

# Earnings Release



**1Q23**

**Video conference with simultaneous translation into English**  
May 10, 2023 - 10 a.m. (BRT)

Access: [Click here](#)

**Valid** Trust  
Powerhouse

**Valid's Net Revenue reached R\$529 million, with record Normalized EBITDA of R\$149 million and record Normalized Net Income of R\$65 million in 1Q23.**

São Paulo, May 09, 2023 – Valid (B3: VLID3 - ON) announces today its results for the first quarter of 2023 (1Q23). The following financial and operating information is presented on a consolidated basis, in BRL, under International Financial Reporting Standards (IFRS). Comparisons refer to the same period in 2022.

**Net Revenue**

- Net Revenue was R\$529 million, up by 18% year on year in 1Q23 and 10% compared to 4Q22. The increase was particularly due to the growth in the sales volume of the ID and Pay verticals.

**Normalized EBITDA<sup>1</sup>**

- We reached an all-time high Normalized EBITDA of R\$149 million, up by 51% YOY.
- Record margin of 28.2% in the quarter.

**Normalized Net Income<sup>1</sup>**

- Normalized Net Income was R\$65 million in 1Q23, with a margin of 12%. In 1Q22, Valid had recorded a net loss of R\$18 million.

**Subsequent Events**

- Through its subsidiary Valid Espanha, Valid issued a new bilateral debt of €4 million with Banco Itaú, to meet short-term obligations in Spain.
- The Annual and Extraordinary Shareholders' Meeting was held on April 20, 2023, approving all items on the agenda, as per the documents available on CVM's website and Valid's IR website.

- On May 09, 2023, as announced in a Notice to Shareholders, the Board of Directors resolved on the payment of Interest on Equity of around R\$14 million, to be made on May 22, 2023.

*<sup>1</sup>In 1Q23, Valid recorded non-recurring items of R\$5.6 million in its financial statements referring to previous fiscal years. Therefore, accounting EBITDA and Net Income, which are affected by the non-recurring item, are lower than the Adjusted indicators.*

**Dear sirs,**

Today, we are releasing our results for the first quarter of 2023. After all the work carried out in 2021 and 2022 to organize the company, simplify our business model, change our corporate culture and balancing our capital structure, we are once more presenting results to our shareholders without relevant non-recurring adjustments. Based on these figures, we believe that you will be able to simply and straightforwardly understand the Company's capacity to generate consistent results.

Again, we must thank all our employees for their dedication and teamwork to write this new chapter in Valid's history.

Likewise at the end of 2022, we had some important financial highlights in first quarter of 2023, such as:

- i) the two-digit Net Revenue growth both in 1Q22 and 4Q22;
- ii) all-time high EBITDA of approximately R\$150 million and record operating margin of 28.2%;
- iii) the highest net income ever recorded in a quarter, showing an important rebound compared to 1Q22; and
- iv) our continuous concern for a balanced capital structure, maintaining a low leverage ratio and a comfortable cash position.

These results enabled the Board of Directors to approve – based on the results for the first quarter of 2023 – the payment of Interest on Equity of R\$0.18 per share, representing around R\$14.5 million.

After the operational adjustments period, our objective is to continue pursuing top-line growth, maintaining consistent operating margins to deliver shareholder return.

Below, we highlight key milestones reached by business vertical.

**Valid ID:**

1. Large number of Issuance of documents in the period, reaching 7.3 million, a level that is close to Valid's record.

2. The strong volumetry can be explained by the new contracts initiated throughout 2022, as well as by the damming of document issues that occurred during the pandemic.

**Valid Pay:**

1. Significant result in terms of sales, with growth of 26%, and in terms of EBITDA, with growth of 87%. Emphasis on Argentina, which, due to the recent economic instability, has generated potential short-term gains that we do not consider to be permanent.

2. EBITDA in BRL was the highest in the segment since 1Q20 and the margin surpassed the 20% threshold.

**Valid Mobile:**

1. Industry dynamics in the quarter did not show major changes compared to what has been happening over the last few periods. Market continues with low volume of chips, but with higher prices and revenues.

2. As mentioned in the Pay segment, the Mobile segment presented the best EBITDA in BRL since 1Q20, with margins remaining within the 20%-30% range for one more period.

We are excited to start another year seeking challenging results.

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

Consolidated Results (R\$ million)			
	1Q22	1Q23	Var. %
<b>Net Revenues</b>	447,5	529,3	18,3%
Costs of goods and/or service sold	(296,7)	(321,8)	8,5%
<b>Gross Profit</b>	<b>150,8</b>	<b>207,5</b>	37,6%
<i>Gross margin</i>	33,7%	39,2%	
<b>Operating Revenues (Expenses)</b>			
Selling expenses	(43,0)	(49,0)	14,0%
General and Administrative expenses	(31,2)	(39,7)	27,2%
Other operating income (expenses)	(8,4)	(16,4)	95,2%
Equity pickup	(0,4)	(1,0)	150,0%
<b>Income before finance income (costs)</b>	<b>67,8</b>	<b>101,4</b>	49,6%
<b>Operating margin</b>	15,2%	19,2%	
<b>Finance Result</b>			
Financial Revenues	33,4	46,5	39,2%
Financial Expenses	(118,2)	(65,4)	-44,7%
<b>Income (loss) before income taxes</b>	<b>(17,0)</b>	<b>82,5</b>	n.a.
<b>Income and social contribution taxes</b>	<b>7,9</b>	<b>(22,9)</b>	n.a.
<b>Net income (loss) for the period after taxes</b>	<b>(9,1)</b>	<b>59,6</b>	n.a.
<b>Net income from discontinued operations</b>	<b>(7,4)</b>	<b>0,0</b>	-100,0%
<b>Net income (loss) for the period</b>	<b>(16,5)</b>	<b>59,6</b>	n.a.
<b>Income (loss) attributable to:</b>			
Controlling interest	(18,1)	59,4	n.a.
Noncontrolling interest	1,6	0,2	-87,5%

