from Feb 05, 2025)	Only at the end of the contract
Balance in debt currency at 12/31/2024:	Settled	Settled	R$6,362	US$2,214
Restated balance at 12/31/2024 – R$:	N/A	N/A	R$6,362	R$13,711

(*) The contract provides for annual automatic renewals.

(In thousands of reais, unless otherwise stated)

Other transactions between related parties related to the sale of inputs are fully eliminated in the Consolidated:

	12/31/2024	12/31/2023
Between Valid Spain and:		
Valid Argentina	**20,229**	14,962
Valid USA	**1,504**	4,520
Valid Sucursal Colombia	**24,975**	4,434
Valid Mexico	**40,070**	15,006
Valid AS	**57,724**	-
Valid Nigeria	**6,211**	3,284
Valid China	**3,535**	-
	154,248	42,206

	12/31/2024	12/31/2023
Between Valid A/S and:		
Valid Spain	**80,028**	112,194
Valid Nigeria	**19,292**	20,781
Valid Argentina	**-**	26,170
	99,320	159,145

Compensation paid to the Executive Board, Board of Directors and Supervisory Board

For the year ended December 31, 2024 and 2023, compensation paid to the board of directors, executive board, supervisory board, and other management members, including social charges and other benefits, is as follows:

Consolidated	Board of Directors	Supervisory Board	Statutory Board	Other management members	12/31/2024
Annual fixed compensation	**2,608**	**536**	**7,476**	**7,560**	**18,180**
Interest	**2,173**	**447**	**5,260**	**5,359**	**13,239**
Charges and benefits	**435**	**89**	**2,056**	**2,091**	**4,671**
Private pension plan	**-**	**-**	**160**	**110**	**270**
Annual variable compensation	**-**	**-**	**11,817**	**4,732**	**16,549**
Variable compensation	**-**	**-**	**9,142**	**2,997**	**12,139**
Share-based payment	**-**	**-**	**2,083**	**1,388**	**3,471**
Charges borne by the employer	**-**	**-**	**592**	**347**	**939**
Total compensation	**2,608**	**536**	**19,293**	**12,292**	**34,729**

Consolidated	Board of Directors	Supervisory Board	Statutory Board	Other management members	12/31/2023
Annual fixed compensation	2,088	461	7,577	6,457	16,583
Interest	1,915	420	5,256	4,667	12,258
Charges and benefits	173	41	2,186	1,726	4,126
Private pension plan	-	-	135	64	199
Annual variable compensation	-	-	9,938	5,666	15,604
Variable compensation	-	-	5,855	5,004	10,859
Share-based payment	-	-	3,449	440	3,889
Charges borne by the employer	-	-	634	222	856
Total compensation	2,088	461	17,515	12,123	32,187

(In thousands of reais, unless otherwise stated)

15. Equity

a) Capital

The reconciliation of the Company's capital in accordance with its bylaws and financial information as at December 31, 2024 and 2023 is as follows:

Capital according to bylaws	**1,037,550**
Share issue costs in 2015	**(15,180)**
Capital net of share issue costs, according to the financial information	**1,022,370**

The Company is authorized to increase capital up to the limit of 100,000,000 common shares, including common shares already issued.

b) Capital reserves and treasury shares

Recognized stock options and restricted shares

In year 2024, the Company recognized as expense R$3,336, (R$3,296 in 2023) matched against the capital reserve for stock options granted: A summary of the plans' conditions is as follows:

				Changes in the number of options				
Grant date	**Options granted**	**Maturity date**	**Fair value (in reais)**	**Balance at beginning of period**	**Granted in the period**	**Exercised in the period**	**Canceled in the period**	**Balance at end of period**
SOP Program 2021 - 1	138,126	May/21	R$8.78	43,563	-	(15,938)	-	27,625
SOP Program 2021 - 2	138,126	May/22	R$8.78	43,559	-	(15,934)	-	27,625
SOP Program 2022 - 1	30,000	Aug/25	R$8.78	30,000	-	-	-	30,000
SOP Program 2022 - 2	30,000	Aug/25	R$8.78	30,000	-	-	-	30,000
SOP Program - Managers 2023	121,392	May/24	R$6.18	121,392	-	(111,227)	(10,165)	-
Matching Managers 2023	233,832	May/25	R$11.12	233,832	-	-	(20,328)	213,504
Matching Officers 2023	191,994	May/26	R$11.12	191,994	-	-	-	191,994
SOP Replacement Officers_1.1	7,294	May/24	R$11.12	7,294	-	(7,294)	-	-
SOP Replacement Officers_1.2	7,294	May/24	R$11.12	7,294	-	(7,294)	-	-
SOP Replacement Officers_2.1	21,625	May/24	R$11.12	21,625	-	(21,625)	-	-
SOP Replacement Officers_2.2	21,624	May/24	R$11.12	21,624	-	(21,624)	-	-
SOP Replacement Officers_3.1	8,696	May/24	R$11.12	8,696	-	(8,696)	-	-
SOP Replacement Officers_3.2	8,696	May/24	R$11.12	8,696	-	(8,696)	-	-
SOP Replacement Officers_4.1	21,961	May/24	R$11.12	21,961	-	(21,961)	-	-
SOP Replacement Officers_4.2	21,962	May/24	R$11.12	21,962	-	(21,962)	-	-
Matching Officers 2024	117,545	May/26	R$16.56	-	117,545	-	(13,294)	104,251
Matching Officers 2024	117,543	May/27	R$16.56	-	117,543	-	(13,294)	104,249
Matching Managers 2024	84,351	May/26	R$16.56	-	84,351	-	(11,054)	73,297
Matching Managers 2024	84,348	May/27	R$16.56	-	84,348	-	(11,054)	73,294
SOP Officers 2024	147,205	May/25	R$16.56	-	147,205	-	(17,725)	129,480
SOP Managers 2024	90,487	May/25	R$16.56	-	90,487	-	(11,054)	79,433
Matching Managers 2022	97,719	May/24	R$17.23	97,719	-	(97,719)	-	-
Matching Managers 2022	97,720	May/25	R$17.23	97,720	-	(23,745)	-	73,975
	1,839,540			**1,008,931**	**641,479**	**(383,715)**	**(107,968)**	**1,158,727**

