

Lucas Miyasaka:

Good morning. Welcome to Valid's Earnings Call. Before the Company's presentation, I have a few announcements.

This call is being recorded and all participants will be in a listen-only mode during the Company's transmission. If you are interested, this presentation is also available with simultaneous translation into English. The slide presentation is available on our IR website, where the replay will be available right after the call.

After the Company's remarks, we will open the floor for questions. You can submit your questions as of now and at any moment during the transmission. Any forward-looking statements that may be made during this earnings call relative to the Company's business prospects, projections, and operational and financial targets are based on beliefs and premises of the Company's management as well as information currently available to the Company.

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Today we have Ilson Bressan, CEO, and Olavo Vaz, CFO and IR Director. To start their presentation, Olavo Bressan, please, I turn the floor to you now.

Ilson Bressan:

Thank you, Lucas. Good morning. Good morning to everyone joining us, and especially to our shareholder base. I am Ilson Bressan, CEO, and Olavo, the CFO, is here with me. And we will go over a few topics in this earnings call. And we will start with the highlights of 2025.

In 2025, we really focused on the growth of our new businesses and a sustainable revenue matrix and a record-breaking payout to our shareholders. And we were still able to generate a very solid position with our net cash.

Now, looking at the greatest highlights of the year, we see that digital businesses have been growing consistently, we have an increase of 27%, and they now represent almost a quarter of our revenue mix, 23%.

We also had record-breaking results in the issuance of documents, and the National Identity Card is a very solid product line which helped expand internal investments and also helped us reach the record-breaking distribution to our shareholder last year. We had more than R\$202 million in distribution to our shareholders and R\$34 million in share buyback, about 12% yield.

Now, looking at the 2025 results, we need to understand this model where digital is gaining a lot of traction, and mature businesses also help support this evolution, both to our shareholders and our internal investments.

And that is why I want to show you this framework about how we are seeing the Company's management and how we are managing all our businesses in all the markets where we operate. You all know that we operate in three large markets, digital government, banks and payments, and secure connectivity. But we are looking at the framework in two ways.

We have very foundational businesses that we call our priority or our first engine of revenue generation. We are a leading company in the issuance of official documents in Brazil and Argentina. We are leaders in the issuance of credit cards for banks, and we are one of the four largest global players in secure connectivity and telecom.

This is our business foundation, our historical businesses that ensure a good relationship with our client base, a long-lasting relationship with our client base. And this allows us to be able to fund evolution of our engine 2, which is our digital growth engine, focusing on three main pillars. Digital government, which represents the evolution of the relationship between the state, the government and the citizens.

An integrated digital security platform, which was a very important thing for us when we were discussing our organic investments in 25 and this expands to 26, which consolidates Valid as an identity-first company. And what does this mean? This means that in the digital world where we live in today, in order to ensure secure transactions, society needs a secure infrastructure.

Identity is our security perimeter whenever we need to make a transaction. So whoever controls the onboarding, the identity, and the sequence of the behavior of individuals within the digital environment have all the conditions to provide a secure infrastructure to all the markets where we operate, either government, banks and payments, or secure connectivity.

So our integrated digital security platform is our greatest bet under one of those three lines of digital business, which are under our second engine, digital and growth, which is also complemented by the digital mobile area with the same SNS and OEM. So this is how we are going to frame our conversation today, looking at the behavior of our revenue, EBITDA, and all other financial indicators.

Now let's move on to the year's result. Our topline shows stability. Our revenue was R\$2,063 billion in 2025 compared with 2024, R\$2,171 billion, so there was a small drop of 5%. And the first explanation for this drop was Payments. And there are two other verticals, ID and Telecom, with very solid growth.

So let's zoom in on our revenue last year. ID had a 17% growth year over year, primarily driven by a 22% increase in the volume. And this consolidated product line that we are showing to you, with the national identity card only, we had nearly 18 million documents issued. This is an absolute record. The last quarter was an outlier in terms of volume.

So this is what helped us achieve this record EBITDA. And within the ID vertical, this helped us with the shareholder payout and our new investments.

In Mobile, we had an increase of 9% year over year. We went from 538 to 585. We had a 6% increase year over year in our engine 1, the SIM cards, our most traditional and more mature businesses. But we also had a 28% increase in Digital Mobile.

And within Mobile and Digital only, we reached 92 million. The behavior here of Digital Mobile is very similar to our engine 1 when we compare it with engine 2. In engine 2, we had a 27% increase in Digital. In Mobile, we see the same behavior.

Payments was the largest drop of the year. We saw a large decline. And the main reason for this reduction, comparing 2025 with 2024, is Argentina with R\$185 million loss at the topline, particularly in credit cards. Brazil also saw a slight decline by R\$57 million. And this is what we should expect for the upcoming year, it is a very similar level of what we saw in 2025.