EBITDA Reconciliation (R\$ million)			
<b>Net Income (loss)</b>	<b>(18,1)</b>	<b>59,4</b>	n.a.
Normalization: OPEX	0,0	5,6	n.a.
<b>Normalized Net Income (loss)</b>	<b>(18,1)</b>	<b>65,0</b>	n.a.
(+) Noncontrolling interest	1,6	0,2	-87,5%
(+) Income tax and social contribution	(7,9)	22,9	n.a.
(+) Financial revenues / (expenses)	84,8	18,9	-77,7%
(+) Depreciation and amortization	22,6	24,8	9,8%
(+) Others (income) operating expenses	8,3	16,4	97,6%
(+/-) Equity pickup - Minority	0,4	1,0	150,0%
(+/-) Result of discontinued operations	7,4	0,0	-100,0%
<b>Normalized EBITDA</b>	<b>99,1</b>	<b>149,2</b>	50,6%
<i>Normalized EBITDA Margin</i>	22,1%	28,2%	

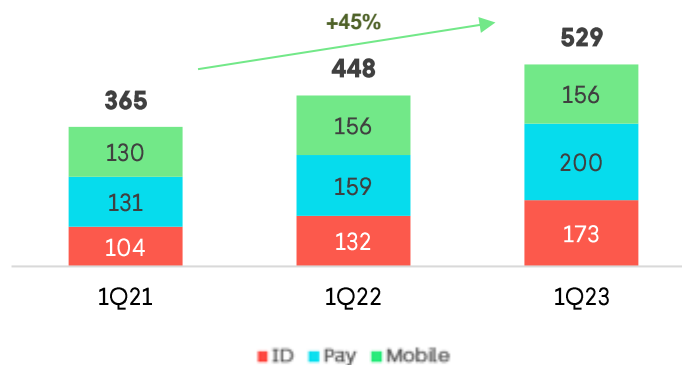
### \*Breakdown of Other Non-Operating Revenues/Expenses

Other Non-Operating Income and Expenses	1Q22	1Q23	Var. %
Brazil <sup>1</sup>	(5.043)	(9.372)	85,8%
Foreign	(3.313)	(7.020)	111,9%
<b>Total Other Non-Operating Income and Expenses</b>	<b>(8.356)</b>	<b>(16.392)</b>	<b>96,2%</b>

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

## NET REVENUE

Total Net Revenue reached R\$529 million in 1Q23, up by 18% over 1Q22, due to growths of 31% in Valid ID and of 26% in Valid Pay.

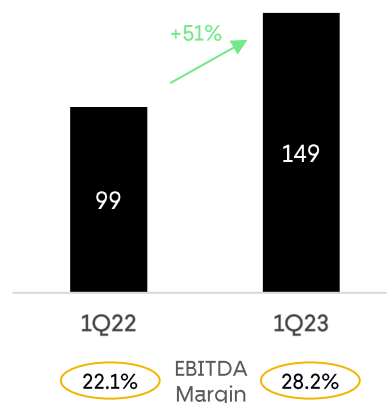


## OPEX AND EBITDA

Valid’s consolidated OPEX totaled R\$380 million in the quarter, up by 9.1% YOY. The Revenue growth – which is significantly higher than the growth in operating costs – shows the efforts Valid made to pursue greater operational efficiency.

As a result, the Normalized EBITDA totaled R\$149 million in the quarter (+51% YOY). The EBITDA margin reached 28.2% (+6.0 p.p. YOY), an all-time high in the Company’s history.

Normalized EBITDA (R\$ Million)



### NET INCOME

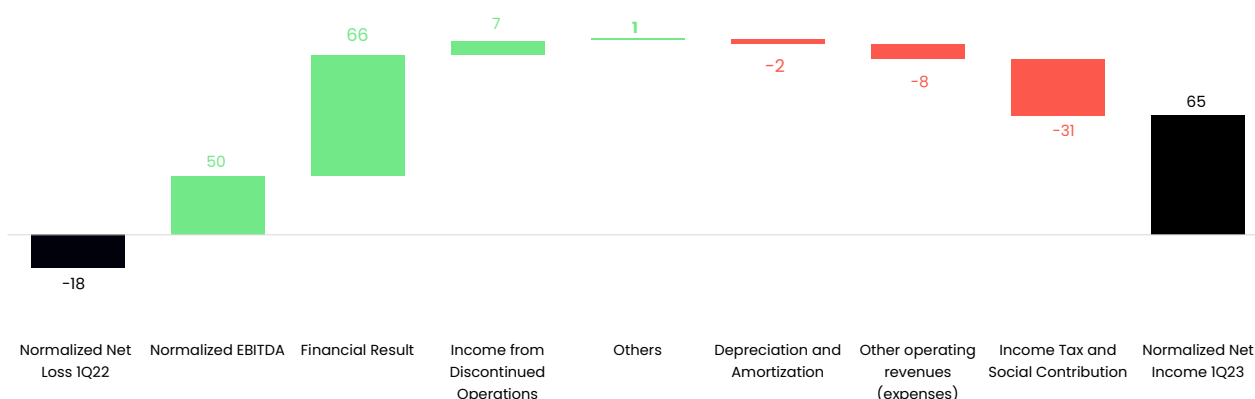
In 1Q23, the Company's Normalized Net Income was R\$65 million versus a loss of R\$18 million in 1Q22, mainly due to a strong EBITDA in 1Q23 and the non-recurring items accounted in 2022, such as: the sale of the operation in the U.S, lower currency variations linked to loans that were almost fully written off and the prepayment of the 8th issue of debentures.

In the last 12 months, Normalized Net Income reaches R\$ 92 million, a level close to that achieved in the company's best years.