(In thousands of reais, unless otherwise stated)

Treasury shares

Since January 2008, the Company has approved, through its Board of Directors, programs to buy back common shares issued by the Company in order to keep them in treasury and, subsequently, dispose of and/or use them to meet obligations stemming from the key management compensation programs. Considering that the number of shares will always be below the maximum limit, the Board of Directors may review, at any time, the number of authorized shares, and supplement the legal limit of 10% of total free float. These shares are acquired with the funds from the Company's cash.

Changes in the buyback programs are as follows:

Date of approval	Maximum number to be acquired	% of free float	End date
11/12/2019	1,000,000 shares	1.45%	05/12/2021
10/19/2021	2,000,000 shares	2.48%	10/20/2022
04/19/2022	1,000,000 shares	1.21%	12/30/2023
05/21/2024	2,000,000 shares	2.57%	26/11/2025

In the year ended December 31, 2024, the Company delivered 150,794 shares in the amount of R$3,245 (303,801 shares in the amount of R$2,916 in 2023).

At December 31, 2024, the Company holds 2,691,878 common shares in treasury in the amount of R$49,376 (1,708,072 shares at December 31, 2023, in the amount of R$25,324), whose weighted average cost of acquisition and minimum and maximum costs are as follows:

	Individual (in reais)		
	Share price – Minimum	**Share price – Maximum**	**Share price – Weighted**
Share acquisition cost	**7.53**	**25.39**	**18.34**

Based on the last market quote available at December 31, 2024, treasury shares total R$65,413, with weighted average price, and minimum and maximum price at December 31, 2024 as follows:

	Price (in reais)			
	Share price – Minimum	**Share price – Maximum**	**Share price – Weighted**	**Share price – Last quote**
Current share price	**14.81**	**25.84**	**19.80**	**24.30**

(In thousands of reais, unless otherwise stated)

c) Income reserves

Legal reserve

The legal reserve is recognized upon allocation, at year end, of 5% of net income, in conformity with article 193 of the Brazilian Corporation Law.

Investment reserve

This is intended to be used in investments considered in the capital budget, in conformity with article 196 of the Brazilian Corporation Law.

Balance at December 31, 2022	34,505
Adjustments for inflation to foreign subsidiary	25,657
Subsidiary reserve	(1,367)
Recognition of investment reserve	101,311
Balance at December 31, 2023	160,106
Adjustments for inflation to foreign subsidiary	**29,594**
Payment of dividends to noncontrolling interests	**(432)**
Subsidiary reserve	**1,614**
Recognition of investment reserve	**244,263**
Balance at December 31, 2024	**435,145**

d) Dividends and interest on equity

	12/31/2024	**12/31/2023**
Net income for the year	**380,914**	213,286
Recognition of legal reserve	**(19,046)**	(10,684)
Dividends calculation basis	**361,868**	202,602
Mandatory minimum dividend (25%)	**90,467**	50,651

In the years ended December 31, 2024 and 2023, the Company paid dividends or interest on equity above the mandatory minimum provided, as follows:

(In thousands of reais, unless otherwise stated)

Dividends and interest on equity (IOE) payable	Amount per share (In reais)	Payment date	Individual and Consolidated
Dividends and IOE payable at December 31, 2022			21,012
Declared dividends and IOE			
Declared IOE referring to 2023	0.18000	09/05/2023	14,414
Declared IOE referring to 2023	0.20000	18/07/2023	16,016
Declared IOE referring to 2023	0.27000	24/10/2023	21,635
Declared IOE referring to 2023	0.30700	01/12/2023	24,600
Total declared IOE in 2023			**76,665**
Dividends and IOE paid			
Payment of declared IOE referring to 2022	0.26303	31/01/2023	(21,007)
Payment of declared IOE referring to 2023	0.18000	22/05/2023	(14,414)
Payment of declared IOE referring to 2023	0.20000	31/07/2023	(16,016)
Payment of declared IOE referring to 2023	0.27000	08/11/2023	(21,635)
Payment of declared IOE referring to 2023	0.30700	14/12/2023	(24,597)
Total IOE paid in 2023			**(97,669)**
Dividends and IOE payable at December 31, 2023			**8**
Additional dividends proposed (1)	0.30759	12/31/2023	24,646
Payment of declared dividends referring to 2023	0.30759	29/04/2024	(24,643)
Declared IOE referring to 2024	0.34000	21/05/2024	27,343
Payment of declared IOE referring to 2024	0.34000	07/06/2024	(27,334)
Declared IOE referring to 2024	0.44000	16/07/2024	35,263
Payment of declared IOE referring to 2024	0.44000	15/08/2024	(35,227)
Declared IOE referring to 2024	0.53000	15/10/2024	42,310
Payment of declared IOE referring to 2024	0.53000	14/11/2024	(42,225)
Declared IOE referring to 2024	0.16000	23/12/2024	12,689
Balance at December 31, 2024			**12,830**

(1) Additional dividends proposed for 2023, at R$0.30759 per share, approved at the Annual General Meeting (AGM) held on April 17, 2024. The payment was made on April 29, 2024.

