

Individual and Consolidated Interim Financial Information

Valid Soluções S.A.

June 30, 2024
with Independent Auditor's Review Report

Valid Soluções S.A.

Individual and consolidated interim financial information

June 30, 2024

Contents

Independent auditor's review report on quarterly information	1
Individual and consolidated interim financial information	
Statements of financial position.....	3
Statements of profit or loss	5
Statements of comprehensive income	7
Statements of changes in equity	9
Statements of cash flows	10
Statements of value added	11
Notes to individual and consolidated interim financial information	12

A free translation from Portuguese into English of Independent Auditor's Review Report on quarterly information prepared in Brazilian currency in accordance with Accounting Pronouncement NBC TG 21 - Interim Financial Reporting, and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB)

Independent auditor's review report on quarterly information

To the
Shareholders, Board of Directors and Officers of
Valid Soluções S.A.

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Valid Soluções S.A. ("Company"), contained in the Quarterly Information (ITR) Form for the quarter ended June 30, 2024, which comprises the statement of financial position as at June 30, 2024 and the related statements of profit or loss and of comprehensive income for the three- and six-month periods then ended, and the statements of changes in equity and of cash flows for the six-month period then ended, including explanatory notes.

The executive board is responsible for the preparation of the individual and consolidated interim financial information in accordance with NBC TG 21 and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this financial information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information referred to above is not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters

Statements of value added

The abovementioned quarterly information includes the individual and consolidated statements of value added (SVA) for the six-month period ended June 30, 2024, prepared under the Company executive board's responsibility and presented as supplementary information under IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled with the interim financial information and accounting records, as applicable, and if their format and content are in accordance with the criteria set forth by NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, in accordance with the criteria set forth by this Standard and consistently with the overall individual and consolidated interim financial information.

Rio de Janeiro, August 6, 2024

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



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

Valid Soluções S.A.

Statements of financial position
June 30, 2024 and December 31, 2023
(In thousands of reais)

	Note	Individual		Consolidated	
		06/30/2024	12/31/2023	06/30/2024	12/31/2023
Assets					
Current assets					
Cash and cash equivalents	3	164,288	179,837	525,808	422,029
Restricted short-term investments	3	8,537	16,117	8,537	16,142
Trade accounts receivable	4	187,538	160,005	390,310	386,929
Related parties	13	34,178	35,177	-	-
Taxes recoverable	5.a	84,151	57,321	115,499	86,137
Inventories	6	173,921	160,004	316,186	267,477
Other		25,790	18,168	58,695	40,164
		678,403	626,629	1,415,035	1,218,878
Assets available for sale		2,478	12,749	4,275	48,557
Noncurrent assets					
Marketable securities	3	13,519	13,538	13,519	13,538
Restricted financial investments	3	186,611	180,780	186,611	180,780
Related parties	13	9,218	36,944	2,374	2,038
Taxes recoverable	5.a	66,303	71,891	66,303	71,891
Judicial deposits	7	19,644	19,455	19,867	19,767
Deferred income and social contribution taxes	5.b	-	17,971	60,539	93,644
Investments in subsidiaries and associates	8	1,189,096	873,515	2,478	18,886
Other investments designated at fair value	22	-	-	92,057	-
Property, plant and equipment	10	157,663	164,000	201,744	207,775
Intangible assets	9	28,081	31,513	652,806	656,347
Other		11,924	10,453	16,211	13,525
		1,682,059	1,420,060	1,314,509	1,278,191
Total assets		2,362,940	2,059,438	2,733,819	2,545,626

	Note	Individual		Consolidated	
		06/30/2024	12/31/2023	06/30/2024	12/31/2023
Liabilities					
Current liabilities					
Trade accounts payable		65,061	64,562	137,349	162,379
Obligations arising from the purchase of goods and services		885	2,959	885	2,959
Related parties	13	3,164	80	-	-
Loans, financing, debentures and lease liabilities	11	67,503	98,835	104,185	172,061
Payroll, accruals and social charges payable		60,723	54,851	99,620	103,227
Taxes, charges and contributions payable	5.c	35,858	33,175	64,314	65,579
Dividends and interest on equity payable	14.d	20	8	877	8
Advances from customers and other accounts payable		2,957	12,648	47,720	44,957
		236,171	267,118	454,950	551,170
Noncurrent liabilities					
Related parties	13	1,801	1,716	1,801	1,716
Loans, financing, debentures and lease liabilities	11	396,162	386,809	493,485	537,893
Provisions for litigation and contingencies	12	30,607	52,600	40,038	57,261
Taxes, charges and contributions payable	5.c	1,415	1,415	1,415	1,415
Deferred income and social contribution taxes	5.b	901	-	16,013	9,940
Business acquisition liabilities	8	37,036	45,947	37,036	45,947
Other accounts payable		5,429	5,370	8,802	9,015
		473,351	493,857	598,590	663,187
Equity					
Capital	14.a	1,022,370	1,022,370	1,022,370	1,022,370
Capital reserves	14.b	29,266	27,936	29,266	27,936
Treasury shares	14.b	(24,023)	(25,324)	(24,023)	(25,324)
Income reserves	14.c	195,758	174,978	195,758	174,978
Other comprehensive income	14.e	229,881	73,857	229,881	73,857
Additional dividends proposed	14.d	-	24,646	-	24,646
Retained earnings		200,166	-	200,166	-
		1,653,418	1,298,463	1,653,418	1,298,463
Noncontrolling interests	14.f	-	-	26,861	32,806
		1,653,418	1,298,463	1,680,279	1,331,269
Total liabilities and equity					
		2,362,940	2,059,438	2,733,819	2,545,626

See accompanying notes.

Valid Soluções S.A.

Statements of profit or loss

Six-month periods ended June 30, 2024 and 2023

(In thousands of reais, unless otherwise stated)

	Note	Individual		Consolidated	
		06/30/2024	06/30/2023	06/30/2024	06/30/2023
Sales revenue, net	16	546,533	551,522	1,002,472	1,063,635
Cost of sales and/or services	17	(356,205)	(366,275)	(633,836)	(662,794)
Gross profit		190,328	185,247	368,636	400,841
Selling expenses	17	(28,917)	(27,182)	(94,227)	(94,243)
General and administrative expenses	17	(53,783)	(49,243)	(75,215)	(76,777)
Other operating income (expenses), net	19	(797)	(12,724)	106,804	(23,428)
Share of profit of subsidiary, associate and joint venture	8	153,186	60,998	(1,623)	(1,556)
Income before finance income (costs)		260,017	157,096	304,375	204,837
Finance income	18	29,148	30,483	101,414	94,237
Finance costs	18	(41,688)	(59,002)	(147,425)	(145,849)
Income before income taxes of continuing operations		247,477	128,577	258,364	153,225
Income and social contribution taxes	5.d	(19,968)	(11,599)	(32,106)	(38,391)
Net income for the period		227,509	116,978	226,258	114,834
Income attributable to controlling interests		227,509	116,978	227,509	116,978
Income (loss) attributable to noncontrolling interests	14.f	-	-	(1,251)	(2,144)
Basic and diluted earnings per share, attributable to controlling interests (in reais)	15	2.83599	1.46367	2.83599	1.46367

See accompanying notes.

Valid Soluções S.A.