Net Income (R\$ Million)			
	1Q22	1Q23	Var. %
<b>Normalized EBITDA</b>	<b>99,1</b>	<b>149,2</b>	50,6%
<i>Normalized EBITDA Margin</i>	22,1%	28,2%	
(+) Other (revenues) Operating expenses	(8,3)	(16,4)	97,6%
(+/-) Equity	(0,4)	(1,0)	150,0%
(+) Non-Controlling Shares	(1,6)	(0,2)	-87,5%
(+) Income tax and social contribution	7,9	(22,9)	n.a.
(+) Financial expenses/(income)	(84,8)	(18,9)	-77,7%
(+) Depreciation and amortization	(22,6)	(24,8)	9,8%
(+) Result of discontinued operations	(7,4)	0,0	n.a.
<b>Normalized Net Profit (Loss)</b>	<b>(18,1)</b>	<b>65,0</b>	n.a.

When we compare the Net Loss in 1Q22 with the Profit achieved in 1Q23, we can notice positive contributions both in EBITDA growth and in the expressive improvement of the Financial Result. The negative contribution came from taxes, due to a better operating result.

**Bridge Net Profit (Loss) 1Q22 > 1Q23**

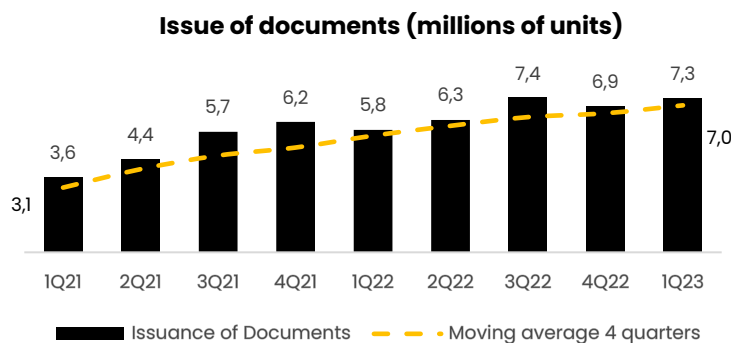




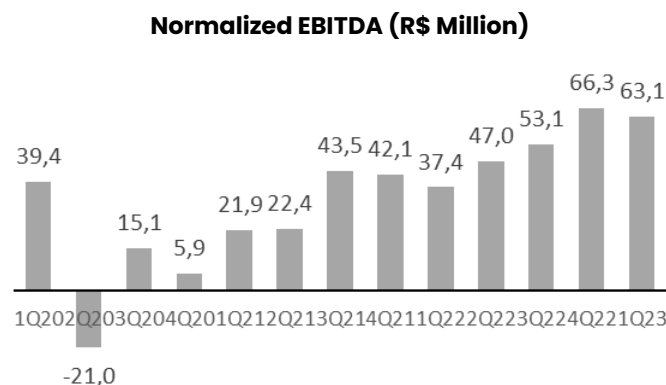
R\$ million	1Q22	1Q23	Chg.%	4Q22	Chg.%
Net Revenue	132,3	173,1	30,9%	171,4	1,0%
EBITDA	37,4	63,1	68,9%	66,3	-4,9%
EBITDA Margin	28,3%	36,5%	8,2 p.p.	38,7%	-2,2 p.p.
OPEX	94,9	110,0	15,9%	105,1	4,7%
Volume of Documents (millions)	5,8	7,3	26,0%	6,9	5,9%

Valid's Revenue from the Identification (ID) solutions totaled R\$173 million in 1Q23, up by 31% YOY.

In 1Q23, the issue of documents accounted for one of the highest volumes in the Company's history, reaching 7.3 million units, with the month of March standing out. The total issue of documents in the quarter represents a 26% increase compared to 1Q22.



OPEX totaled R\$110 million in 1Q23, up by 16% over 1Q22. Normalized EBITDA reached R\$63 million in 1Q23 (+69% YOY). The EBITDA Margin ended 1Q23 at 36.5% (+8.2 p.p. YOY).

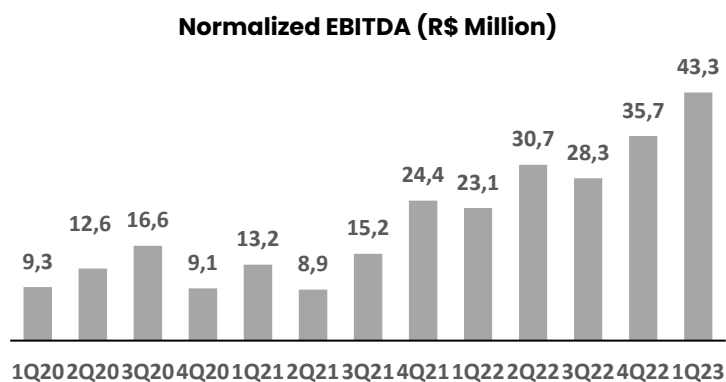


R\$ million	1Q22	1Q23	Chg.%	4Q22	Chg.%
Net Revenue	159,2	200,4	25,9%	186,2	7,6%
EBITDA	23,1	43,3	87,1%	35,7	21,2%
EBITDA Margin	14,5%	21,6%	7,1 p.p.	19,2%	2,4 p.p.
OPEX	136,0	157,1	15,5%	150,5	4,4%
Volume of Cards BR (millions)	20,4	17,6	-13,7%	16,9	3,9%

In the payments vertical (Pay), Valid's Revenue totaled R\$200 million in 1Q23, growths of 26% YOY and 7.6% QOQ.

Despite the lower volume of cards, the Company recorded increased sales volume and operating results. Part of the growth in sales was driven by the Argentine market, which is experiencing an economically adverse scenario that generates short-term opportunities. We do not believe these opportunities will be sustainable in the long run. Sales in Argentina grew by 77% compared to 1Q22.