And what limited this reduction even with the great drop in Pay? Because in our consolidated numbers, we saw a major increase in our new businesses. We went from 216 to 330 million. So, the new businesses, which are part of engine 2 and our digital revenues, helped us balance and offset and this resulted in just a minor revenue reduction overall for 2025.

Now, looking at our EBITDA, we see a similar dynamic. We had an increase both for the vertical and also for Identity and Digital Government, 263 to 310 million when we compare 2025 to 2024. And in Mobile, 99 to 108.

The drop in Pay is, again, seen here as well as in the topline and this is what explains the reduction in our EBITDA, from 2024 to 2025, but two of our verticals are very well positioned.

Now, zooming in on this business front, which are the new businesses since 2022, which helped smoothen our drop, we see here a consistent growth quarter over quarter last year and also in the past few years and our result was 330 million for new businesses.

Here, broken down in three groups, the Integrated Digital Security Platform, Digital Government, and Mobile. From 2022 to 2025, we had a very solid growth and we expect this business to keep growing in the future, driving our engine 2, which is digital and growth.

Here, we have a more detailed explanation of the revenues that represent the foundation of the basis of the businesses that we have. Last year, they closed in R\$1,6 billion. You can see on the bottom here on this chart. And there was a decline.

We know that we have mature businesses but over time they lose traction. However, they follow this basic principle and a very high basic level of quality, so, you see that issuance of documents have very good traction in engine 2.

So, considering the behavior of businesses in engine 1, we have some that show the decline, but we also have businesses that are growing and have the possibility to grow more and this engine that establishes long-lasting relationship with our clients, high profitability, and really helps us boost our engine 2, which is the growth of our digital revenues as shown on the top chart here.

So, we had a 10% drop in mature businesses, but a 27% increase in newer businesses, from R\$371 million in 2024 to R\$472 million in 2025. This was the 27% increase I was talking about.

Now, the concept over which we are reflecting, when we talk about digital and growth, is that our products are by design scalable and allow us to have recurrent revenue and give us the capacity to grow. They are conceived from scratch with this global view, because the nature of a digital business is that it allows us to think globally when designing it. So, the solution we are starting to create today in Brazil in the coming years, could be scaled up to other countries, other 15 countries where we operate.

And we expect that in the upcoming years, we will see very consistent growth in these businesses, because we are looking at a market size that is much larger than the market of our more mature businesses.

Now, let me explain what went well and what did not go well last year, looking at these two pillars of revenue and result generation in the Company. In our more mature businesses, our engine 1, our foundation of businesses and our more mature products with a longer lasting relationship with our clients, more mature products, one thing that worked really well is the operational efficiency that we have in ID.

We had record-breaking results under this ecosystem, reaching R\$310 million in EBITDA. And the greatest driver for this growth was the increase volume for the national identity card. And remember that only 20% of the Brazilian population already has their identity card, the new identity card, and we still have 80% of the population to go. They still need to issue the new document.

So, this points to a very solid growth in this revenue line in the coming years. This will continue to generate a lot of resources and stable contracts that really help us fund the engine 2 on the right side of the chart.

And for some of the contracts, we were already renewed as suppliers, which allows for even longer terms, even longer contracts. The law provided for five-year contracts, and the new bidding contracts can be extended up to 10 years. So, the beauty of the left side here, engine 1, and this line of products is that we have very predictable revenues with a long relationship established with the clients, with a level of operational efficiency and service provision level, which are very strong, very high.

What was the challenging part of our mature businesses last year? It was the drop in credit cards. And here we need to recognize that this is a quite mature market that will not continue to grow at the same pace in the coming years, and our focus as managers is to prevent it from consuming the resources of the Company.

So, while it is still healthy and generating cash, it will be very relevant for us as a business line in the Company. When this is not the case, we will find other solutions for the credit card business.

Now, looking at bank cards and the drop that we had in our pay ecosystem of more than R\$300 million last year, Argentina was the main factor. And why? Because the behavior of the

Argentinian market right now, after a period of very high inflation rates and the foreign exchange adjustments that the government made, the market is now readjusting and the levels of demand are much lower than what we saw in the past.

Another important challenge for which we already saw some effects last year, but we still run the risk of seeing some effects later this year, is the provisional measure 1323 about the Brazilian driver's license, which could reduce the provisions for the driver's license, and it should be approved by May this year.

We are monitoring this closely, and as soon as we have news, we will share with you, but this is one of the concerns that we have. Considering our relationship with the government, sometimes there will be some frameworks that will boost our business, such as the issuance of the CIN or the new identity card, and there are times where we will have to face negative or headwinds in terms of the measures approved.

As opportunities in our mature businesses, we have the new contracts that were signed, the bids that we won for professional counsel identity cards. So even within our mature revenues engine, we can continue to see growth, particularly for these contracts that are longer lasting as the law allows.