Statements of profit or loss

Three-month periods ended June 30, 2024 and 2023

(In thousands of reais, except earnings per share, presented in reais)

	Individual		Consolidated	
	04/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	04/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023
Sales revenue, net	272,149	282,268	518,153	534,356
Cost of sales and/or services	(174,807)	(192,659)	(328,715)	(341,037)
Gross profit	97,342	89,609	189,438	193,319
Selling expenses	(14,518)	(11,028)	(46,601)	(45,244)
General and administrative expenses	(24,819)	(25,349)	(36,413)	(37,190)
Other operating income (expenses)	(370)	(3,269)	(2,326)	(7,036)
Share of profit of subsidiary, associate and joint venture	33,731	27,189	105	(534)
Income before finance income (costs)	91,366	77,152	104,203	103,315
Finance income	16,865	13,940	54,003	47,750
Finance costs	(20,975)	(29,636)	(69,916)	(80,421)
Income before income taxes of continuing operations	87,256	61,456	88,290	70,644
Income and social contribution taxes	(7,621)	(3,935)	(8,671)	(15,449)
Net income for the period	79,635	57,521	79,619	55,195
Income attributable to controlling interests	79,635	57,521	79,635	57,521
Income (loss) attributable to noncontrolling interests	-	-	(16)	(2,326)
Basic and diluted earnings per share, attributable to controlling interests (in reais)	0.99169	0.71899	0.99169	0.71899

See accompanying notes.

Valid Soluções S.A.

Statements of comprehensive income
Six-month periods ended June 30, 2024 and 2023
(In thousands of reais)

	Individual		Consolidated	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Net income for the period	227,509	116,978	226,258	114,834
Other comprehensive income				
Items that may be subsequently reclassified				
Foreign exchange effects on the translation of foreign investments	98,130	(54,780)	99,490	(55,864)
Net income from instruments at fair value through other comprehensive income	57,894	-	57,894	-
Total comprehensive income for the period	383,533	62,198	383,642	58,970
Comprehensive income attributable to:				
Income attributable to controlling interests	383,533	62,198	383,533	62,198
Income (loss) attributable to noncontrolling interests	-	-	109	(3,228)

See accompanying notes.

Valid Soluções S.A.

Statements of comprehensive income
Three-month periods ended June 30, 2024 and 2023
(In thousands of reais)

	Individual		Consolidated	
	04/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	04/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023
Net income for the period	79,635	57,521	79,619	55,195
Other comprehensive income				
Items that may be subsequently reclassified				
Foreign exchange effects on the translation of foreign investments	79,598	(35,971)	80,623	(36,685)
Net income from instruments at fair value through other comprehensive income	5,414	-	5,414	-
Total comprehensive income for the period	164,647	21,550	165,656	18,510
Comprehensive income attributable to:				
Income attributable to controlling interests	164,647	21,550	164,647	21,550
Income (loss) attributable to noncontrolling interests	-	-	1,009	(3,040)

See accompanying notes.

Valid Soluções S.A.

Statements of changes in equity Six-month periods ended June 30, 2024 and 2023 (In thousands of reais)

Note	Capital reserve				Income reserve			Other comprehensive income	Retained earnings	Total equity – controlling interests	Noncontrolling interests	Total equity
	Capital	Stock option recognized	Capital transactions	Treasury shares	Legal reserve	Investment reserve	Additional dividends					
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	14.b	-	-	46	-	-	-	-	-	46	-	46
Foreign exchange effects on the translation of foreign investments	14.e	-	-	-	-	-	-	(54,780)	-	(54,780)	(1,084)	(55,864)
Recognized options granted	14.b	-	546	-	-	-	-	-	-	546	-	546
Net income for the period	-	-	-	-	-	-	-	-	116,978	116,978	(2,144)	114,834
Adjustments for inflation to foreign subsidiary	14.c	-	-	-	-	8,250	-	-	-	8,250	-	8,250
Interest on equity	-	-	-	-	-	-	-	-	(14,414)	(14,414)	-	(14,414)
Subsidiary reserve	-	-	-	-	-	(99)	-	-	-	(99)	(450)	(549)
Balances at June 30, 2023	1,022,370	25,905	(719)	(25,620)	4,208	42,656	-	120,530	102,564	1,291,894	33,630	1,325,524
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	14.b	-	-	3,245	-	-	-	-	-	3,245	-	3,245
Share buyback	-	-	-	(1,944)	-	-	-	-	-	(1,944)	-	(1,944)
Foreign exchange effects on the translation of foreign investments	14.e	-	-	-	-	-	-	98,130	-	98,130	1,359	99,489
Recognized options granted	14.b	-	1,330	-	-	-	-	-	-	1,330	-	1,330
Net income for the period	14.f	-	-	-	-	-	-	-	227,509	227,509	(1,251)	226,258
Inflation adjustments to foreign subsidiary	14.c	-	-	-	-	20,109	-	-	-	20,109	-	20,109
Payment of dividends to noncontrolling interests	-	-	-	-	-	(432)	-	-	-	(432)	(857)	(1,289)
Net income from instruments at fair value through other comprehensive income	22	-	-	-	-	-	-	57,894	-	57,894	-	57,894
Disposal of equity interest in subsidiary	14.f	-	-	-	-	-	-	-	-	-	(5,196)	(5,196)
Distribution of dividends	-	-	-	-	-	-	(24,646)	-	-	(24,646)	-	(24,646)
Interest on equity	-	-	-	-	-	-	-	-	(27,343)	(27,343)	-	(27,343)
Subsidiary reserve	-	-	-	-	-	1,103	-	-	-	1,103	-	1,103
Balances at June 30, 2024	1,022,370	29,985	(719)	(24,023)	14,872	180,886	-	229,881	200,166	1,653,418	26,861	1,680,279

See accompanying notes.

Valid Soluções S.A.

Statements of cash flows

Six-month periods ended June 30, 2024 and 2024

(In thousands of reais)