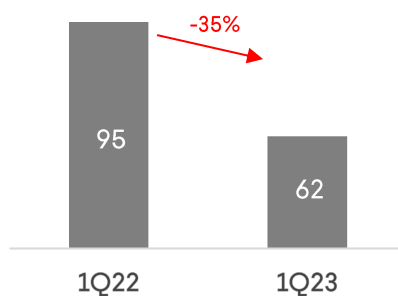
The OPEX of the Pay vertical increased by 15.5% YOY, lower than the increase reported in terms of revenue, which is mainly influenced by the good Argentine market and the operational improvement initiatives implemented in Brazil. The segment's EBITDA closed 1Q23 at R\$43 million (+87% YOY). The EBITDA margin was 21.6% (+7.1 p.p.) in the quarter.



R\$ million	1Q22	1Q23	Chg.%	4Q22	Chg.%
Net Revenue	156,1	155,8	-0,2%	121,0	28,8%
EBITDA	38,6	42,8	11,0%	26,7	60,6%
EBITDA Margin	24,7%	27,5%	2,8 p.p.	22,0%	5,4 p.p.
OPEX	117,5	113,0	-3,9%	94,3	19,8%

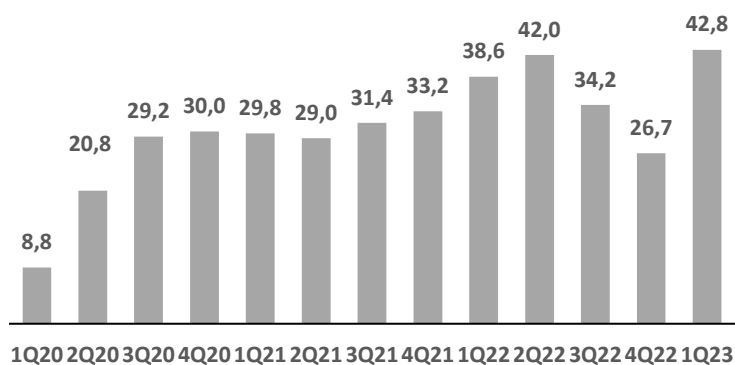
Revenue from Mobile operations totaled R\$156 million in 1Q23, flat YOY but 29% higher than the 4Q22. Even in a scenario of lower sales volume, this vertical has been maintaining margins between 20% and 30% for 11 consecutive quarters.

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



OPEX from Mobile operations dropped by 3.9% YOY, leading to EBITDA increase of 11% in the quarter, totaling an all-time high quarterly result of R\$42.8 million. Chip shortages, the focus on supplier partnerships and the careful sales analysis have enabled Valid to improve its mix of products. We reached EBITDA margin of 27.5% in the quarter, up by 2.8 p.p. compared to the first quarter of 2021.

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



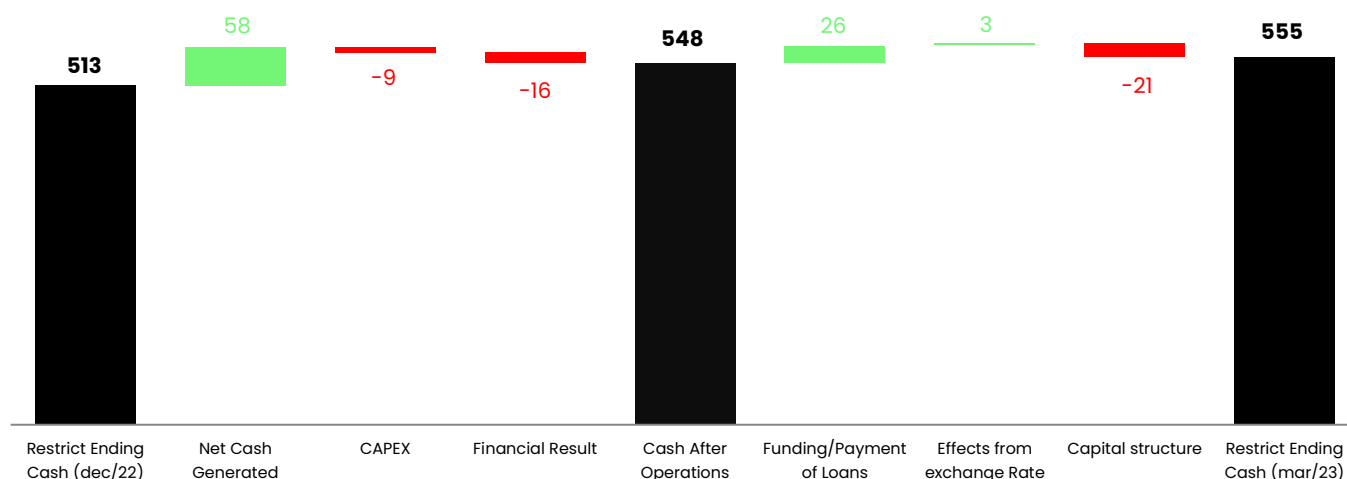
Operating Cash Generation was R\$58 million in the quarter. Despite of the high EBITDA in the quarter we had a negative impact on working capital accounts, mainly on building up inventories in preparation for the rest of the year.

The quarter was marked by a controlled CAPEX, the raising of US\$8 million with HSBC at Valid USA, and the payment of R\$21 million in Interest on Equity (IoE) for the 2022 fiscal year. We also reduced financial expenses (ex-exchange) in the quarter by around 35% when compared to 1Q22.

The main changes in the financing activities in 1Q23 are as follows:

- Loans: R\$41.3 million;
- Debt amortization: R\$15.6 million;
- CAPEX: R\$8.5 million;
- Payment of Interest on Equity: R\$21 million; and
- Payment of interest on financing, loans, and debentures: R\$15.6 million.