Now let's look at engine 2, what worked well and what has room for improvement. So digital businesses from which we expect greater growth looking forward. What really worked in 2025 was the growth in new businesses. All of them had strong growth in the year-over-year comparisons, and this allowed us to record a total revenue of nearly 1/4 of the total revenue of the Company, and this used to be less than 10% two years ago. So this is an important front.

Another important front is that our Digital Mobile portfolio is consolidating around the world. We were able to complete the technological transition from the physical SIM card to a model of software and services for e-SIMs, and particularly for OEM, in such a way that we are now recognized as pacesetters, pacesetters in secure technology connectivity by Counterpoint, which is a reference institution in terms of ranking of leading companies in technology.

And we are now using the Digital Mobile portfolio as a part of our integrated secure, the Digital Security Platform, which gives us a competitive edge by connecting our competencies in secure connectivity, biometry, and integrate this within our platform. So this worked really well last year.

Internally, we saw very strong advancements in terms of improvements in our product portfolio, expansion of our technology in product teams. So this is certainly a success factor that we saw last year.

Also in Digital, we implemented the Digital Water Stamp in Sao Paulo for trackability of water bottles that are consumed every day throughout the state. This was a very relevant growth. It doubles the results in a very short term. So the volume we have in water will help make these digital areas more and more solid over time in our Company.

What is the challenge that we have in engine 2 in digital growth? We have to go back to provisional measure 1327. One of our initiatives, Vsoft, has about half of their businesses focusing on CFCs and offering products for theoretical and hands-on classes.

So this reduces the number of classes required to issue a driver's license. So it is very important to share with you that we are facing this challenge. We are already implementing some activities towards reducing costs for this business front, and this will reduce our growth pace in this part of their digital business, which is traffic solutions. So this is a challenge that started last year and we will continue to face this year.

And the integrated platform is a very important theme here. We have a better team now. Our team is larger and better. And the mindset of connectivity between all our businesses is creating the foundation so that we can have an integrated platform that puts everything that we do well, secure connectivity, biometry, and payment in one single platform that will now be offered to the market, particularly the private market, where we have important room to grow. So trust in the private market.

Also, in Digital Government, we are launching new solutions focusing on improving interoperability and artificial intelligence. So this is a summary of what worked really well, our challenges, and the opportunities that the executives and all the companies are committing to making happen.

Now, I would like to turn the floor to Olavo. He is going to give you more details about our net income, cash generation, and leverage. And then I will come back and talk about the framework for 2026 and the priorities of our executives.

Olavo Vaz:

Thank you, Bressan. As you heard from Bressan, I will go over an important pillar for us, financial resilience that we have been showing in Valid for the past few years. So looking at our net income, you see that on the top, we have our quarterly results, and on the bottom, the consolidated for the full year.

In 4Q last year, we had an EBITDA of R\$121 million and a net income of R\$88 million, which represents a 17% margin and a more than 40% increase year over year, and also the best quarterly net income that we had in 2025.

Now, when we look at the components going from EBITDA to net income, I can move now to the bottom of the chart, because it is a very similar pattern, what we saw in 4Q and what happened in the rest of the year. So for the EBITDA, we have a negative financial result, and most of this result comes from non-cash effects, closely related to currency, because we operate in different countries. We also have a standard of amortization and depreciation of about 29 or 30 per quarter, or 108 in the full year.

The next component and a very important item in 2025, we had tax credits. This work was very well done by our tax team so that we could get positive effects, particularly for JCP. And also, there is a miscellaneous of other items here involving payments for acquisitions,

reorganizations, which led us to a net income of about R\$270 million in the full year, which represents a decline compared with 2024.

But it is important to highlight that in 2024, we had the one-off effect of the sale of Cubic, of more or less R\$100 million, if we exclude this, the result for 2025 will be very similar to that of 2024, with a margin of around 13%, a profit per share of R\$3.43.

Now, moving on to our cash generation, the same dynamics. And I will focus here on the bottom part of the chart. For the third consecutive year, we were able to close the year with a conversion of cash EBITDA. Highlight to the last year, we had cash conversion of more than 100% or 111% of our EBITDA. And this engine, or like you heard from Bressan, the Company's capacity to convert accounting results into cash will favor our investments and the payout to our shareholders.

So, on top of this cash generation, we invested in new businesses. We invested in the water program. We also saved part of the resources for maintenance of our parks.

Also, in 2025, particularly at the start of the year, we increased our participation in some companies where we already had a stake, Vsoft and Mitra. We had negative financial results due to financial expenses related to that. And in the last part of the chart, we see an increase in our debt. We raised some funds at the end of the year. I will give you more details later. And also, large volumes of dividend payout and share buyback, closing the year at R\$852 million in cash. I will talk more about liquidity shortly.