Interest on equity is calculated based on the Long-Term Interest Rate (TJLP) variation, under the terms of Law No. 9249/95, and is accounted for as finance costs, as required by the tax legislation. For financial statements presentation purposes, IOE is presented as a reduction of retained earnings in equity.

Interest on equity is subject to withholding income tax at the rate of 15%, except for immune or exempt shareholders, as determined in Law No. 9249/95. The Company’s bylaws establish mandatory minimum dividend of 25%, calculated on annual net income, adjusted in accordance with article 202 of Law No. 6404/76.

e) Other comprehensive income

This mainly reflects the accumulated adjustments for exchange differences on investments abroad and the effects of the fair value of the investments described in Note 23.

(In thousands of reais, unless otherwise stated)

16. Earnings per share

	Individual and Consolidated	
	12/31/2024	**12/31/2023**
Profit or loss attributed to the parent company's common shareholders	**380,914**	213,286
Weighted average number of common shares used to calculate earnings per share	**79,996**	80,026
Basic and diluted earnings per share (in reais)	**4.76166**	2.66521

Basic earnings per share are calculated by dividing net income (loss) for the year attributed to the Company's common shareholders by the weighted average number of common shares outstanding in the year, except for treasury shares. For the years presented, the Company's basic and diluted earnings (loss) per share are the same, considering that the Company and its subsidiaries do not have any instruments with potential dilutive effect. The weighted average of the number of common shares used in the calculation corresponds to the average number of free-floating shares in the periods presented.

17. Sales revenue, net

	Individual		Consolidated	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Gross revenue from products sold	**59,468**	80,465	**593,702**	657,535
Gross revenue from services rendered	**1,252,046**	1,186,319	**1,755,343**	1,774,761
Total gross revenue	**1,311,514**	1,266,784	**2,349,045**	2,432,296
Sales taxes	**(157,333)**	(152,806)	**(174,270)**	(171,182)
Sales returns	**(2,825)**	(5,506)	**(3,431)**	(5,604)
Net sales revenue	**1,151,356**	1,108,472	**2,171,344**	2,255,510

(In thousands of reais, unless otherwise stated)

18. Costs and expenses by nature

	Individual		Consolidated	
Expenses by nature	**12/31/2024**	**12/31/2023**	**12/31/2024**	**12/31/2023**
Labor	**236,586**	209,823	**446,001**	434,369
Employee benefits	**45,492**	42,393	**63,547**	57,132
Taxes and charges	**55,661**	40,564	**96,084**	79,988
Depreciation and amortization	**46,180**	55,005	**90,022**	106,556
Consumables/raw material	**283,022**	283,431	**603,792**	676,370
Third-party services	**103,939**	84,477	**176,951**	146,437
Maintenance	**15,108**	12,550	**18,861**	20,170
Utilities and services	**131,499**	95,774	**176,858**	138,960
Sales commissions	**9,150**	10,864	**27,138**	28,501
Freight on sales	**8,027**	8,688	**18,309**	15,811
General and other expenses	**23,097**	47,227	**62,171**	88,185
Total expenses by nature	**957,761**	890,796	**1,779,734**	1,792,479
Classified as:				
Cost of sales and/or services	**781,898**	739,641	**1,394,290**	1,432,675
Selling expenses	**63,007**	42,488	**220,823**	194,042
General and administrative expenses	**112,856**	108,667	**164,621**	165,762

19. Finance income and costs

	Individual		Consolidated	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Finance income				
Financial investment yield	**36,490**	39,788	**70,206**	83,274
Foreign exchange difference and interest on intercompany loans	**1,448**	5,920	**4,331**	10,791
Foreign exchange differences on loans	**1,135**	-	**1,433**	10,558
Other foreign exchange differences	**10,842**	5,295	**74,656**	143,638
Foreign exchange differences, interest and restatement of leases	**104**	229	**119**	242
Marketable securities	**-**	1,380	**-**	1,380
Credits and financial adjustments on tax credits	**2,673**	1,915	**2,673**	1,915
Swap	**7,489**	104	**7,489**	104
Other finance income	**5,298**	2,444	**38,926**	25,204
Total finance income	**65,479**	57,075	**199,833**	277,106
Finance costs				
Interest on debentures, loans and financing	**(63,858)**	(85,968)	**(75,143)**	(100,616)
Foreign exchange difference and interest on intercompany loans	**-**	(2,905)	**(4,892)**	(10,348)
Foreign exchange differences on loans	**(6,373)**	-	**(7,721)**	(9,909)
Other foreign exchange differences	**(5,591)**	(5,189)	**(89,754)**	(192,123)
Bank expenses	**(1,881)**	(3,886)	**(16,185)**	(9,192)
Interest, restatement and foreign exchange differences on leases	**(962)**	(1,422)	**(2,041)**	(2,487)
Marketable securities	**(403)**	(385)	**(403)**	(385)
Swap	**(3,185)**	-	**(3,185)**	-
Other finance costs	**(9,139)**	(8,099)	**(42,823)**	(70,643)
Total finance costs	**(91,392)**	(107,854)	**(242,147)**	(395,703)
Total finance income and costs	**(25,913)**	(50,779)	**(42,314)**	(118,597)