R\$ million

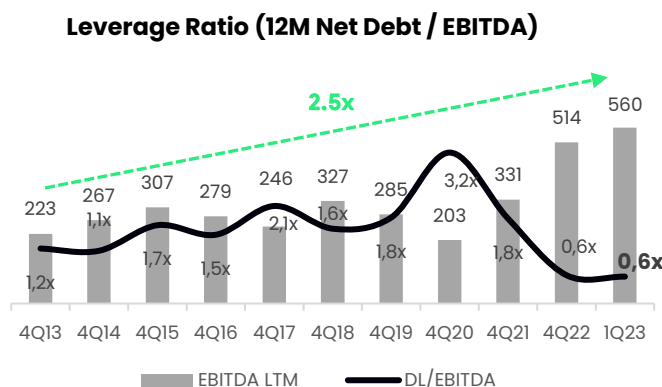


Note: Operating Cash Generation: EBITDA - Taxes on Results - Working Capital

## LOANS AND FINANCING

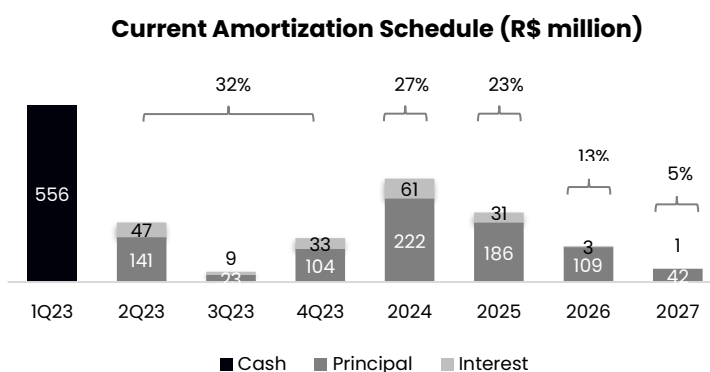
Thanks to the constant improvement of its operational results, Valid has quarter by quarter been improving its leverage ratio, maintaining its Net Debt/EBITDA ratio at 0.6x in 1Q23 – the lowest level in the Company’s history.

This quarter, to show the focus of Management on balancing liabilities and always seeking new market opportunities, we issued a new debt at Valid USA with HSBC in the amount of US\$8 million, at the rate of post-SOFR+2.5%. In April, we concluded a new bilateral transaction at Valid Espanha, in the amount of €4 million, with Banco Itaú, to meet upcoming principal payments in Spain.



The cash position at the end of the quarter, BRL 556 million, is sufficient to settle all obligations until late 2023, with 33% of the 2023 maturities referring to the 7th debenture issue.

The debt is currently composed of 38% in the short term and 62% in the long term, and the amount pegged to BRL accounts for around 69% of the total. The consolidated debt amortization schedule and the debt position in BRL and USD as of March 31, 2023 are as follows.



Brazil Debt	R\$ 606
International Debt	R\$ 271
Total	R\$ 877
%BR	69%

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

#### DEBT PROFILE

Gross Debt (R\$ MM)	<b>R\$ 877</b>
Cash <sup>1</sup> (R\$ MM)	<b>R\$ 555</b>
Net Debt (R\$ MM)	<b>R\$ 321</b>

#### 2Q21 FINANCIAL COVENANTS

Net Debt/EBITDA	<b>0,6</b>
EBITDA/Financial Expenses	<b>5,0</b>

#### TARGET COVENANTS

Net Debt/EBITDA	<b>≤ 3,00</b>
EBITDA/Financial Expenses	<b>&gt; 1,75</b>

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

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

### Debentures

Debentures	7th Issuance	9th Issuance
Approval of public offering	Meeting of the Board of Directors on 05/21/2018	Board of Directors Meeting 04/19/2022
Total Value	360,000,000	250,000,000
Maturity	06/30/2023	06/20/2027
Remuneration	115.0% of the average Accumulated DI Rate	CDI + 3.0%
Guarantee	No real guarantee	Fiduciary Assignment of Linked Account
Amortization of principal	4 annual installments (From Jun/20)	Semiannual from Dec/24
Payment of interest	Semi-annual, from Dec/18	Semiannual from Dec/22
R\$ ('000)	BRL 94,373	BRL 257,795

### Loans and financing

Description	Loan	Loan	Loan	Loan	Loan
Recipient	Valid S.A.	Valid S/A	Valid S.A.	Valid S.A.	Valid S.A.
Total amount	BRL 90,000 thousand	BRL 33,333 thousand	BRL 26,666 thousand	BRL 100,000 thousand	BRL 30,000 thousand
Maturity	05/31/2026	02/14/2025	03/13/2025	03/30/2026	07/05/2026
Remuneration	CDI + 0.13% p.m.	CDI + 2.90% p.a.	CDI + 3.04% p.a.	CDI + 0.20% p.m.	CDI + 2.17% p.a.
Guarantee	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.
Amortization of principal	Grace period of 9 months (monthly from March 2023)	Monthly from 03/14/2023	Grace period of 10 months (Bimonthly from January 23, 2023)	Grace period of 4 months (Bimonthly from August 2022)	Grace period of 12 months (monthly from August 2023)
Payment of interest	Grace period of 9 months (monthly from March/23)	Monthly (12 months) and Quarterly (after grace period)	Quarterly (as of July 12, 2021)	Grace period of 4 months (Bimonthly from August 2022)	Grace period of 12 months (monthly from August 2023)
	BRL 85,953	BRL 31,577	BRL 24,502	BRL 81,533	BRL 29,831

Description	Loan	Loan	Loan
Recipient	Valid Espanha	Valid Espanha	Valid USA
Total amount (000)	EUR 4,200	US\$ 10,000	US\$ 8,000
Maturity	10/06/23	12/09/24	03/16/24
Remuneration	5.99% p.a.	7.72% p.a.	SOFR + 2.5% p.a.
Guarantee	Valid S.A.	Valid S.A.	Valid S.A.
Amortization of principal	Bullet in Oct/2023	Semi-annual, from Dec/2023	Bullet
Payment of interest	Semi-annual, from Apr/2023	Semi-annual, from Jan/2023	Monthly
Currency of the country of origin ('000)	EUR\$4,305	US\$9,401	US\$8,025
R\$ ('000)	BRL 23,785	BRL 51,604	BRL 40,771