One important component of our cash generation that we really focus on in our calls is our working capital. Here, we can see the three most relevant accounts, receivables, inventory, and payables. I will not go over the variations quarter after quarter, but it is important to see that we can keep a certain level of stability. And we have been really striving to improve our stocks.

Stocks here are very associated with the Payment vertical and since we know that the year starts lower, and that is for last year, but the year started slower than we were expecting last year. So, we worked really hard and we were able to lower our stocks in more than R\$30 million during the year. So, accounts receivable, we had a nominal improvement also in stocks. And in accounts payable, the results are very in line, very much in line.

So, considering the level the Company is at today, we are not going to see major gains or losses in our working capital, but it is very important to be able to sustain the adequate levels with the operations that we have.

I will return here briefly to the issue of liquidity. So, on the left we show how our net debt and the net debt to EBITDA indicator have behaved over the last few years, since the end of 2024, the Company in this net cash position, we ended 2025 again like this, with almost 100 million excess cash on top of debt. As I said, R\$850 million in cash, short-term debts, 20%.. And since the end of last year until March, we already completed the prepayment of two bilateral debts we had, one with Banco do Brasil and one with Santander in a total of R\$50 million. That is well above the fundraising levels that we have currently.

And the excellent news from last year, looking at our liabilities is that we already received the first stress of our operation with FINEP, and we will receive the second tranche still in the first half of this year. And also, I believe that throughout 1H26, we received the first tranche of the operation with BNDES.

We announced this recently, we have up to 300 million to receive from BNDES at a super competitive rate, TR + 3. Just to give you a reference, today the average spread here on our debts in Brazil is around CDI + 0.5. So, when we have a TR + 3 debt, the financial gain here is very strong.

And now I turn the floor back to Bressan, and he will go over the guidelines for 2026, and then we will continue with our question and answer session.

Ibson Bressan:

I thought you were going to go over the capital allocation, but I will do it. So we are now focusing on three major lines. The first item is our expansion CAPEX. We have investments in our digital product portfolio in technologies that are being consistently made and expanding since last year. So for 2026, this will continue to be a top priority, our capital allocation.

We are still attentive to any possibilities in strategic M&As. We have robust cash for this purpose. So not just the organic resources of the Company to invest in our item number one, CAPEX and expansion, now powered by FINEP and BNDES, but this robust cash also allows us to continue to consider new acquisitions, particularly in the digital front, but especially in the fraud arena, fraud and digital identity.

And of course, in item three, we always keep a high level of discipline for remuneration of our shareholders, and we want to maintain a minimum payout of 25%, although the average in the past few years was much higher than that, including the record-breaking results last year. But these are the three major fronts where we are going to allocate our capital.

As a business strategy, our top priority is to consolidate Valid as the main secure identity company in Brazil, not just physical, but also in digital, not just in the public sector, but also the private sector. And this leads us to priority number two, which is to accelerate the sales of our integrated digital platform in the private sector.

We are certain that the resources from our new digital portfolio in our integrated digital security platform will solve many of the pain points of our clients, particularly in the private market, and our value offer will be very well received by all the banks, all the e-commerce companies, and all the companies that require secure transactions in the digital environment.

So, accelerating our sales to the private sector is one of our top priorities. And of course, we need to keep taking care of engine 1 and continue to gain efficiency. So, look at Argentina carefully. Also, our banking card business, evaluating any synergies, so any improvements that may be made so that we can ensure this engine continues to be healthy and all the businesses under this mature businesses engine keep the same level of efficiency, adequate levels of efficiency and cash generation so that we can boost our engine 2.

So, I would like to wrap up by saying that, to summarize 2025, I can say that our digital portfolio already accounts for 1/4 of the Company, and it is rapidly evolving to meet the demands of the market. So, after the end of 2025 and where we see our position today, everything that we plan materializes in our numbers and what needs to be done in the future.

And our roadmap for 2030 is very well known and understood by the Company's executive and management team and this gives us the strength and confidence to start this year. We will celebrate 20 years as a listed company this year. In 2006, we didn't even have iPhone. So, it is worth closing the year 2025 saying that we are entering 2026, celebrating our 20 years listed as a B3 company. We are a Company with more than R\$2 billion in annual topline.

Many companies that in 2006 did their initial proposal, are not here today. And we are still here, very strong, with a very clear future and counting on you to keep making a difference so that we can deliver the security portfolio that society deserves and requires.

We will now open for questions. Please bear with us for a moment. We are going to prepare for the Q&A session.

Paula (via webcast):

Good morning. Congratulations on your results and on closing another year with a net cash position.

One of the explanations of your capital allocation, one of the pillars is strategic M&A, we haven't had any news from 2025. What challenges have you faced?