	Individual		Consolidated	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Income before income taxes of continuing operations	247,477	128,577	258,364	153,225
Adjustments to reconcile income or loss to cash flows from operating activities				
Depreciation	18,235	19,425	24,864	27,827
Amortization	4,397	7,439	25,779	29,559
Net gains (losses) on disposal of assets	12,217	372	(123,800)	2,025
Fair value of fund Criatec III	182	(1,192)	182	(1,192)
Restatement of judicial deposits	(626)	(285)	(642)	(292)
Recognized options granted	1,330	546	1,330	546
Provisions for litigation and contingencies	(20,368)	16,561	(15,776)	14,853
Allowance for expected credit losses	202	4,052	(2,325)	4,083
Provision for impairment	-	-	24,029	-
Provision for inventory obsolescence	-	-	(1,094)	4,216
Equity pickup	(153,186)	(60,998)	1,623	1,556
Interest expenses on debentures, loans and financing	32,962	46,907	40,671	54,684
Foreign exchange differences on loans	-	-	1,049	(2,481)
Interest, write-offs and foreign exchange differences on leases	(531)	671	(343)	1,130
Foreign exchange differences and interest on intercompany loans	(1,107)	(1,214)	256	667
Credits and financial adjustments of PIS and COFINS on ICMS	(454)	(1,915)	(454)	(1,915)
Present value adjustment	1,130	1,489	3,862	(1,267)
Other foreign exchange differences	(2,682)	103	23,213	22,931
Other	1,019	133	207	-
Changes in assets and liabilities				
Trade accounts receivable	(27,735)	(9,857)	13,990	(94,405)
Taxes recoverable	(20,788)	6,931	(20,563)	14,607
Inventories	(13,917)	(30,829)	(38,673)	(46,528)
Judicial deposits	(334)	(1,376)	(353)	(1,400)
Other accounts receivable	(7,541)	4,587	(8,123)	48,261
Related-party receivables	999	(11,218)	(336)	193
Trade accounts payable	(1,686)	895	(36,301)	(44,743)
Related-party payables	3,084	(1,389)	85	-
Payroll, accruals and social charges payable	5,872	(8,777)	(6,343)	(7,676)
Taxes, charges and contributions payable	3,161	10,079	11,264	3,995
Advances from customers and other accounts payable	(10,113)	(185)	5,436	9,076
Payment of labor, civil and tax contingencies	(854)	(22,736)	(963)	(25,498)
Payment of income and social contribution taxes (IRPJ and CSLL)	(1,574)	(5,886)	(19,536)	(9,799)
Cash flows from operating activities	68,771	90,910	160,579	156,238
Cash flows from investing activities				
Acquisition of property, plant and equipment	(12,498)	(6,617)	(14,209)	(11,087)
Acquisition of intangible assets	(965)	(2,868)	(8,314)	(12,952)
Acquisition of investments	-	(20,000)	-	(17,992)
Capital increase in subsidiaries	-	(919)	-	-
Net cash received from the disposal of equity interest	5,177	-	177,680	-
Receipt of dividends	7,673	-	-	-
Marketable securities	(163)	(500)	(163)	(500)
Restricted financial investment	1,749	(9,227)	1,774	(9,228)
Payment of earn-out for acquisition of Flexdoc	(8,911)	-	(8,911)	-
Cash flows used in investing activities	(7,938)	(40,131)	147,857	(51,759)
Cash flows from financing activities				
Related-party receivables	30,202	49,949	-	-
Interest on equity paid	(27,334)	(35,421)	(27,334)	(35,421)
Payment of dividends	(24,643)	-	(24,643)	-
Payment of dividends to noncontrolling interests	-	468	(427)	(451)
Treasury shares	1,301	46	1,301	46
Lease payments	(3,501)	(3,351)	(6,321)	(6,919)
Payment of interest on leases	-	-	(55)	(62)
Debentures raised	241,392	-	241,392	-
Payment of debentures	(243,141)	(90,000)	(243,141)	(90,000)
Payment of interest on debentures	(18,261)	(26,961)	(18,261)	(26,961)
Loans raised	(112)	82,440	(112)	145,777
Repayment of loans	(19,333)	(108,723)	(125,441)	(138,573)
Payment of interest on loans	(11,414)	(19,019)	(20,714)	(26,176)
Payment of interest on financing	(1,538)	-	(1,538)	-
Cash flows used in financing activities	(76,382)	(150,572)	(225,294)	(178,740)
Increase (decrease) in cash and cash equivalents	(15,549)	(99,793)	83,142	(74,261)
Cash and cash equivalents at beginning of period	179,837	234,037	422,029	365,161
Effect of exchange rate differences on the balance of cash and cash equivalents	-	-	20,637	(8,400)
Cash and cash equivalents at end of period	164,288	134,244	525,808	282,500
Increase (decrease) in cash and cash equivalents	(15,549)	(99,793)	83,142	(74,261)

See accompanying notes.

Valid Soluções S.A.

Statements of value added
Six-month periods ended June 30, 2024 and 2023
(In thousands of reais)

	Individual		Consolidated	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Revenues	631,963	624,275	1,130,337	1,145,128
Sales of services and goods, net of returns	619,883	628,012	1,084,500	1,148,643
Other revenues	12,282	315	12,341	568
Allowance for expected credit losses	(202)	(4,052)	33,496	(4,083)
Materials acquired from third parties	(260,117)	(278,228)	(534,994)	(526,114)
Cost of sales and services	(215,022)	(233,650)	(408,827)	(448,521)
Materials, power, services from suppliers and other	(45,095)	(44,578)	(126,167)	(77,593)
Gross value added	371,846	346,047	595,343	619,014
Depreciation and amortization	(22,782)	(26,473)	(50,958)	(57,161)
Net value added	349,064	319,574	544,385	561,853
Value added received from transfers				
Share of profit of subsidiary, associate and joint venture	153,186	60,998	(1,623)	(1,556)
Finance income	29,148	30,483	101,414	94,237
Other	(47)	-	137,022	-
Total value added to be distributed	531,351	411,055	781,198	654,534
Personnel and charges (except INSS)	148,144	126,433	254,306	232,857
Salaries	118,538	100,326	213,911	197,996
Benefits	21,738	19,795	30,469	26,709
Unemployment Compensation Fund (FGTS)	7,868	6,312	9,926	8,152
Taxes and contributions	110,551	101,363	148,571	153,497
Federal taxes	91,526	79,041	125,861	127,252
State taxes	4,371	8,026	5,917	9,676
Local taxes	14,654	14,296	16,793	16,569
Debt remuneration	45,147	66,281	152,063	153,346
Interest	41,688	59,002	147,425	145,849
Rent	3,459	7,279	4,638	7,497
Equity remuneration	227,509	116,978	226,258	114,834
Controlling interest on profits (losses) withheld	227,509	116,978	227,509	116,978
Noncontrolling interests on profits (losses) withheld	-	-	(1,251)	(2,144)
Value added distributed	531,351	411,055	781,198	654,534

See accompanying notes.

Valid Soluções S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(In thousands of reais, unless otherwise stated)

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, when American Banknote Corporation acquired the Brazilian subsidiary of Thomas de La Rue, a company engaged in providing security printing services, which had operated in the Brazilian market for almost 50 years.

The Company is primarily engaged in the production and provision of services to the security market, in the identification, management and protection of physical or digital data.

Created in 1957, Valid incorporates trust and security in the identification of people, objects and transactions, since the beginning of its operations. The permanence in the market gave the brand a special credibility for the development of secure and integrated solutions, an evolution that crossed the century and motivates it to continue meeting the challenges of a digital society over the next decades. Valid is one of the most important technology players in the issue of driver’s licenses, civil identities, digital certificates, in addition to bank and virtual cards in the most diverse sectors of the economy, such as government, banks, telecommunications, education, health, entertainment and retail.

The Company serves customers in both the private and public sectors, offering anti-fraud products and services, as well as processes and technologies that hinder forgery. Valid’s major customers are state governments and government agencies, large financial institutions, telecommunications companies, retailers, agriculture cooperatives and self-employed professionals. The portfolio of solutions offered includes credit and debit cards, driver’s licenses, security prints, ID cards, as well as the processing and issue of documents with security prints and fraud prevention, document logistics, printing product supply management services, smart cards, traceable stamps, contactless cards, digital certificates, checks, bank statements, biometric identification systems, administrative modernization systems, internet banking applications, subscription management systems for mobile service providers, intelligent storage systems, tracking services using RFID technology and public utility bills.

The Company and its subsidiaries (collectively referred to as the “Group”) are the companies domiciled in Brazil, the United States, Spain, Denmark, Republic of Mauritius, Singapore, Panama, South Africa, Nigeria, United Arab Emirates, India, Indonesia, Argentina, Mexico, Uruguay, Colombia, China, Taiwan 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).

Valid Soluções S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(In thousands of reais, unless otherwise stated)

2. Basis of preparation

2.1. Statement of compliance

The individual and consolidated interim financial information was prepared in accordance with CPC 21 (R1) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information – ITR.

Additionally, the Company considered the accounting guidance OCPC 07 issued by CPC in November 2014 in preparing its interim financial information. Accordingly, significant information, and only such information, is being disclosed and corresponds to that used for management of the Company.

The individual and consolidated interim financial information was approved and authorized for disclosure by the Company's Board of Directors on August 6, 2024.

2.2. Basis of measurement

The individual and consolidated interim financial information has 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.

The interim financial information has been prepared in accordance with the same accounting policies, principles, methods and uniform criteria adopted for the preparation of the audited financial statements for the year ended December 31, 2023 and, consequently, this quarterly information should be read in conjunction with the annual financial statements.