Description	Loan	Loan	Loan	Loan
Recipient	Valid Espanha	Valid Espanha	Valid Espanha	Valid Espanha
Total amount	EUR 13,000	US\$38,888	USD 7,142	EUR\$4,400
Maturity	04/14/2025	04/22/2025	05/05/2025	04/14/2025
Remuneration	4,7% p.a.	6.95% p.a.	6.90% p.a.	4.70% p.a.
Guarantee	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.
Amortization of principal	Bullet in April/2022	Semi-annual (from May/2021)	Semiannual (as of November 22)	Semiannual (from October 2022)
Payment of interest	Annual (from May/2020)	Semi-annual (from Nov/2020)	Semiannual (as of November 22)	Semiannual (from October 2022)
Currency of the country of origin ('000)	EUR11,321	US\$8,082	US\$6,081	EUR\$3,722
R\$ ('000)	BRL 62,542	BRL 41,064	BRL 30,896	BRL 20,566

## DIVIDENDS AND INTEREST ON EQUITY

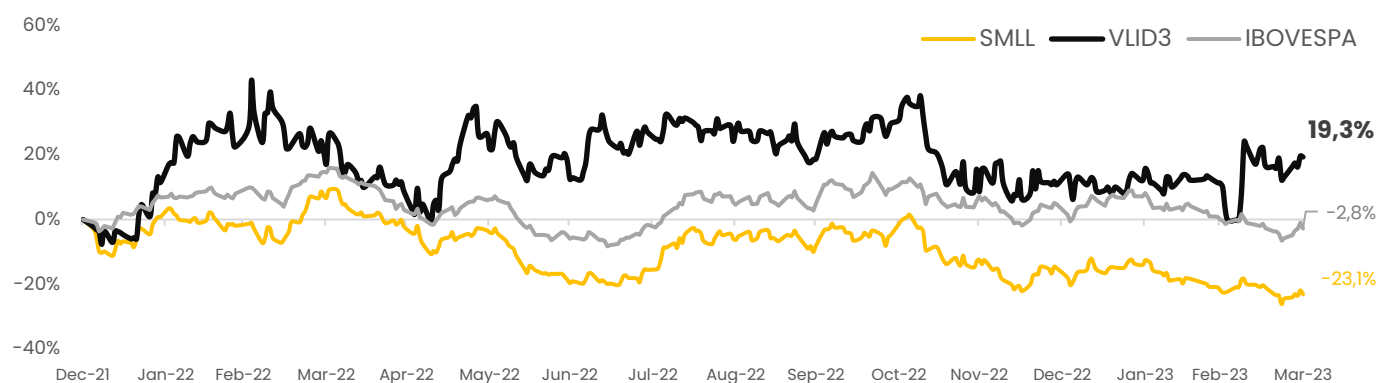
The table below shows the last payments made by Valid in the form of Dividends and IoE:

EVENT	DATE	YEAR	SHAREHOLDING POSITION DATE	PAYMENT DATE	GROSS AMOUNT PER SHARE R\$	GROSS AMOUNT R\$
Dividends	11/08/2017	2017	11/14/2017	11/24/2017	0,200000	14.102.535,00
Dividends	04/26/2018	2017	04/26/2018	05/18/2018	0,150213	10.576.901,25
Interest on Equity	09/21/2018	2018	09/26/2018	10/11/2018	0,235290	16.565.774,59
Interest on Equity	12/11/2018	2018	12/14/2018	01/10/2019	0,588230	41.414.436,47
Interest on Equity	11/11/2019	2019	11/14/2019	01/03/2020	0,350000	24.606.589,70
Interest on Equity	11/11/2019	2019	11/14/2019	12/10/2020	0,350000	24.606.589,70
Interest on Equity	12/29/2021	2021	01/05/2022	01/31/2022	0,290354	23.145.000,00
Interest on Equity	12/29/2022	2022	01/05/2023	01/31/2023	0,263031	20.999.926,96
Interest on Equity*	05/09/2023	1Q23	05/15/2023	05/22/2023	0,180000	14.371.558,74

\*to be paid on May 22, 2023

## STOCK PERFORMANCE

Valid's shares (VLID3) have been listed on B3's Novo Mercado since April 2006. Our shares closed the quarter at R\$9.62, a QOQ increase of 7.7%. The average daily financial volume in the quarter was R\$2.6 million. The chart below shows the performance of Valid shares (VLID3) in late 2021 in comparison with the Ibovespa (IBOV) and SmallCap (SMLL) indices. In the period, Valid rose 19%, while the IBOV fell 3% and the SMLL fell 23%.