Iison Bressan:

Well, the challenges for M&A generally have to do with the target's multiple. I think the explanation is quite straightforward. We are priced today in the market as you all follow, we are being priced based on an EBITDA multiple, which is typical of an industrial company. Our pitch in this call points to a technology company with an increasingly scalable revenue base. So, the targets that we want are in engine 2, which are already viewed as technology companies.

These companies have revenue multiples, not the EBITDA multiples, which are still anchored in a market perception of an industrial company. So, we are going through this transition. M&As usually do not materialize because although the target is viable, the multiple does not allow for this discipline in capital allocation and to complete a deal that is attractive for shareholders and aligned with our strategy.

So, we will keep paying attention. We are observing, analyzing many companies. We are having discussions. So, this is an important front that we want to accelerate over the coming years, but a fair deal is what we need. And we are being mindful of the need for discipline to avoid reckless decisions, even with a strong capital structure.

Olavo, feel free to add anything. But that is my general answer, Paula.

Olavo Vaz:

Yes, I think I totally agree. We recently had an article. We spoke with Moacir from NeoFeed and we are still looking at many opportunities. Last year, it was around 30 companies that we started evaluating in the natural M&A process. Some, of course, are more advanced and more advanced stages, others less so.

But the key points are capital discipline, and the strategic and technological fit with our Company. We remain open to discuss, to understand new opportunities. Valid is a Company with a strong track record for M&As. We will continue to pursue these opportunities at the right time. We can't really rush an M&A. You need to find the right candidate at the right time. It has to be a good match. And we will continue on this journey.

Lutio (via webcast):

Good morning. Congratulations on your presentation and for the year's results. Could you explain the concept of your revenue streams, the engines, and the scalable mindset? As in the past, do you believe it might be the time to expand into other countries? And how would that happen?

Iison Bressan:

Thank you, Lutio. I believe that the way we presented today, the structure of our revenue or revenue streams, this is a clear expression. This is us expressly manifesting that we have mature businesses, that they will not continue to grow, and that they are solid enough to fund the expansion that we need.

This expansion is under engine 2, focusing on growth and the nature of our digital portfolio. Although we are in a continent-sized country like Brazil, we need to have a global mindset. The greatest companies in the world always have this mindset.

So, this moment that we are going through in society and in Valid, with all these changes and the needs of the market, this means we need to have different focuses when we look at each of these natures of revenue generation, each of these engines. In engine 1, we need to keep having maximum efficiency, and engine 2 has to ensure it is as scalable as possible. And by 2030, this has to be our greatest growth vector.

If we look at the numbers last year, there was a 10% drop in our mature businesses, but a 27% increase in our digital businesses. When this ratio and the representativeness of digital business is no longer 25 or 23, but reached 30, 40, 50, all of you who are listening to us today and the market overall will realize that we are in a position where our multiple and our capacity to generate value will be in a technology company, a scalable technology company.

I don't think it is the time to go to other countries, because first we need to win this game in Brazil, first by offering our integrated digital security platform to the private market. We already have relevant revenues in the public sector, but we need to be a winner player in the private market, which we are not yet today. We are focusing on closing the gap of our products. We are on the right track.

This has accelerated greatly recently, and now we have to close the gap of market presence, offering our products to the private market. So, of course, exploring other countries, we will always be evaluating the opportunity, but we will focus on Brazil right now.

And there is a beauty to all this, because we are already operating in another 15, 16 countries. We already have a legal entity there with the commercial teams that are today servicing the telecom market or the banking market or other clients.

Today, we are sub-utilizing our potential, because when I have a telecom team serving the largest MNOs in the world, they are offering our e-SIM portfolio, whereas the world or our telecom companies in any country around the world, for example, our account manager could offer to Telefónica in Spain, to Deutsche Telekom, to T-Mobile, to China Telecom. Can you imagine if they could offer not just what is the core business for that market, but also everything included in this digital security platform?

So, that is when we will think of scaling up our sales to other countries other than Brazil, because we already have the structure in those countries to do that. But we have to take one step at a time. We have to close the product gap, then we have to close the private sector participation gap, and then we can think of scaling up globally.

The positive side is that all the products in our integrated digital security platform, or digital government, or digital mobile, were already conceived with this idea of being globally scalable. So, this is much more focused on the go-to-market strategy and not so much the original design or the original conception of these products or items. This is the context and the nature of engine 2 and how we plan to expand globally, first by winning in Brazil.

Nishio (via webcast):

We are seeing a clear acceleration of the new digital front, particularly digital government and onboarding, while the more traditional businesses are still putting pressure on your growth and margins.

When will digitals offset your legacy? Are you close to that tipping point?

Iison Bressan:

Yes, Nishio, thank you for your question. I do think we are close to that tipping point. When digital businesses account for 7%, 9%, we know we are close to the tipping point. When they are at 23% and they increase from 17% to 23%, from 24% to 25%, we believe that this tipping point is really close.