2.3. Basis of consolidation

The consolidated interim financial information includes the financial information of the Company and of its subsidiaries as at June 30, 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.

Valid Soluções S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(In thousands of reais, unless otherwise stated)

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

Subsidiaries	Denomination	(%) Equity interest			
		06/30/2024		12/31/2023	
		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 Uruguai	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 ⁽¹⁾	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. ⁽²⁾	Serbet	-	-	50% + 1 share	-
10. Mitra - Acesso em Rede e Tecnologia da Informação Municipal Ltda.	Mitra	51	-	51	-
11. Flexdoc Tecnologia da Informação Ltda. ⁽³⁾	Flexdoc	100	-	100	-
12. Valid Hub Consultoria em Tecnologia e Tratamento de Dados S.A.	Valid Hub	60	-	60	-
13. Valid Soluciones Tecnológicas	Valid Spain	100	-	100	-
a. Valid USA, Inc.	Valid USA	-	100	-	100
i. Valid Identity Solutions, LLC	Valid ID	-	100	-	100
ii. Marketing Software Company, LLC	MSC	-	100	-	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
1. Valid Panamá Inc.	Valid Panama	-	100	-	100
2. Valid South Africa (Pty) Ltd.	Valid South Africa	-	70	-	70
3. Valid Africa Ltd.	Valid Africa	-	100	-	100
4. Valid Middle East FZE	Valid Middle East	-	100	-	100
5. Valid Technologies India Pvt. Ltd.	Valid Technologies India	-	99.9	-	99.9
6. Valid Asia Pte Ltd	Valid Singapore	-	100	-	100
7. 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

(1) Inactive since October 17, 2023

(2) Disposed of on January 26, 2024. See Note 8 – Investments

(3) Acquired on May 22, 2023

2.4. Functional and presentation currencies

The individual and consolidated interim financial information is presented in Brazilian reais (R\$), which is the functional currency of the Company, and amounts 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 information is 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.

Valid Soluções S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais, unless otherwise stated)

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

Companies	Functional currency
Valid	Real
BluPay	Real
Serbet ⁽²⁾	Real
Mitra	Real
Valid Hub	Real
Valid Argentina	Argentine peso
Valid Certificadora	Real
Valid Link	Real
Guaratinguetá Consórcio ⁽³⁾	Real
Flexdoc	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

(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) Disposed of on January 26, 2024.

(3) Inactive since October 17, 2023.

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. 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.

2.5. Use of estimates and judgments

The critical accounting estimates and judgments adopted by the Company in this quarterly information are consistent with those adopted in the financial statements for the year ended December 31, 2023; therefore, it should be read in conjunction with the financial statements.

Valid Soluções S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(In thousands of reais, unless otherwise stated)

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

	Individual		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Current				
Cash and banks	3,507	5,492	271,567	212,111
Cash equivalents	160,781	174,345	254,241	209,918
Total cash and cash equivalents	164,288	179,837	525,808	422,029
Restricted short-term investments	8,537	16,117	8,537	16,142
	172,825	195,954	534,345	438,171
Noncurrent				
Marketable securities	13,519	13,538	13,519	13,538
Restricted financial investments	186,611	180,780	186,611	180,780
	200,130	194,318	200,130	194,318
	372,955	390,272	734,475	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. The average yield of cash equivalents and marketable securities was 100.4% p.a. of the CDI as at June 30, 2024 (98.4% p.a. of the CDI as at December 31, 2023).

Marketable securities refer to the investment in Fundo Criatec III Investment Fund ("FIP") aimed at capitalizing micro and small innovative companies.

Restricted financial investments are guarantees for certain loan agreements and debentures, which include primarily: (i) R\$36,203 with a return of 101.2% of the CDI (R\$35,336 with a return of 101.2% of the CDI at December 31, 2023), with investment of R\$10,562 with return of 103.4% of the CDI (R\$10,020 with return of 103.4% of the CDI at December 31, 2023). Additionally, as at December 31, 2023, the Company held R\$6,887 with a return of 100.0% of the CDI that was redeemed on January 26, 2024; (ii) R\$147,383 invested in an index investment fund (CDI FICFI) with an average return of 11.8% in the last 12 months (R\$144,654 (CDI FICFI) with an average return of 12.9% at December 31, 2023), related to the 9th and 10th issue of debentures and loans. The amounts can be redeemed upon settlement of the loans, and the segregation between short and long term was based on the assessment of the unconditional right to redeem the amounts invested.

Valid Soluções S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(In thousands of reais, unless otherwise stated)

4. Trade accounts receivable

	Individual		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Trade accounts receivable	191,830	164,096	405,744	433,696
Allowance for expected credit losses	(4,292)	(4,091)	(15,434)	(46,767)
	187,538	160,005	390,310	386,929

The aging list of accounts receivable is as follows:

	Individual		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Falling due	166,470	133,971	285,463	262,792
Past due				
Within 30 days	7,510	11,851	38,472	48,095
From 31 to 90 days	3,983	3,165	16,717	32,075
From 91 to 120 days	183	259	24,767	5,567
From 121 to 180 days	944	242	3,571	26,250
From 181 to 365 days	1,397	10,411	12,129	15,067
Above 365 days	11,343	4,197	24,625	43,850
Total past due	25,360	30,125	120,281	170,904
Total	191,830	164,096	405,744	433,696

At June 30, 2024, part of the overdue consolidated balance, amounting to R\$85,286, 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 such subsidiaries.

At June 30, 2024, changes in the balance of the allowance for expected credit losses are as follows:

	Individual		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Opening balance	(4,091)	(21,656)	(46,767)	(72,200)
Additions	(727)	(6,917)	(4,141)	(15,178)
Reversals (receipts) ⁽¹⁾	525	24,482	6,466	34,654
Disposal of subsidiary	-	-	-	-
Write-offs ⁽¹⁾	-	-	31,179	2,590
Translation adjustments	-	-	(2,171)	3,367
Closing balance	(4,293)	(4,091)	(15,434)	(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.

Valid Soluções S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(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. Management of the Company and its subsidiaries considers that the allowance amounts are sufficient to cover any losses on realization of receivables.

5. Taxes

a) Taxes recoverable

	Individual		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
IRPJ and CSLL recoverable ⁽¹⁾	71,596	54,472	79,122	64,378
ICMS recoverable	1,743	2,503	17,203	12,873
IPI recoverable ⁽²⁾	30,112	26,328	30,112	26,328
Federal taxes withheld by customers	-	-	7,203	7,969
PIS and COFINS recoverable ⁽³⁾	37,885	35,099	38,712	35,480
Other	9,118	10,810	9,450	11,000
	150,454	129,212	181,802	158,028
Current	84,151	57,321	115,499	86,137
Noncurrent	66,303	71,891	66,303	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, refers to credits that the Company expects to realize through request for refund with taxation authorities. Until June 30, 2024, the Company had applied for the request for refund of IPI credits amounting to R\$27,150 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.