# Attachments



**Valid** Trust  
Powerhouse

### BALANCE SHEETS (In million of reais)

	Company		Consolidated	
	Dez 22	Mar 23	Dez 22	Mar 23
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	234,0	263,9	365,2	405,1
Trade accounts receivable	181,8	193,6	347,1	399,0
Receivables from related parties	19,0	13,1	-	-
Taxes recoverable	59,0	58,8	96,5	87,8
Inventories	174,4	200,1	344,2	362,3
linked financial application	19,6	21,8	19,6	21,8
Other assets	15,4	15,0	122,4	100,9
<b>Subtotal of current assets</b>	<b>703,2</b>	<b>766,3</b>	<b>1.295,0</b>	<b>1.376,9</b>
Assets available for sale	14,9	14,9	16,7	16,7
<b>Current assets</b>	<b>718,1</b>	<b>781,2</b>	<b>1.311,7</b>	<b>1.393,6</b>
<b>Noncurrent assents</b>				
<b>Long-term assets</b>	<b>367,1</b>	<b>322,0</b>	<b>365,8</b>	<b>366,1</b>
Marketable securities	11,9	13,7	11,9	13,7
Trade accounts receivable	3,8	3,8	3,8	6,9
Receivables from related parties	88,2	41,6	2,1	2,1
Judicial deposits	19,1	19,1	19,4	19,4
Taxes recoverable	84,0	86,0	83,9	86,0
Deferred income and social contribution taxes	22,0	19,8	103,9	98,1
linked financial application	128,4	128,4	128,4	128,4
Other accounts receivable	9,7	9,6	12,4	11,5
Investments	784,5	802,5	57,0	55,6
Property, plant and equipment	209,8	203,4	262,6	255,2
Intangible assets	39,7	38,9	666,2	647,5
	<b>1.401,1</b>	<b>1.366,8</b>	<b>1.351,6</b>	<b>1.324,4</b>
<b>Total Assets</b>	<b>2.119,2</b>	<b>2.148,0</b>	<b>2.663,3</b>	<b>2.718,0</b>
	Company		Consolidated	
	Dez 22	Mar23	Dez 22	Mar23
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Trade accounts payables	70,1	73,1	180,6	172,9
Obligations derived from purchases of goods and services	5,4	5,0	5,4	5,0
Payables to related parties	7,0	7,7	0,2	0,1
Loans, financing, debentures and leases payable	174,3	194,3	281,8	344,0
Payroll, provisions and social charge payable	59,4	47,5	96,8	90,6
Taxes, charges and contributions payable	27,5	34,2	55,7	55,0
Dividends and interests on equity payable	21,0	-	21,0	-
Advances from customers and other payables	4,8	6,3	60,7	68,9
	<b>369,5</b>	<b>368,1</b>	<b>702,2</b>	<b>736,5</b>
Discontinued operations	-	-	-	-
<b>Current liabilities</b>	<b>369,5</b>	<b>368,1</b>	<b>702,2</b>	<b>736,5</b>
<b>Noncurrent liabilities</b>				
Payables to related parties	2,1	2,2	2,2	2,2
Loans, financing, debentures and leases payable	448,1	424,3	585,3	558,4
Installment of tax debts	-	-	1,5	1,5
Provisions	56,4	67,5	66,1	72,1
Deferred income tax and social contribution	-	-	9,6	8,6
Taxes to be collected	1,4	1,4	1,4	1,4
Other accounts payable	6,3	5,5	22,3	21,2
	<b>514,3</b>	<b>500,9</b>	<b>688,4</b>	<b>665,4</b>
Discontinued operations	-	-	-	-
<b>Total liabilities</b>	<b>514,3</b>	<b>500,9</b>	<b>688,4</b>	<b>665,4</b>
<b>Equity</b>				
Capital	1.022,4	1.022,4	1.022,4	1.022,4
Capital reserves and treasury shares	(1,0)	(0,5)	(1,0)	(0,5)
Income reserves	38,7	41,2	38,7	41,2
Cumulative translation adjustments	175,3	156,5	175,3	156,5
Accumulated Profit/Loss	-	59,4	-	59,4
<b>Equity attributable to controlling shareholders</b>	<b>1.235,4</b>	<b>1.279,0</b>	<b>1.235,4</b>	<b>1.279,0</b>
Noncontrolling Interest	-	-	37,3	37,1
<b>Total equity</b>	<b>1.235,4</b>	<b>1.279,0</b>	<b>1.272,7</b>	<b>1.316,1</b>
<b>Total liabilities and equity</b>	<b>2.119,2</b>	<b>2.148,0</b>	<b>2.663,3</b>	<b>2.718,0</b>

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

	Company		Consolidated	
	1T22	1T23	1T22	1T23
<b>Revenue from sales and/or services</b>				
Revenue from sales and/or services	216,9	269,3	447,5	529,3
Costs of goods and/or services sold	(159,0)	(173,6)	(296,7)	(321,8)
<b>Gross profit</b>	<b>57,9</b>	<b>95,7</b>	<b>150,8</b>	<b>207,5</b>
Selling expenses	(12,3)	(16,1)	(43,0)	(49,0)
General and administrative expenses	(14,7)	(23,9)	(31,2)	(39,7)
Other operating expenses	(0,5)	(9,5)	(8,4)	(16,4)
Equity pickup	19,6	33,8	(0,4)	(1,0)
<b>Income before finance income (costs)</b>	<b>50,0</b>	<b>80,0</b>	<b>67,8</b>	<b>101,4</b>
Finance income	17,5	16,5	33,4	46,5
Finance costs	(95,3)	(29,4)	(118,2)	(65,4)
<b>Income (loss) before income taxes</b>	<b>(27,8)</b>	<b>67,1</b>	<b>(17,0)</b>	<b>82,5</b>
Current income tax and social contribution taxes	(0,1)	(5,5)	(7,0)	(17,4)
Deferred income tax and social contribution taxes	17,2	(2,2)	14,9	(5,5)
<b>Result after tax on profit</b>	<b>(10,7)</b>	<b>59,4</b>	<b>(9,1)</b>	<b>59,6</b>
Reversal of interest on equity	-	-	-	-
<b>Net income from continuing operations</b>	<b>(10,7)</b>	<b>59,4</b>	<b>(9,1)</b>	<b>59,6</b>
Net income from discontinued operations	(7,4)	-	(7,4)	-
<b>Net (loss) income from discontinued operations</b>	<b>(7,4)</b>	<b>-</b>	<b>(7,4)</b>	<b>-</b>
<b>Net income for the period</b>	<b>(18,1)</b>	<b>59,4</b>	<b>(16,5)</b>	<b>59,6</b>
Controlling shareholders	(18,1)	59,4	(18,1)	59,4
Noncontrolling Interest	-	-	1,6	0,2
Number of shares	79,2	79,8	79,2	79,8
Earnings per basic and diluted share (R\$ )	(0,2)	0,7	(0,2)	0,7
Earnings per share of Op. continued	0,0	0,0	0,0	0,0
Earnings per share of Op. discontinued	0,0	0,0	0,0	0,0