We are now looking at a much larger market. We are starting to scratch the surface of this expanded market. So, in 26, 27, and we also have a plan for the coming years, until 2030, we have a plan to greatly expand these revenues for Valid. So, in 27, 28, we should start to see this engine as the major growth factor of the Company.

And engine 1 also has longevity. And the rule for engine 1 is that if it has longevity and profitability, it will be well-nourished, well-fueled. Now, the moment it starts to consume the resources of the Company, of course, we will come up with a different plan for it and make the right decision to prevent it from keeping consuming our resources. So, to be included in engine 1, the businesses have to be profitable and sustainable because we need to make great investments in engine 2 in order to boost it.

I think we are indeed close to this tipping point. We will be monitoring this closely in the coming years. And I am sure we will celebrate together this change in perception from an industrial company to a high-tech company and being recognized as such by the market for our results and our presence in the clients that we already have globally. Thank you, Nishio, for your question.

Nishio and Bernardo (via webcast):

You have been talking about the challenges with the driver's license in 2026 due to the extended term. We have the MP 1327, and how will this impact Valid? And can you explain what the impacts will be and what measures you plan to implement?

Is there any opportunity connected to this MP?

Iison Bressan:

Thank you, Nishio and Bernardo, for your question. Well, MP 1327 is the type of provisional measure or the type of regulatory action that causes an immediate impact. Actually, it had an impact before it was published because there were already a lot of rumors. We were hearing in the market about the need to reduce the total cost of issuing a driver's license. So, this was the main concern of those who conceived this MP.

And it is worth noting that there could be an impact on Valid, on our engine 1, if one of the items provided for in this MP is approved by the Congress. And this specific item is the issuance of the physical license or the digital license, or whether it will continue to be digital and physical.

The MP was launched in December. It was renewed last week, and we have another 60 days now of deliberation. So, if this item of either physical or digital remains, it could impact the number of physical documents issued.

It won't impact 100% of our business because we have the prior stages of the work. And the card itself in the end, the driver's license itself is the physical product that we deliver. But we have contracts where it is not just about the printing of the card, but we also have the enrollment or onboarding of the driver before we issue a driver's license.

It has already impacted our engine 2, and this is an important point of concern for 2026. Vsoft, one of our companies, provides products to CFCs, so for theoretical and hands-on classes. And the number of classes will decrease from 20 to 2.

Of course, new drivers will not want to take just two classes because two classes are not enough. Maybe they will want to have 10, five classes. So, the impact is not that clear. We don't know. It is not that clear how much this will affect us or how much this will expand from two classes to five classes.

But we already prepared at Vsoft to adjust our structure, and the team that was allocated to this business from CFCs or the theory and hands-on classes was drastically reduced this year so that we can put Vsoft at a sustainable cost level in terms of revenue and final results in 2026.

So, these are the impacts we are expecting for the two engines. But of course, there are opportunities as well. And what opportunities? First, if they keep the requirement as physical and digital and considering that the total cost of issuing a driver's license will drop, we will have a larger number of people wanting to have their driver's license. So, we estimate that we have about 20 million people that drive today but don't have a license in Brazil. It is a very expressive volume. So, this is one important opportunity.

And also, in the digital front, in engine 2, we also see opportunities, because once you disrupt the way you produce something that is consumed by society, there is also an opportunity to provide Detrans, or the traffic departments, which are also our clients. For example, we have the candidates, we have the instructors, and we have the platforms that will support this new model. This MP was designed very quickly in record time and it doesn't really talk about that, how the market will behave.

So, here we have room for the offer of digital products that connect drivers and instructors. So, as to create a marketplace for acceleration of the learning required so that someone can have a driver's license. So, this is a clear opportunity.

Another very clear opportunity is that considering that the preparation of the driver is a shorter step, the 20 classes are now two classes and there is no theoretical lessons required anymore. If we have a less intense formation or fewer lessons, the test, the final exam will have to be stronger. And we have a technology at Vsoft, our proctoring technology. And of course, this test can be taken remotely, but we have full control of the environment where that candidate driver is taking their test.

So, we are discussing with the traffic departments the implementation of this proctoring technology, particularly for the theoretical parts of the test. And this could be another possibility of expansion of our revenue. And we know that the 1Q is the worst quarter of this year because the MP is not yet defined, it will only be defined in May. And we don't know yet how the market will behave.

So, we are in the backstage paying close attention on how we can offer these digital products to traffic departments, the proctoring system to traffic departments, but we will only have any potential positive effects starting in 2Q, after May.

And the negative effect is anchored in the 1Q. And we are already anticipating that it won't be a good result in 1Q, although it is a small business within the Company, when we look

specifically at this line of business, we will see a negative effect in quarter one. It is totally manageable within the whole picture, but it is a point for concern.