Valid Soluções S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(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	Additions (reversals/ realization)	12/31/2023	Additions (reversals/ realization)	06/30/2024
Tax loss	5,481	(1,018)	4,463	(484)	3,979
Commissions payable	665	18	683	(140)	543
Attorney's fees	1,741	(310)	1,431	271	1,702
Provisions for litigation and contingencies	19,177	(1,293)	17,884	(7,478)	10,406
Allowance for doubtful accounts	6,725	(5,334)	1,391	(570)	821
Provisions for equipment obsolescence	3,537	(3,537)	-	-	-
Restructuring provisions	2,450	2,532	4,982	(4,402)	580
Provisions for profit sharing	11,306	(2,573)	8,733	(703)	8,030
Provisions for royalties	795	39	834	33	867
Recognized options granted	1,292	-	1,292	-	1,292
Impairment	7,422	1,794	9,216	(9,209)	7
Other temporary additions (exclusions)	6,537	5,154	11,691	3,687	15,378
Tax amortization of deductible goodwill	(35,290)	-	(35,290)	-	(35,290)
PIS and COFINS tax credits on ICMS	(7,321)	-	(7,321)	-	(7,321)
Revaluation surplus of assets	(2,511)	493	(2,018)	123	(1,895)
Total deferred taxes	22,006	(4,035)	17,971	(18,872)	(901)

	Consolidated								
	12/31/2022	Additions (reversals/ realization in P&L for the period)	Additions (reversals/ realization in OCI)	Foreign exchange differences/ monetary restatement	12/31/2023	Additions (reversals/ realization in P&L for the period)	Additions (reversals/ realization in OCI)	Foreign exchange differences/ monetary restatement	06/30/2024
Tax loss	76,418	(2,752)	-	(4,095)	69,571	(5,897)	-	7,536	71,210
Commissions payable	1,021	(190)	-	-	831	(83)	-	-	748
Finance costs related to loans	3,414	87	-	(2,629)	872	(69)	-	13	816
Attorney's fees	1,741	(310)	-	-	1,431	271	-	-	1,702
Provisions for litigation and contingencies	20,266	(296)	-	(903)	19,067	(5,669)	-	86	13,484
Allowance for doubtful accounts	8,760	(6,619)	-	(75)	2,066	(1,078)	-	24	1,012
Provisions for equipment obsolescence	3,632	(3,599)	-	(33)	-	-	-	-	-
Provisions for profit sharing	11,834	(2,911)	-	-	8,923	(313)	-	-	8,610
Recognized options granted	1,292	-	-	-	1,292	-	-	-	1,292
Financial instruments	4,018	39	-	(198)	3,859	(1)	-	435	4,293
Impairment	7,422	1,794	-	-	9,216	(9,209)	-	-	7
Other temporary additions (exclusions)	13,339	11,449	-	(934)	23,854	(581)	-	(134)	23,139
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	-	-	-	-	-	-	(19,017)	-	(19,017)
Accounting vs. tax depreciation difference	(4,845)	920	-	7	(3,918)	(2,628)	-	1,062	(5,484)
Inflation adjustment - Valid Argentina	(6,441)	(18,038)	-	17,540	(6,939)	(3,923)	-	(264)	(11,126)
Revaluation surplus of assets	(4,989)	1,180	-	-	(3,809)	261	-	-	(3,548)
Total deferred taxes	94,270	(19,246)	-	8,680	83,704	(28,919)	(19,017)	8,758	44,526

Assets	103,855			93,644		60,539
Liabilities	(9,585)			(9,940)		(16,013)

Valid Soluções S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(In thousands of reais, unless otherwise stated)

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

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

c) Taxes, charges and contributions payable

	Individual		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
IR and CSLL	-	-	11,555	16,375
ICMS	1,085	587	5,976	4,449
ISS	7,463	11,019	11,779	18,918
COFINS	22,082	17,782	24,166	18,859
PIS	5,111	3,621	5,601	3,871
Social Security Tax (INSS) withheld from customers	657	648	670	661
Other	875	933	5,982	3,861
	37,273	34,590	65,729	66,994
Total current	35,858	33,175	64,314	65,579
Total noncurrent	1,415	1,415	1,415	1,415

d) Reconciliation between tax expenses and statutory rates

	Individual		Consolidated	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Income (loss) before income taxes from continuing operations	247,477	128,577	258,364	153,225
IRPJ and CSLL nominal rate	34%	34%	34%	34%
IRPJ/CSLL expense (credit) at nominal rate	84,142	43,716	87,844	52,097
Reconciliation with effective rate:				
Recognized options granted	894	186	894	186
Difference in rate for foreign companies and taxation on income abroad	-	-	(41,382)	(2,530)
Equity pickup	(52,083)	(20,739)	(552)	(529)
ICMS matching credit	(2,978)	(2,949)	(2,978)	(2,949)
Interest on equity	(9,297)	(4,901)	(9,297)	(4,901)
Other	(710)	(3,714)	(2,423)	(2,983)
IRPJ and CSLL expense (credit) charged to profit or loss for the period	19,968	11,599	32,106	38,391
Effective rate	8.07%	9.02%	12.43%	25.06%
Current IRPJ/CSLL	1,096	4,204	3,187	25,720
Deferred IRPJ/CSLL	18,872	7,395	28,919	12,671

Valid Soluções S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(In thousands of reais, unless otherwise stated)

6. Inventories

	Individual		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Raw materials	124,575	112,243	192,710	140,144
Work-in-process	33,281	31,979	49,425	45,739
Replacement parts and materials	7,587	6,827	7,720	6,894
Goods for resale	1,444	2,039	58,077	49,285
Provision for inventory losses	-	-	(3,185)	(3,948)
Advances to suppliers	7,034	6,916	11,439	29,363
	173,921	160,004	316,186	267,477

7. Judicial deposits

	Individual		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Judicial deposits - labor	3,259	3,582	3,355	3,729
Judicial deposits - tax	3,121	2,975	3,121	2,975
Judicial deposits - civil	13,264	12,898	13,391	13,063
	19,644	19,455	19,867	19,767

The most individually significant amount is as follows:

- On February 8, 2013, the Company made a judicial deposit of R\$6,646 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 June 30, 2024, the restated judicial deposit amounts to R\$12,959 (R\$12,601 at December 31, 2023).

Valid Soluções S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(In thousands of reais, unless otherwise stated)

8. Investments

Financial information

At June 30, 2024, the significant financial information of direct and indirect subsidiaries are as follows:

Subsidiaries ⁽¹⁾	Total assets	Total liabilities	Equity	P&L for the period
Valid Argentina	182,609	99,788	82,821	34,848
Valid Sucursal	65,014	32,376	32,638	(1,568)
BluPay	2,514	1	2,513	(3)
Serbet ⁽²⁾	-	114	(114)	(114)
Valid Hub	9,335	9,753	(418)	992
Mitra	24,189	8,927	15,262	2,269
Valid Certificadora	43,958	12,512	31,446	31
Valid Mexico	31,186	12,878	18,308	3,314
Valid Uruguay	8,740	3,389	5,351	1,085
Valid Link	9,876	2,211	7,665	(317)
Flexdoc ⁽³⁾	18,999	3,290	15,709	11,622
Valid Spain	1,056,719	326,997	729,722	103,996
Valid Beijing	9,611	3,904	5,707	(1,016)
Valid Nigeria	12,519	25,628	(13,109)	(10,698)
Valid USA (consolidated)	124,307	7,514	116,793	16,389
Valid A/S (consolidated)	287,581	71,622	215,959	(1,827)

(1) Considers 100% of the subsidiaries' balances, regardless of the equity interest held by the Company in such entities.

(2) Disposed of on January 26, 2024.

(3) Acquired on May 22, 2023.