(In thousands of reais, unless otherwise stated)

20. Other operating income (expenses)

	Individual		Consolidated	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Net gain on disposal - Cubic [1]	**-**	-	**136,842**	-
Loss on disposal of operation in Valid USA	**-**	-	**-**	(949)
Amortization of asset revaluation surplus	**(460)**	(538)	**(10,764)**	(13,979)
Provision for impairment [2]	**-**	(21,789)	**(24,029)**	(22,729)
Loss/ gain on disposal of PPE and provision for obsolescence [4]	**1,438**	(9,979)	**1,452**	(15,650)
Restructuring costs	**-**	(386)	**(6,808)**	(386)
Provision for earn out payable [5]	**(2,055)**	(6,600)	**(2,055)**	(6,600)
Other operating income and expenses, net	**(3,261)**	(2,620)	**(6,354)**	(2,112)
Contingencies – Sorocaba Plant [3]	**273**	(7,234)	**273**	(8,639)
Total other operating expenses	**(4,065)**	(49,146)	**88,557**	(71,044)

(1) See Notes 9 and 23.

(2) In 2024, the Impairment refers to the investee VCMC, as mentioned in Note 10. In 2023, the impairment refers to: (a) write-off of goodwill and revaluation surplus of Serbet in the parent company in the amount of R$1,089 and, in the Consolidated, in the amount of R$2,029; (b) assets of the Education business unit in the amount of R$18.500; (c) expenses with the sale of the industrial plant located in São Bernardo do Campo - SP, recorded in “assets available for sale”, in the amount of R$2,200.

(3) In 2024, there were reversals of labor claims related to deactivated cost centers. In 2023, there was a provision for labor claims from the continuous forms operation of the Sorocaba plant.

(4) In 2024, assets were written off related to the restructuring between the plants based in Sorocaba, São Bernardo do Campo and Rio de Janeiro. In 2023, the amount refers to the sale of assets related to the “Education” operation, as mentioned in Note 11.

(5) In 2024, the amount refers to the fair value marking of the earn out related to the acquisition of investee Flexdoc. In 2023, the earn out payable is related to investees Mitra (R$5,000) and Serbet (R$1,600).

21. Segment information

For management purposes, the Company is organized into business units based on its products and services and has three reportable operating segments:

a) Means of payment

In this segment, integrated products and solutions, such as *chip* and magnetic stripe *cards*, *gift* cards, invoices and bank statements are offered. In addition, solutions in *Radio Frequency Identification* - RFID, *contactless* cards and mobile payments (through TSM - *Trusted Service Manager* and HCE - *Host Card Emulation*, via NFC - *Near Field* Communication) are also offered.

b) Identification

The identification segment provides physical and electronic solutions, such as data collection, storage and management, security prints, recognition and digital printing that meet this demand, in addition to Digital Government solutions. All these technologies make a cross-reference between the database and the data contained in the document or portable media, such as paper, plastic or even electronic communication means, to check authenticity or status. The main identification documents are identity cards, drivers' licenses, class council cards, and stamps for brand security and authenticity.

The Company offers a full-service structure, with wide service fronts, which include the generation of computerized systems for the administration of databases, the collection of biometric data, the printing and customization of official identification documents, solutions for *Smart Cities*, traceable stamps and Digital Certification services.

c) Mobile

The broad telecommunications portfolio offered by the Company includes services of issuing statements and technologies for use in cell phones, in addition to innovations resulting from digital mobility, such as NFC, TSM and HCE solutions for mobile service providers.

In this segment, the Company provides services that improve the communication between telephone service providers and their customers, in the development of technologies for use in cell phones - such as recharge and payment - and also in the production of cards intended for telecommunications. *SIM Cards* are the main product of this business unit.

Focusing on the mobile market trends, Valid is actively participating in the different initiatives associated with the evolution of the SIM card, specifically the one called eSIM (*embedded* SIM). This new phase of SIM cards considers a broader market since SIM cards are now part of the connectivity related to the initiatives *Machine* to *Machine* and *Internet* of *Things* (IoT); the chip will be used not only in a mobile phone but also in other types of devices, such as automobiles, power meters, etc. In this new context, the solution considers not only the chip, but also a chip activation platform (known as *Subscription Manager*).

The Company management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated mainly based on the profit allocated by segment, which comprises net revenue less costs, selling and administrative expenses; accordingly, other net operating income and expenses, equity pickup, finance income (costs), and income and social contribution tax expenses are not considered.