Fabio (via webcast):

Congratulations on your very resilient results in a very complicated macroeconomic scenario.

My first question: what is your strategy for your Argentinian operations? Can you also analyze the Argentinian market and scenario for the coming quarters?

Ibson Bressan:

Thank you, Fabio, for your question. Thank you, Lucas. I think Argentina has to do with a comment that I made during my presentation, which is looking at our mature businesses, the operation that we have cannot be lagging behind. So, the operation in Argentina will not lag behind.

The strategy that we are imagining right now is that we will establish a cap in terms of productive capacity in Argentina to be able to meet the current demand of the market. We are not expecting this demand to increase in the near term. So, we have a limited volume production and everything that is additional to that volume, if we have a resumption of the market, we will provide from our plant in Brazil.

And operationally, these cost adjustments will help us. Well, if we are not gaining right now in Argentina, we will certainly not lose in Argentina this year. We don't want to lose any money in Argentina this year.

We also had positive surprises in Argentina, 2022, 2023 were very profitable years. And now we need to make this adjustment, looking at our more mature businesses in cards.

Now, along the lines of what Bernardo asked, and Nishio asked before, it could be the next country for our integrated platform. We also have common clients between Brazil and Argentina. So, this is another thing we should start studying. But this is related with another growth engine that we have.

So, what we expect in terms of behavior of the Argentinian market? We expect to see stability. We are not expecting any resumption to the 23 or 22 levels, because 23 was the outlier, where Argentina and credit cards had higher revenues than Brazil. But this was abnormal. Now, things are back to normal, and we need to adjust our operations to ensure it is minimally sustainable.

Nishio (via webcast):

Operating cash generation was robust, with 93% EBITDA conversion in the year. However, we saw a significant improvement in working capital in 4Q, with a reduction in accounts receivable and inventories. Is this movement a trend towards greater efficiency in managing the cash cycle for 2026 or was it a one-off event at the end of the year?

How do you see the dynamics with the revenue mix migrating to digital products that require less stock?

Olavo Vaz:

Thank you for your question, Nishio. Now, looking at our cash flow, even if we look at all the quarters, we also have to look at the behavior of the cash flow in the full year. So, the reduction in our accounts receivable in 4Q was a one-off event. I think we have to focus on the trend throughout the year.

What is very clear is stock. We started with a level of inventory focusing on Pay, and we were expecting better results, but the results were not so good, so, we have to adjust, we are replenishing our stocks in a different way. So, we see a drop throughout the year.

Of course, between one quarter to the other, sometimes it will have ups and downs. But I don't see great volatility, any great volatility when we look at the annual screenshot. But the point that you raised makes sense. We should start to see that.

When we start to migrate to a more digital Valid with a lower need for stock, we will certainly see a structural change in our working capital structure, requiring less stock proportionally to the combined revenue mix. So, yes, I see this as a trend in the midterm. So, your reading was correct.

Nishio (via webcast):

The presentation mentions your roadmap to 2030, consolidating Valid as the leading digital identity company in Brazil.

Can you give us a more conceptual view? In 2030, what percentage of your revenue do you expect to come from recurring models instead of transactional models, and what will be the main success indicator so that we can monitor your journey?

Ilson Bressan:

Thank you, Lucas. Nishio, I think this is a journey in our priorities, in the different steps of this journey. Right now, our priority is to close the product gap and be able to offer what the main digital players in Brazil and in the world have.

And we want to offer this with a few advantages based on our possibility to connect features from other payment platforms and secure connectivity platforms within our integrated digital security platform where identity is the main pillar. So, closing the gap is the main priority, looking at our portfolio, and the second priority is to tackle the market.

So, particularly in digital identity and anti-fraud platform, we came to the market slightly late where other players already have a consolidated presence. So, we need to do some very strong commercial work.

We, without giving guidance, but imagining the growth we have, if 24 is 17% of digital revenues, 25 was 23%, 26 will have to be greater than 30%, 27 will have to grow another 5%, 7%, 10%. 28, so on. So, we have to expect something close to 50%, which will depend on the speed of adoption of our product portfolio, the capture of value that the market will be able to perceive from the value that the platform has, and how the go to market will be able to be successful.

So, the success indicators in the upcoming years go through the number of clients that we acquire, the revenue generated, and each year has its specific challenges in terms of recovery. Everything we have in our more mature products, particularly in identity, gave us the skills to competently work with biometry technologies, liveness technologies, onboarding technologies.

And when we start to bring KUC, KUB items in our expertise and more complex processes and workflows, and when we combine all this with secure connectivity and the possibility of having within a device secure identity-proof elements to prevent fraud, when we start combining all this and the market starts perceiving this combination, we believe that the adoption timing will be shorter, but it could also be long, because the markets have a very competitive dynamics.