# 1Q23 CASH FLOW STATEMENT

1Q23 Results

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

	Company		Consolidated	
	1T22	1T23	1T22	1T23
Earnings before taxes on earnings from continuing operations	(27,8)	67,1	(17,0)	82,5
Earnings before taxes on profit from discontinued operations	(7,4)	-	(7,4)	-
<b>Cash from operations</b>	<b>48,8</b>	<b>82,8</b>	<b>111,1</b>	<b>156,8</b>
Profit (loss) before income tax and social contribution	(35,2)	67,1	(24,4)	82,5
Income before income and social contribution taxes, Reconciliation of income before income and social contribution taxes with cash provided by operating activities				
Depreciation	7,8	9,8	22,0	14,2
asset write-off	(0,7)	0,2	4,1	0,2
Amortization	2,6	3,4	16,4	14,9
Fair value of the creative fund III	(0,5)	(1,2)	(0,5)	(1,2)
Restatement of judicial deposits	(0,5)	0,0	(0,5)	(0,1)
Stock options	0,9	0,4	0,9	0,4
Provisions for litigation and lawsuits	1,9	11,5	2,3	9,50
Provision for obsolescence of fixed assets	-	-	(0,3)	-
Allowance for doubtful accounts	0,3	3,9	1,4	3,4
Provision for stock obsolescence	-	-	(1,2)	0,2
Equity pickup	(12,2)	(33,8)	0,4	1,0
Interest expense on debentures and loans and financing exchange variation of loans	29,8	24,4	32,1	28,1
Interest, exchange variation and write-off of leases	-	-	0,5	(2,4)
Interest and exchange variation on loans	(0,2)	0,3	1,0	0,5
PIS and COFINS credits and ICMS financial updates	56,0	(2,1)	60,2	(1,0)
Other exchange variations	(0,2)	(1,2)	(0,5)	(1,2)
Others	(1,0)	-	(2,8)	7,8
	-	0,1	-	-
<b>Changes in assets and liabilities</b>	<b>6,2</b>	<b>(53,0)</b>	<b>(27,7)</b>	<b>(98,4)</b>
Account receivable	9,6	(15,7)	(34,5)	(62,2)
Taxes recoverable	(6,0)	(0,8)	(11,5)	4,6
Inventories	(13,2)	(25,6)	(6,3)	(26,6)
Judicial deposits	21,0	(0,1)	21,0	-
Other account receivables	(5,8)	0,3	(10,5)	13,1
Receivables from related parties	(0,5)	(1,6)	(1,6)	0,0
Trade accounts payable	(1,1)	-	(5,7)	(14,7)
Debt with related parties	4,2	0,7	-	-
Payroll, provisions and social charges payable	(6,6)	(11,8)	(7,9)	(5,2)
Taxes, charges and contributions payable	3,5	7,2	8,2	(1,4)
Advance from customers and other accounts payables	2,6	0,6	26,0	10,0
Payment of labor, civil and tax contingencies	(0,7)	(0,3)	(0,9)	(3,1)
Emaut payment	(0,8)	-	(0,8)	-
Payment of income and social contribution taxes	-	(5,9)	(3,2)	(12,9)
<b>Cash provided by (used in) operating activities</b>	<b>55,0</b>	<b>29,8</b>	<b>83,4</b>	<b>58,4</b>
<b>Cash flows from investing activities</b>				
Acquisition of PPE	(14,0)	(1,9)	(15,1)	(4,8)
Acquisition of intangible assets	(5,0)	(1,0)	(10,1)	(3,7)
capital increase in subsidiaries	(0,4)	(0,9)	-	-
Marketable securities	(0,8)	(0,5)	(0,8)	(0,5)
Acquisition of financeira vinculada	(4,9)	(2,2)	(4,9)	(2,2)
<b>Net cash provided by (used in) investing activities</b>	<b>(25,1)</b>	<b>(6,5)</b>	<b>(30,9)</b>	<b>(11,2)</b>
<b>Cash flows from financing activities</b>				
Receivables from related parties	(0,1)	56,3	-	-
Interest on equity paid net	(23,1)	(21,0)	(23,1)	(21,0)
Treasury shares	(8,1)	0,1	(8,1)	0,1
Issuance of shares in the parent company, net of transaction costs	4,3	-	4,3	-
Lease payment	(1,5)	(1,7)	(6,0)	(3,7)
Payment of interest leases	-	-	(1,1)	-
Payment of debentures	(2,7)	-	(2,7)	-
Payment of interest on debentures	(0,9)	-	(0,9)	-
Loans	99,9	-	131,9	41,3
Payment of loans	(79,8)	(15,5)	(111,1)	(15,6)
Payment of interest on loans	(6,9)	(11,6)	(8,1)	(11,4)
<b>Cash provided financing activities</b>	<b>(18,9)</b>	<b>6,6</b>	<b>(24,9)</b>	<b>(10,3)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>11,0</b>	<b>29,9</b>	<b>27,6</b>	<b>36,9</b>
<b>Cash balances and cash equivalents</b>				
Cash and cash equivalents at the beginning of the period	206,5	234,0	390,0	365,1
Effect of changes in exchange rates on cash and cash equivalents held in foreign currency	-	-	(24,9)	3,0
Cash and cash equivalents at the end of the year	217,5	263,9	392,7	405,0
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>11,0</b>	<b>29,9</b>	<b>27,6</b>	<b>36,9</b>

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**IVAN MURIAS**

Chief Executive Officer

**RENATO TYSZLER**

Chief Financial and Investor Relations Officer

**OLAVO VAZ**

Head of Corporate Finance

Olavo.vaz@valid.com

**JULIA ARAUJO**

Corporate Finance and IR Supervisor

Julia.araujo@valid.com

**PAULO VITOR LIMA**

IR Analyst

Paulo.mlima@valid.com

**ANGELA BARBATTI**

IR Intern

Angela.barbatti@valid.com

**valid.com**

ri.valid.com