(In thousands of reais, unless otherwise stated)

Significant information on profit, assets and liabilities per business segment is summarized below:

12/31/2024	Identification	Means of payment	Mobile	Eliminations	Consolidated
Revenues					
Revenues from customers	**846,193**	**787,546**	**537,605**	**-**	**2,171,344**
Intersegment revenues	**5,334**	**95,390**	**254,357**	**(355,081)**	**-**
Total revenues	**851,527**	**882,936**	**791,962**	**(355,081)**	**2,171,344**
Costs	**(500,375)**	**(594,156)**	**(299,759)**	**-**	**(1,394,290)**
Selling expenses	**(61,709)**	**(39,903)**	**(119,211)**	**-**	**(220,823)**
Administrative expenses	**(72,007)**	**(52,617)**	**(39,997)**	**-**	**(164,621)**
Intersegment costs and expenses	**(5,334)**	**(95,390)**	**(254,357)**	**355,081**	**-**
Finance income (costs), net	**-**	**-**	**-**	**-**	**(42,314)**
Other operating expenses, net	**-**	**-**	**-**	**-**	**112,586**
Impairment (*)	**-**	**-**	**(24,029)**	**-**	**(24,029)**
Equity pick-up	**-**	**-**	**-**	**-**	**(1,958)**
Income and social contribution taxes (IRPJ/CSLL)	**-**	**-**	**-**	**-**	**(56,246)**
Net income for the year	**-**	**-**	**-**	**-**	**379,649**

(*) Refers to impairment of the investee VCMC, as mentioned in Note 10.

12/31/2024	Identification	Means of payment	Mobile	Eliminations	Consolidated
Operating assets	**267,775**	**466,711**	**552,245**	**(306,417)**	**980,314**
Trade accounts receivable	**144,066**	**203,002**	**431,203**	**(306,417)**	**471,854**
Inventories	**19,349**	**183,344**	**71,798**	**-**	**274,491**
Property, plant and equipment	**104,360**	**80,365**	**49,244**	**-**	**233,969**
Operating liabilities	**49,918**	**72,077**	**354,563**	**(300,134)**	**176,424**
Trade accounts payable and obligations arising from purchase of goods and services	**49,918**	**72,077**	**354,563**	**(300,134)**	**176,424**

12/31/2023	Identification	Means of payment	Mobile	Eliminations	Consolidated
Revenues					
Revenues from customers	730,021	908,235	617,254	-	2,255,510
Intersegment revenues	2,026	151,276	280,131	(433,433)	-
Total revenues	732,047	1,059,511	897,385	(433,433)	2,255,510
Costs	(430,226)	(652,488)	(349,961)	-	(1,432,675)
Selling expenses	(39,352)	(36,627)	(118,063)	-	(194,042)
Administrative expenses	(60,944)	(59,040)	(45,778)	-	(165,762)
Intersegment costs and expenses	(2,026)	(151,276)	(280,131)	433,433	-
Finance income (costs), net	-	-	-	-	(118,597)
Other operating expenses, net	-	-	-	-	(48,315)
Impairment	(18,500)	(4,229)	-	-	(22,729)
Equity pick-up	-	-	-	-	(227)
Income and social contribution taxes (IRPJ/CSLL)	-	-	-	-	(62,542)
Net income for the year	-	-	-	-	210,621

(In thousands of reais, unless otherwise stated)

12/31/2023	Identification	Means of payment	Mobile	Eliminations	Consolidated
Operating assets	223,722	443,468	460,717	(265,726)	862,181
Trade accounts receivable	118,418	186,439	347,798	(265,726)	386,929
Inventories	15,025	170,196	82,256	-	267,477
Property, plant and equipment	90,279	86,833	30,663	-	207,775
Operating liabilities	38,713	56,673	335,551	(265,599)	165,338
Trade accounts payable and obligations arising from purchase of goods and services	38,713	56,673	335,551	(265,599)	165,338

"Other operating expenses, net", "Finance income (costs), net", and "Income and social contribution taxes" are presented in the table above on a non-segmented basis, as the Company understands that these items are not directly related to any operating segment.

The Company and its subsidiaries operate in the following geographic areas: Brazil (home country), Spain, Argentina, USA, Colombia, Uruguay, Mexico, Denmark, Republic of Mauritius, Singapore, South Africa, Nigeria, United Arab Emirates, Indonesia, China, and Ireland.

Because they are individually immaterial, revenues and noncurrent assets from operations in foreign countries, except for the USA, Argentina and EMEAA, have been disclosed in the aggregate, as follows:

Revenues by geographic distribution	Consolidated 12/31/2024	Consolidated 12/31/2023
In the entity's home country - Brazil	**1,304,096**	1,225,321
In Argentina	**282,786**	331,423
In EMEAA (2)	**303,509**	421,550
In other foreign countries	**207,340**	206,080
In the USA	**73,613**	71,136
Total	**2,171,344**	2,255,510

Noncurrent assets (1)	Consolidated 12/31/2024	Consolidated 12/31/2023
In the entity's home country - Brazil	**774,777**	779,297
In Argentina	**24,909**	13,045
In EMEAA (2)	**512,091**	387,608
In other foreign countries	**4,386**	4,597
Total	**1,316,163**	1,184,547

(1) These do not include deferred taxes.

(2) The following countries are considered in this line: Denmark, Republic of Mauritius, Singapore, South Africa, United Arab Emirates, Spain, Indonesia, China, and Nigeria.

d) Information on major customers

In line with IFRS 8 (CPC 22) - Operating Segments, the Company management informs that there is no transaction with one single external customer that accounts for 10% or more of the total revenue of the Company and its subsidiaries.

22. Financial instruments and risk management

The Company and its subsidiaries measured the market value of financial assets and liabilities based on available market information and appropriate valuation methodologies. However, market data interpretation and the selection of valuation techniques require considerable judgment and estimates to determine the most appropriate realizable value. Accordingly, the estimates presented do not necessarily reflect the current market values. Use of different market hypotheses and/or methodologies can have a significant impact on estimated realizable values.