So, we are preparing for this game. And year over year, we expect to see consistent evolution in this front. In 25, we saw this front consolidating in terms of concept and portfolio creation and now we want to gain scale in these economic units. And quarter after quarter, we will be able to give you more details about each of the businesses. And then starting from specific markets or specific economic units or segments, we will be able to build these projections for our 2030 roadmap together.

Renan (via webcast):

Good morning. Do you expect any reduction in your G&A expenses?

Olavo Vaz:

Renan, yes, certainly. We are working towards that. We have been striving since last year, also this year, to increase our efficiency as a Company. Like Bressan always says, we will do everything we can to turn the future that we wanted to reality, the roadmap for 2030.

Of course, in these fronts, we will have more hires, we will have higher expenses, but we will be able to, we will have to be able to balance this with our legacy, with a more cadent revenue structure, like we showed you for 2025. And we need to know how to balance and have the right structure for that.

So this search for efficiency is constantly in our radar, seeking synergies between our operations, seeking automation and process improvement. And at the start of the year, we are already making some structural adjustments for that purpose in our operations.

We are trying to form more integrated teams. Bressan talked about Argentina, we are paying attention to Argentina, we have our initiatives. So this is a major focus for us, and it is also included in the target of many of our staff in 2026.

Douglas (via webcast):

Could you tell us more about what effectively allowed for the growth in mobile in the quarter? And what are the prospects for this line in 2026?

Can you please break down each stage of profitability are each one of your business fronts? And what are the prospects for them?

Iison Bressan:

Thank you, Douglas. Well, digital mobile has a certain level of portfolio maturity, and it is now starting to be adopted by our clients. The e-SIM is becoming a reality in the plans of each operator globally. There was a delayed adoption, we were expecting higher adoptions in 2023, 2024, but in 2025, we started to see a higher adoption of the e-SIM management platforms and we have many of our clients that effectively started to use it.

Another factor that boosts adoption of the e-SIM and its growth is that we have more devices, more smartphones, particularly in the middle range, being produced now to use e-SIMs. We are not yet forming a tipping curve or reaching a tipping point for smartphones, but we see very good growth. So, this is something that went really well.

But there is another element, is that we started to provide smartphone manufacturers with our system. And we created an OEM line, and many manufacturers, particularly in Asia, are now using our product, the OEM product that we have. So, we have the management of the operational device of the device and the connectivity with e-SIM, regardless of it being an e-SIM from Valid or any other competitor.

But we now have a presence and an important presence because we developed a very good technology that fits this front. So, these two elements, the adoption of e-SIM is stronger globally, but within our business, having smartphone manufacturers as clients helped us reach the results. And we expect to see a similar behavior in terms of growth in 2026.

One element that we have not yet started to capture the value because the market is very centralized is the use of e-SIMs for IoT. We have some car makers globally, who are globally our clients, some clients that use e-SIM for IoT. But this market is still very fragmented, and we don't know yet how this is going to evolve.

We are monitoring this. It could be a good surprise, or it could keep stagnated looking forward. But we expect this line to keep growing, particularly due to the market recognizing that we are a pacesetter in this technology. And using this technology integrated with our platform is also a top priority for 2026 so that we can be a player in fraud and connectivity under our model, the model of our integrated platform.

Now you asked about the stages of profitability of the three fronts. So let me start with digital mobile. Digital mobile is already profitable, it was already profitable in 2025, and it will be profitable in 2026. Some of the items were not profitable in 2024, 2023, 2022, 2021, because that was the moment we were creating the technology. So we invested in R&D, and that is where we started to see the profit when we started to scale up the products. And it is now profitable.

Digital government is very similar. We started with digital government at the end of 22. It wasn't profitable in the first year. Then it became profitable, and today it is a profitable business with a good margin because of the nature of the contracts that we signed. However, in digital government, we still need to have more scalable products with very clear economic units, and this is what we are working on right now. But it is already a profitable front for us.

And the platform, we are still investing in this front. It is not yet profitable. It will be profitable in the future as we capture more market and we increase its penetration as a differentiated value proposition compared with our competitors. We had a lot of new hires, it started with the hiring of our CTO, we announced this at the end of 24.

It started with the hiring of our CTO. Then they prepared the roadmap, and we had other people joining the team, focusing on this front, the integrated platform. So today, it is not yet profitable because we are still making a lot of investments in the production of the portfolio. But yes, over time, it will also give us profit.

But all of them are global by design, meaning that once we close the gap and we are able to have a best-in-class product that is good for Brazil, good for Latin America, Europe, or the United States or Asia, we will expand our possibilities of starting to see the profit from these fronts, even with better margins than the bunch of products we have today.

Lucas Miyasaka:

Thank you, Bressan. These were our last questions. Thank you, Bressan and Olavo for your presence. Thank you for attending. Our IR team remains available if you have any questions. Have a great day.

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