Valid Soluções S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais, unless otherwise stated)

Changes in investments

Investments	Individual						06/30/2024
	12/31/2023	Additions (write-offs)	Equity pickup	Adjustment for inflation – IAS 29 ⁽¹⁾	Cumulative translation adjustment	Subsidiary reserve and dividends paid	
Subsidiaries							
Valid Argentina	26,438	-	34,848	20,109	1,426	-	82,821
Valid Sucursal	31,986	-	(1,568)	-	2,220	-	32,638
Valid Spain	481,181	-	103,996	-	143,401	1,144	729,722
BluPay	2,516	-	(3)	-	-	-	2,513
Serbet	4,968	(4,911)	(57)	-	-	-	-
Valid Hub	(845)	-	595	-	-	-	(250)
Mitra	7,519	-	1,157	-	-	(892)	7,784
Flexdoc	12,189	-	11,622	-	-	(8,102)	15,709
Via Soft	415	-	214	-	-	(57)	572
V/Soft	(241)	-	534	-	-	13	306
Valid Certificadora	31,475	-	31	-	-	(60)	31,446
Consórcio Guaratinguetá	-	-	-	-	-	-	-
Valid Uruguay	3,721	-	1,085	-	545	-	5,351
Valid Link	8,399	-	(317)	-	-	(417)	7,665
Valid Mexico	13,983	-	3,314	-	1,011	-	18,308
	623,704	(4,911)	155,451	20,109	148,603	(8,371)	934,585
Goodwill							
Interprint	103,793	-	-	-	-	-	103,793
Valid Link	2,851	-	-	-	-	-	2,851
Valid Argentina	94	-	-	-	1	-	95
Valid Spain	65,841	-	-	-	7,420	-	73,261
BluPay	2,436	-	-	-	-	-	2,436
Flexdoc	47,072	-	-	-	-	-	47,072
Mitra	7,357	-	-	-	-	-	7,357
Revaluation surplus - technology	9,091	(456)	(878)	-	-	-	7,757
Revaluation surplus - brands	2,809	-	(602)	-	-	-	2,207
Revaluation surplus - customer portfolio	8,467	-	(785)	-	-	-	7,682
	249,811	(456)	(2,265)	-	7,421	-	254,511
Total	873,515	(5,367)	153,186	20,109	156,024	(8,371)	1,189,096

Valid Soluções S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais, unless otherwise stated)

Investments	Individual								12/31/2023
	12/31/2022	Additions (write-offs)	Equity pickup	Adjustment for inflation – IAS 29 ⁽¹⁾	Cumulative translation adjustment	Amortization	Subsidiary reserve and dividends paid	Impairment	
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
	<u>587,345</u>	<u>9,111</u>	<u>101,871</u>	<u>25,657</u>	<u>(98,405)</u>	<u>-</u>	<u>(1,836)</u>	<u>(39)</u>	<u>623,704</u>
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
	<u>197,186</u>	<u>60,255</u>	<u>-</u>	<u>-</u>	<u>(3,048)</u>	<u>(3,532)</u>	<u>-</u>	<u>(1,050)</u>	<u>249,811</u>
Total	<u>784,531</u>	<u>69,366</u>	<u>101,871</u>	<u>25,657</u>	<u>(101,453)</u>	<u>(3,532)</u>	<u>(1,836)</u>	<u>(1,089)</u>	<u>873,515</u>

(1) Effects of the hyperinflation in Argentina.

Valid Soluções S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais, unless otherwise stated)

Investments	Consolidated							06/30/2024
	12/31/2023	Equity pickup	Cumulative translation adjustment	Subsidiary reserve	Payment of dividends	Transfer to investment at fair value ⁽¹⁾	Amortization	
Associates								
Cubic	2,246	(2,377)	574	-	-	(443)	-	-
VCMC	(792)	6	(97)	-	-	-	-	(883)
VSoft	(241)	534	-	13	-	-	-	306
ViaSoft	415	214	-	(52)	(5)	-	-	572
Total	1,628	(1,623)	477	(39)	(5)	(443)	-	(5)
Goodwill Cubic	14,624		79	-	-	(14,703)	-	-
Revaluation surplus - technology	1,462	-	-	-	-	-	(84)	1,378
Revaluation surplus - customer portfolio	1,172	-	-	-	-	-	(67)	1,105
Total	18,886	(1,623)	556	(39)	(5)	(15,146)	(151)	2,478

(1) Refers to the change in the measurement treatment of the investment held in Cubic Telecom. Refer to Note 22 for more information.

Investments	Consolidated							12/31/2023
	12/31/2022	Equity pickup	Cumulative translation adjustment	Subsidiary reserve	Payment of dividends	Amortization	Transfer (assets available for sale)	
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	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 it held in the subsidiary “Serbet” for R\$10.4 million. The amounts were received in the same month the subsidiary was disposed of. 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.

Valid Soluções S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(In thousands of reais, unless otherwise stated)

Acquisition of subsidiary (business combination)

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\$2,810 was paid in 2023 and R\$8,911 in 2024, with a remaining balance of R\$37,036.

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

Valid Soluções S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais, unless otherwise stated)

The allocations are summarized below:

Revaluation surplus of customer relationship (i)	8,013
Revaluation surplus of brands (ii)	3,411
Revaluation surplus of technology (iii)	1,759
Total	13,183

(i) 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 six years, brought to present value at a discount rate of 16.76%.

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

(iii) 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.

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.

9. Intangible assets

Changes in intangible asset balances are as follows:

	Individual			06/30/2024
	12/31/2023	Additions	Amortization	
Finite useful life				
Software	27,866	965	(4,397)	24,434
Finite useful life	27,866	965	(4,397)	24,434
Indefinite useful life				
Goodwill				
Trust	3,647	-	-	3,647
Total intangible assets	31,513	965	(4,397)	28,081

	Individual				12/31/2023
	12/31/2022	Additions	Impairment	Amortization	
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

Valid Soluções S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais, unless otherwise stated)

	Consolidated					
	12/31/2023	Additions	Disposal of subsidiary ⁽¹⁾	Amortization	Foreign exchange differences	Impairment ⁽²⁾
Finite useful life						
Software	140,998	8,519	-	(21,745)	6,876	(24,029)
Customer portfolio	9,425	-	-	(2,980)	108	-
Right of use ⁽¹⁾	7,975	-	(7,679)	(296)	-	-
Trademarks and patents	3,413	-	-	-	-	-
Digital certification license	36	-	-	(5)	-	-
Total - finite useful life	161,847	8,519	(7,679)	(25,026)	6,984	(24,029)
Indefinite useful life						
Trademarks and patents	17,311	-	-	(602)	2,655	-
Digital certification license	490	-	-	-	-	-
Goodwill						
Trust	3,647	-	-	-	-	-
Argentina	94	-	-	-	2	-
Interprint	103,793	-	-	-	-	-
Valid Link	2,851	-	-	-	-	-
Spain	65,841	-	-	-	7,420	-
Valid A/S	230,577	-	-	-	34,177	-
Blu Pay	2,436	-	-	-	-	-
Serbet	5,962	-	(5,962)	-	-	-
Flexdoc	47,072	-	-	-	-	-
Mitra	14,426	-	-	-	-	-
Total - indefinite useful life	494,500	-	(5,962)	(602)	44,254	-
Total intangible assets	656,347	8,519	(13,641)	(25,628)	51,238	(24,029)

(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 8.

(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.

Valid Soluções S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais, unless otherwise stated)

	Consolidated								
	12/31/2022	Additions	Business combination	Write-offs	Amortization	Foreign exchange differences	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 ⁽¹⁾	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

(1) This amount basically refers to concessions granted to operate digital parking. Written off in 2024, together with goodwill, due to the disposal of the subsidiary Serbet, as mentioned in Note 8.

Valid Soluções S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais, unless otherwise stated)

Intangible assets with finite useful lives are represented mainly by the customer portfolio and *software* licenses, amortized at the average rates of 4.6% and 21.7% p.a., respectively, based on the estimated useful lives or license terms (applicable to software licenses), whereas digital certification licenses are amortized at the average rate of 10% to 15% 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 in the second half of 2024 totaling R\$24,832, comprising R\$20,040 referring to goodwill and R\$4,792 referring to revaluation surplus of technology and customer portfolio.