Significant financial liabilities of the Company and its subsidiaries refer to debentures, loans and financing and trade accounts payable. The main purpose of the debentures, financing and loans was to raise funds to finance the operations of the Company and its subsidiaries and business combinations, whereas trade and other accounts payable arise directly from their operations. Significant financial assets of the Company and its subsidiaries include cash and cash equivalents, marketable securities, and trade accounts receivable that result directly from their operations.

Fair value measurement

Financial instruments recognized at fair value can be measured at levels 1 to 3, based on the degree to which their fair value is quoted, as follows:

- Level 1: fair value measurement is derived from quoted (unadjusted) prices in active markets for identical assets and liabilities.
- Level 2: fair value measurement is derived from other inputs quoted included in Level 1, which are quoted through an asset or liability directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: fair value measurement is derived from valuation techniques that include an asset or liability that is not included in an active market.

The fair value of financial assets and liabilities is included in the amount for which a financial instrument could be exchanged in a current transaction between willing parties, and not in a forced sale or settlement.

(In thousands of reais, unless otherwise stated)

Except for the balance of loans, financing and debentures, the book balance of financial instruments held by the Company is close to their fair values. Below is a comparison between the carrying value and the fair value of loans, financing and debentures:

12/31/2024		Individual		Consolidated	
Fair value measurement	**Fair value hierarchy**	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Loans, financing and debentures	Level 2	**494,566**	**501,790**	**579,906**	**572,649**

12/31/2023		Individual		Consolidated	
Fair value measurement	**Fair value hierarchy**	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Loans, financing and debentures	Level 2	476,300	480,051	691,566	656,142

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise two types of risk: interest rate risk and currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Profit or loss of the Company and its subsidiaries is subject to changes in interest rates on financial investments and debentures, which are pegged to the CDI rate. For the Company's most significant loans, the index is pegged to the Libor rate.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company and its subsidiaries' exposure to the risk of changes in foreign exchange rates relates primarily to their operating activities (when revenues or expenses are denominated in a currency other than the functional currency) and the Company's net investments in foreign subsidiaries.

(In thousands of reais, unless otherwise stated)

The table below shows the sensitivity of the Company and its subsidiaries to an estimated depreciation/appreciation of the functional currencies by 25% and 50% in relation to subsidiaries with functional currencies other than the Brazilian real. The sensitivity analysis considers the equity of subsidiaries translated into Brazilian reais at the end of the reporting period, considering depreciation/appreciation of 25% and 50% in exchange rates. The depreciation/appreciation of the functional currencies other than the Brazilian real would result in equity reduction/increase at the following amounts:

	Consolidated – 12/31/2024	
Currency	**Foreign exchange difference 25%**	**Foreign exchange difference 50%**
Equity - Argentine pesos	**29,643**	**59,286**
Equity - Colombian pesos	**7,640**	**15,280**
Equity - Mexican pesos	**4,132**	**8,264**
Equity - Uruguayan pesos	**1,215**	**2,430**
Equity - Euro	**214,284**	**428,568**
Equity - US dollar	**74,566**	**158,828**

The Company records trade accounts payable for equipment and raw material denominated in foreign currency. Therefore, profit or loss is subject to changes in the US dollar and Euro exchange rates. The Company estimates that a possible depreciation of the Brazilian real against the US dollar and Euro by 25% and 50%, respectively, would impact finance costs at December 31, 2024 in the following amounts:

	Consolidated			
	12/31/2024		**12/31/2023**	
Currency	**Foreign exchange difference 25%**	**Foreign exchange difference 50%**	**Foreign exchange difference 25%**	**Foreign exchange difference 50%**
Impact	**2,385**	**4,770**	1,503	3,008

<u>Credit risk</u>

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company and its subsidiaries are exposed to credit risk from their operating activities (primarily accounts receivable) and from their financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade accounts receivable are substantially concentrated in major financial institutions, telecommunication companies and State Government agencies. Given the reputation and financial soundness of such customers, the Company management does not expect to face difficulties in collecting receivables. The balance receivable is recorded net of estimated losses and, therefore, at the expected realizable value.

(In thousands of reais, unless otherwise stated)

Deposits in banks and financial institutions

All transactions of the Company and its direct and indirect subsidiaries are conducted with banks with acknowledged liquidity, which, according to management's understanding, minimizes the risks thereof.

Liquidity risk

Liquidity risk is defined as the possibility of the Company and its subsidiaries lacking sufficient funds to honor their commitments given the different currencies and the settlement terms of their rights and obligations.

The liquidity and cash flow control of the Company and its subsidiaries is monitored on a daily basis by management in order to ensure that cash flows from operations and the prior funding, when necessary, are sufficient to meet their commitment schedule, not generating liquidity risks.

The maturity of outstanding financial liabilities at December 31, 2024 and December 31, 2023 is as follows:

	Individual		Consolidated	
	12/31/2024	**12/31/2023**	**12/31/2024**	**12/31/2023**
Within 1 month	**78,856**	67,601	**176,424**	165,338
Trade accounts payable and obligations arising from purchase of goods and services	**78,856**	67,601	**176,424**	165,338
Within 1 month	**-**	35,864	**-**	39,288
From 1 to 3 months	**-**	3,389	**-**	3,389
From 3 months to 1 year	**85,472**	54,221	**106,198**	121,096
From 1 to 5 years	**409,094**	382,826	**473,708**	527,793
Loans, financing and debentures	**494,566**	476,300	**579,906**	691,566

Sensitivity analysis

Generally speaking, the main risks of financial instruments used by the Company are pegged to changes in the Interbank Deposit Certificate (CDI), mainly with respect to obligations on debentures issued and short-term investments.