Impairment losses - Value in use

At least once a year and whenever there is an indication of impairment, the Company tests goodwill for impairment: (i) based on the valuation of value in use, in which 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), and (ii) at the net fair value of selling expenses, i.e. the selling price of the CGU's assets and the joint liability, less costs of disposal.

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).

Except for the impairment identified in the assets held with the investee VCMC, as mentioned above, the Company management concluded that no reasonably possible change in the key assumptions on which the recoverable amount is based would cause the carrying amount to exceed the recoverable amount of the cash-generating units as of December 31, 2023.

Valid Soluções S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais, unless otherwise stated)

10. Property, plant and equipment

	Individual				
	12/31/2023	Additions	Write-offs ⁽²⁾	Transfers	06/30/2024
Cost					
Land	3,222	-	-	-	3,222
Buildings	88,251	-	(7,273)	15	80,993
Machinery and equipment	167,371	4,563	(11,150)	2,066	162,850
Furniture and fixtures	23,279	633	(604)	19	23,327
Vehicles	650	-	-	-	650
Data processing equipment	193,477	3,425	(3,456)	120	193,566
Leasehold improvements	14,609	775	(128)	618	15,874
Construction in progress	499	312	(249)	(54)	508
Advances to suppliers	2,324	2,903	(629)	(2,784)	1,814
Right of use - IFRS 16 ⁽¹⁾	18,454	1,499	(3,528)	-	16,425
Subtotal - cost	512,136	14,110	(27,017)	-	499,229
Depreciation					
Buildings	(64,328)	(1,240)	15,954	-	(49,614)
Machinery and equipment	(91,893)	(4,674)	2,457	-	(94,110)
Furniture and fixtures	(17,313)	(706)	508	-	(17,511)
Vehicles	(650)	-	-	-	(650)
Data processing equipment	(154,222)	(7,565)	3,178	-	(158,609)
Leasehold improvements	(10,081)	(856)	91	-	(10,846)
Right of use - IFRS 16	(9,649)	(3,194)	2,617	-	(10,226)
Subtotal - depreciation	(348,136)	(18,235)	24,805	-	(341,566)
Total property, plant and equipment, net	164,000	(4,125)	(2,212)	-	157,663

	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 - IFRS 16 ⁽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 - IFRS 16	(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 individual and consolidated interim financial information

June 30, 2024

(In thousands of reais, unless otherwise stated)

	Consolidated						06/30/2024
	12/31/2023	Additions	Disposal of subsidiary	Write-offs	Adjustment for inflation – IAS 29 ⁽¹⁾	Foreign exchange differences	
Cost							
Land	3,222	-	-	-	-	-	3,222
Buildings	89,390	148	(39)	(7,272)	-	-	82,241
Machinery and equipment	253,654	4,992	(3,506)	(11,170)	31,901	5,760	283,697
Furniture and fixtures	28,033	784	(161)	(735)	665	286	28,894
Vehicles	1,429	-	(127)	-	210	9	1,521
Data processing equipment	229,127	4,195	(855)	(4,100)	5,906	1,613	236,207
Leasehold improvements	34,161	1,209	(1,315)	(128)	5,740	1,147	43,974
Construction in progress	3,312	313	-	(264)	331	12	905
Advances to suppliers	2,324	2,903	-	(629)	-	-	1,814
Right of use - IFRS 16 ⁽²⁾	59,300	1,517	(444)	(3,528)	3,827	4,056	64,728
Subtotal - cost	703,952	16,061	(6,447)	(27,826)	48,580	12,883	747,203
Depreciation							
Buildings	(65,529)	(1,279)	20	15,953	-	-	(50,835)
Machinery and equipment	(161,975)	(6,164)	1,284	2,472	(27,806)	(4,824)	(197,013)
Furniture and fixtures	(21,161)	(744)	98	527	(606)	(275)	(22,161)
Vehicles	(1,227)	(9)	102	-	(116)	(5)	(1,255)
Data processing equipment	(181,923)	(9,296)	495	3,233	(5,601)	(1,196)	(194,288)
Leasehold improvements	(24,915)	(1,370)	586	90	(4,978)	(1,043)	(31,630)
Right of use - IFRS 16	(39,447)	(6,002)	208	2,618	(2,187)	(3,467)	(48,277)
Subtotal - depreciation	(496,177)	(24,864)	2,793	24,893	(41,294)	(10,810)	(545,459)
Total property, plant and equipment, net	207,775	(8,803)	(3,654)	(2,933)	7,286	2,073	201,744

	Consolidated							12/31/2023
	12/31/2022	Additions	Business combination	Write-offs	Adjustment for inflation – IAS 29 ⁽¹⁾	Foreign exchange differences	Impairment ⁽³⁾	
Cost								
Land	3,222	-	-	-	-	-	-	3,222
Buildings	97,242	1,177	-	-	-	-	(10,586)	89,390
Machinery and equipment	390,089	11,713	178	(112,602)	70,878	(95,290)	(12,553)	253,654
Furniture and fixtures	29,137	845	511	(8)	1,485	(2,072)	(1,890)	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)	229,127
Leasehold improvements	36,476	997	-	-	13,032	(17,463)	-	34,161
Construction in progress	3,501	2,742	-	(109)	324	(495)	-	3,312
Advances to suppliers	1,325	2,923	-	(183)	-	-	-	2,324
Right of use - IFRS 16 ⁽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)	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	(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	(181,923)
Leasehold improvements	(23,894)	(5,409)	-	-	(7,470)	11,723	-	(24,915)
Right of use - IFRS 16	(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	(496,177)
Total property, plant and equipment, net	262,562	(24,740)	1,696	(11,869)	25,489	(28,879)	(15,837)	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.

Valid Soluções S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(In thousands of reais, unless otherwise stated)

11. Loans, financing, debentures and lease liabilities

	Individual		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Loans ^(a)	177,413	196,808	304,571	412,074
Debentures ^(b)	247,600	248,050	247,600	248,050
Financing ^(c)	31,842	31,442	31,842	31,442
Lease liabilities ^(d)	6,810	9,344	13,657	18,388
	463,665	485,644	597,670	709,954
Current	67,503	98,835	104,185	172,061
Noncurrent	396,162	386,809	493,485	537,893

(a) Loans

Key information on Company loans at June 30, 2024 is summarized as follows:

	Valid Spain	Valid Spain	Valid Spain	Valid S.A.	Valid S.A.	Valid S.A.
Borrower:	Valid Spain	Valid Spain	Valid Spain	Valid S.A.	Valid S.A.	Valid S.A.
Bank:	Santander	Santander	Santander	Banco do Brasil	Brazil's Federal Savings and Loans Bank ("CEF")	Brazil's Federal Savings and Loans Bank ("CEF")
Total amount:	EUR13,000	EUR4,400	EUR15,000	R\$30,000	R\$71,100	R\$85,000
Date of loan:	11/13/2018	05/05/2022	10/11/2023	07/05/2022	12/19/2023	12/19/2023
Maturity date:	04/14/2025	04/22/2025	10/10/2025	04/05/2028	12/20/2027	12/20/2027
Settlement date:	-	-	-	-	-	-
Interest:	4.70% p.a.	4.70% p.a.	6.05% p.a.	CDI + 1.70% 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.
Repayment of principal:	Semiannually (from October 2022)	Semiannually from October 2022	Only at the end of the contract	12-month grace period (monthly from August 2023)	1-year grace period (monthly from January 2025)	1-year grace period (monthly from January 2025)
Interest payment:	Semiannually from October 2022	Semiannually from October 2022	Only at the end of the contract	12-month grace period (monthly from August 2023)	3-month grace period (quarterly until December 2024, and monthly from January 2025)	3-month grace period (quarterly until December 2024, and monthly from January 2025)
Balance in debt currency at 06/30/2024:	EUR4,664	EUR1,471	EUR15,218	R\$22,118	R\$70,733	R\$84,561
Restated balance at 06/30/2024 – R\$:	R\$27,776	R\$8,760	R\$90,623	R\$22,118	R\$70,733	R\$84,561

Loans were obtained to strengthen cash or roll over debt.