The Company uses the average CDI rate for finance charges on debentures issued by the Company (plus interest charges) and for yield for the case of financial investments. Finance charges on loans are represented by Libor plus a fixed contractual rate.

(In thousands of reais, unless otherwise stated)

In addition, the Company has trade accounts payable pegged to the US dollar and Euro. However, taking into consideration that these payables mature within 30 days, a sensitivity analysis is not presented as the Company understands that it would not generate any benefits. With a view to analyzing the sensitivity of the index to which the Company's financial investments were exposed at December 31, 2024, three different scenarios were defined. Based on projections disclosed by B3, dated January 2, 2025, CDI was projected for the next 12 months at 10.05%, which is defined as a probable scenario. From this scenario, CDI variations of 25% to 50% were calculated.

For each scenario, gross finance income from financial investments was calculated, not considering taxes on investment income. The reporting date used for financial investments was the balance outstanding at December 31, 2024, with a one-year projection and analysis of the CDI sensitivity in each scenario.

Individual

Transaction	Balance at 12/31/2024	Risk	Probable scenario	Scenario II	Scenario III
Short-term investments (cash equivalents)	**150,901**	**CDI**	**10.05%**	**7.54%**	**5.03%**
Gross finance income			**15,166**	**11,378**	**7,590**

Individual

Transaction	Balance at 12/31/2023	Risk	Probable scenario	Scenario II	Scenario III
Short-term investments (cash equivalents)	174,345	CDI	10.05%	7.54%	5.03%
Gross finance income			17,522	13,146	8,770

Consolidated

Transaction	Balance at 12/31/2024	Risk	Probable scenario	Scenario II	Scenario III
Short-term investments (cash equivalents)	**331,780**	**CDI**	**10.05%**	**7.54%**	**5.03%**
Gross finance income			**33,344**	**25,016**	**16,689**

Consolidated

Transaction	Balance at 12/31/2023	Risk	Probable scenario	Scenario II	Scenario III
Short-term investments (cash equivalents)	209,917	CDI	10.05%	7.54%	5.03%
Gross finance income			21,097	15,828	10,559

The same analysis was made for the balance corresponding to the Company's debentures at December 31, 2024. Interest of 109.65% was added for the 9th issue and 112.00% for 10th issue debentures, reaching indices of 11.02% and 11.26%, and this scenario was considered as probable. From this scenario, CDI variations of 25% to 50% were calculated.

(In thousands of reais, unless otherwise stated)

Gross finance costs of obligations were calculated for each scenario, without taking into consideration the flow of maturity of installments falling due within the next 12 months. The reporting date used for debentures was the balance outstanding at December 31, 2024, with a one-year projection and analysis of the DI sensitivity in each scenario.

Transaction	Balance at 12/31/2024	Risk	Probable scenario	Scenario II	Scenario III
Debentures (9th issue)	**5,735**	**CDI**	**11.02%**	**13.78%**	**20.67%**
Gross finance costs			**632**	**790**	**1,185**

Transaction	Balance at 12/31/2023	Risk	Probable scenario	Scenario II	Scenario III
Debentures (9th issue)	248,050		11.02%	13.78%	20.67%
Gross finance costs		CDI	27,335	34,181	51,272

Transaction	Balance at 12/31/2024	Risk	Probable scenario	Scenario II	Scenario III
Debentures (10th issue)	**242,548**	**CDI**	**11.26%**	**14.08%**	**16.89%**
Gross finance costs			**27,311**	**34,151**	**40,966**

Capital management

The Group's objectives in managing its capital are to safeguard its ability to continue as a going concern in order to deliver returns to its shareholders and benefits to other stakeholders, and to maintain an adequate capital structure to reduce this cost.

To maintain or adjust the capital structure, the Group may revise the dividend payment policy, return capital to shareholders and issue new shares to reduce debt, for example.

The Group monitors capital based on financial leverage ratios. One such ratio is the net debt-to-equity ratio. Net debt, on the other hand, corresponds to total loans, financing, debentures and leases payable (including short- and long-term debts) net of cash and cash equivalents and restricted financial investments.

As at December 31, 2024, the Group's net debt amounted to (R$157,696), corresponding to (8.7%) of equity (R$72,615 at December 31, 2023, equivalent to 5.5% of equity).

23. Other investments designated at fair value

On November 29, 2023, the wholly-owned subsidiary Valid Spain entered into an agreement for the disposal of 67.5% of the equity interest held in Cubic Telecom, equivalent to 8,863,743 shares, for R$171.4 million (as at December 31, 2023). As of December 31, 2023, Valid Spain recorded R$34,011 relating to this transaction under “assets available for sale”.

On March 6, 2024, the Company concluded the sale for €32 million (approximately R$173 million at the exchange rate prevailing on the day) received in full on the transaction date, generating a gain of R$136,842, recorded under “Other operating income (expenses), net” in the statement of profit or loss (see Note 20). After the conclusion and applicable dilutions, the Group continues - through its subsidiary Valid Spain - to hold 4,261,873 shares, representing 1.67% of the capital of Cubic Telecom.

With the sale, the Company lost significant influence in the investee and, consequently, began to treat the investment as a financial asset, fully writing off the investment and recording it at fair value through other comprehensive income, in accordance with IFRS 9 (CPC 48). The fair value of the investment was measured at R$99,502, generating a gain of R$83,131 in the year, which, net of the corresponding deferred income tax liability of R$20,555, totaled R$62,576, recorded in Other comprehensive income. The fair value was determined based on the total amount of the sale transaction and was classified as level 2 by management.

The selling process is in line with the strategic planning of the Company, which has been focusing, since 2021, on business lines and geographies that presents greater competitiveness and differentials for its operations. Therefore, other potential divestments with similar characteristics have been evaluated as potential assets for sale.

(In thousands of reais, unless otherwise stated)

24. Insurance coverage

The Company takes out insurance at amounts that cover any claims relating to its industrial plants, considering the nature of its activity and the risks involved in its operations. At December 31, 2024, the Company has the following major insurance policies taken out from third parties:

Type	Currency	Amount insured
Civil liability	Brazilian real	137,863
Operational risks	Brazilian real	645,202
Sundry risks	Brazilian real	188,609
Vehicles	Brazilian real	10,283
D&O - civil liability	Brazilian real	92,885
Errors & Omissions (E&O) - professional liability	Brazilian real	104,680
Loyalty and crime	Brazilian real	8,692
Product transportation - import/export	Brazilian real	125,205

25. Additional disclosures to the statements of cash flows

Noncash transactions

	Individual		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Intangible assets acquired and not paid	**36**	58	**607**	1,103
Property, plant and equipment acquired and not paid	**7,856**	2,023	**17,654**	6,563
Lease acquired and not paid - liabilities	**8,026**	1,048	**12,536**	4,756
Investment measured at fair value through other comprehensive income	**-**	-	**62,576**	-
Total noncash transactions	**15,918**	3,129	**93,373**	12,422

(In thousands of reais, unless otherwise stated)

26. Reconciliation of EBITDA

The Company uses Adjusted EBITDA as the main metric for the evaluation of the Company's financial performance. For purposes of compliance with the terms of CVM Ruling No. 156, the Company presents below the reconciliation of the EBITDA calculation amounts for the years ended December 31, 2024 and 2023.

	Consolidated	
	12/31/2024	**12/31/2023**
Net income for the year	**380,914**	213,286
(+) Income and social contribution taxes (IRPJ and CSLL)	**56,246**	62,542
(+) Finance income/costs	**42,314**	118,597
(+) Depreciation and amortization	**105,141**	120,563
EBITDA under CVM Ruling No. 572 of October 4, 2012	**584,615**	514,988
(+) Other operating income (expenses)	**(88,557)**	71,044
(+) Depreciation and amortization	**(9,512)**	(16,643)
(+) Noncontrolling interests	**(1,265)**	(2,665)
(+/-) Equity pickup - noncontrolling interests	**1,958**	227
Adjusted EBITDA [1]	**487,239**	566,951

(1) EBITDA and Adjusted EBITDA are not financial performance measures in accordance with the Accounting Practices Adopted in Brazil and the IFRS, nor should they be considered individually or as an alternative to net income, as an operating performance measure, or an alternative to operating cash flows as a liquidity measure. In accordance with CVM Ruling No. 156 of June 23, 2022, EBITDA calculation may not exclude any items that are nonrecurring, nonoperating or relating to discontinued operations and is obtained from net income (loss) for the period, plus income taxes, finance income (costs) and depreciation, amortization and depletion. Adjusted EBITDA is used by the Company as an additional financial performance measure and should not be used in replacement for profit or loss. Adjusted EBITDA corresponds to EBITDA adjusted through elimination of the effects of other operating income (expenses), effects of depreciation, amortization, expenses and taxes on equity pickup of associates and other nonrecurring expenses. Other companies may calculate Adjusted EBITDA differently from the Company. As such, Adjusted EBITDA presents limitations that compromise its use as a measure of the Company's profitability, since it does not take into consideration certain costs and expenses in connection with the business, which could significantly affect the Company's profit or loss.

27. Subsequent events

On January 15, 2025, the Company acquired 41% interest in the companies VSoft Tecnologia Participações S.A. and Via Soft Soluções Tecnológicas S.A. for R$11,700, bringing its total equity interest to 51% in both companies.

On February 18, 2025, as reported in the Notice to Shareholders, the Board of Directors resolved to pay Interest on Equity (IOE) of one real and fifty-seven BRL cents (R$1.57) per share, representing R$123,965 to be paid in four equal quarterly installments, the first of which will be on March 27, 2025. Pursuant to current legislation, the Company's shareholders holding shares on March 13, 2025 will be entitled to referred to IOE.

On February 24, 2025, Moody's Local BR Agência de Classificação de Risco Ltda. ratings service ("Moody's Local Brasil") upgraded the Company's Corporate Family Rating (CFR) to AA.br from AA-.br. At the same time, it upgraded the ratings of the 9th Debenture Issue and the 10th Debenture Issue to AA+.br from AA.br.

On March 6, 2025, the Company raised R$6,600 from Banco do Nordeste at a rate of 12.99% p.a. with a maturity of 5 years. The proceeds from this financing are earmarked for implementing the website located in Bahia state to assist citizens in issuing identification documents.