Valid Soluções S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(In thousands of reais, unless otherwise stated)

Loan balances are broken down as follows:

Loans	Individual		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Principal	178,600	197,934	304,679	410,473
Interest	679	1,035	2,239	4,403
Borrowing costs	(1,866)	(2,161)	(2,347)	(2,802)
	177,413	196,808	304,571	412,074
Current	26,421	20,687	62,036	90,986
Noncurrent	150,992	176,121	242,535	321,088

The loans are subject to certain quarterly covenants with which the Company and its subsidiaries were in compliance at June 30, 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.

At June 30, 2024, the amount of R\$146,156 (R\$542,748 for the year ended December 31, 2023) was repaid, of which R\$20,714 (R\$47,809 for the year ended December 31, 2023) as interest on loans.

Key information on the loans settled within the period ended June 30, 2024 is presented below:

Borrower:	Valid S.A.	Valid Spain	Valid Spain	Valid Spain
Bank:	Safra	Itaú	Itaú	Itaú BBA
Total amount:	R\$26,666	Eur4,000	Eur6,000	US\$38,888
Date of loan:	12/03/2021	12/04/2023	11/10/2023	07/05/2019
Maturity date:	24/04/2025	11/04/2024	10/10/2025	22/10/2025
Settlement date:	01/25/2024	06/28/2024	06/28/2024	06/28/2024
Interest:	CDI + 2.60% p.a.	6.10% p.a.	6.20% p.a.	6.95% p.a.
Guarantee:	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.
Repayment of principal:	Quarterly from January 2023	Only at the end of the contract	Only at the end of the contract	Semiannually from October 2023
Interest payment:	Quarterly from July 2021	Only at the end of the contract	Only at the end of the contract	Semiannually from April 2023

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	CEF	CEF	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	USD8,000
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.
Repayment of principal:	Semiannually from November 2022	Total in October 2023	Semiannually from December 2023	Monthly from March 2023	4-month grace period (bimonthly from August 2022)	9-month grace period (monthly from March 2023)	6-month grace period (monthly from December 2023)	Paid only at the end of the contract
Interest payment:	Semiannually from November 2022	Semiannually from April 2023	Semiannually from September 2023	Monthly interest – 12 months and quarterly, after grace period	4-month grace period (bimonthly from August 2022)	9-month grace period (monthly from April 2023)	6-month grace period (from December 2023)	Monthly

Valid Soluções S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(In thousands of reais, unless otherwise stated)

(b) Debentures

The main information on debentures can be summarized as follows:

Debentures	9 th issue	10 th 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	6-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 06/30/2024	R\$6,880	R\$240,720

The balances of debentures are broken down as follows:

Debentures	Individual		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Principal	250,000	250,000	250,000	250,000
Interest	4,521	833	4,521	833
Borrowing costs	(6,921)	(2,783)	(6,921)	(2,783)
	247,600	248,050	247,600	248,050
Current	4,807	41,345	4,807	41,345
Noncurrent	242,793	206,705	242,793	206,705

The debentures are subject to certain quarterly covenants with which the Company was in compliance at June 30, 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.

At June 30, 2024, R\$261,402 was repaid, of which R\$18,261 referred to interest payments (R\$136,705 repaid, of which R\$46,705 referred to interest payment in 2023).

Valid Soluções S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(In thousands of reais, unless otherwise stated)

(c) Financing

Key information on financing held by the Company as at June 30, 2024 can be summarized as follows:

Borrower:	Valid S.A.
Bank:	ABC
Total amount:	R\$30,000
Date of loan:	07/07/2023
Maturity date:	15/07/2024
Interest:	CDI + 1.0% p.a.
Guarantee:	Valid S.A.
Repayment of principal:	Bullet
Interest payment:	Semiannually
Balance in debt currency at 06/30/2024:	R\$31,842
Restated balance at 06/30/2024 – R\$:	R\$31,842

Breakdown of financing balance is as follows:

Financing	Individual		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Principal	30,000	30,000	30,000	30,000
Interest	1,842	1,442	1,842	1,442
Total	31,842	31,442	31,842	31,442
Current	31,842	31,442	31,842	31,442

On July 7, 2023, the Company raised funds through the Government Fund for Financing of Machinery and Equipment (FINAME Materiais) with Banco ABC, in the amount of R\$30 million. The funds raised were used for prepayment of debts with higher spreads. In July, the Company extended the debt repayment term with Banco ABC. Originally, the debt, at the cost of CDI + 1.00%, matured on July 15, but with the new operation, the maturity (bullet) was extended for another year, at the original cost (see Note 26).

The financing is subject to certain quarterly covenants with which the Company was in compliance at June 30, 2024 and December 31, 2023. The main financing-related covenants are as follows:

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

Valid Soluções S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(In thousands of reais, unless otherwise stated)

(d) 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	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Within 1 year	4,433	5,361	5,500	8,288
From 1 to 5 years	2,377	3,983	8,157	10,100
	6,810	9,344	13,657	18,388

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

	Individual		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Opening balance:	9,344	14,251	18,388	27,028
Additions	1,498	1,048	1,516	4,756
Interest	488	1,303	904	2,236
Write-offs	(1,019)	-	(1,255)	-
Adjustment for exchange differences	-	-	8	(40)
Foreign exchange differences (Equity)	-	-	472	(1,521)
Payments	(3,501)	(7,258)	(6,376)	(14,071)
Closing balance	6,810	9,344	13,657	18,388

The maturity of loans, financing and debentures at June 30, 2024 and December 31, 2023 (not including future charges) is as follows:

	Individual		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Within 1 year	63,070	93,474	98,685	163,773
From 1 to 2 years	140,608	149,394	232,152	265,315
From 2 to 3 years	208,966	140,184	208,965	169,230
From 3 to 4 years	44,211	93,248	44,211	93,248
	456,855	476,300	584,013	691,566

Valid Soluções S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(In thousands of reais, unless otherwise stated)

Changes in liabilities from financing activities

	Individual					
	12/31/2023	Additions	Write-offs	Payment (principal + interest)	Allocation (interest + transaction costs)	06/30/2024
Loans	196,808	(112)	-	(30,747)	11,464	177,413
Debentures	248,050	241,392	-	(261,402)	19,560	247,600
Financing	31,442	-	-	(1,538)	1,938	31,842
Leases	9,344	1,498	(1,019)	(3,501)	488	6,810
Total debt	485,644	242,778	(1,019)	(297,188)	33,450	463,665

	Individual					
	12/31/2022	Additions	Write-offs	Payment (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	Write-offs	Payment (principal + interest)	Allocation (interest + transaction costs)	Adjustment for exchange differences (P&L)	Foreign exchange differences (Equity)	06/30/2024
Loans	412,074	(112)	(20)	(146,156)	18,930	1,049	18,806	304,571
Debentures	248,050	241,392	-	(261,402)	19,560	-	-	247,600
Financing	31,442	-	-	(1,537)	1,937	-	-	31,842
Leases	18,388	1,516	(1,255)	(6,376)	904	8	472	13,657
Total debt	709,954	242,796	(1,275)	(415,471)	41,331	1,057	19,278	597,670

	Consolidated							
	12/31/2022	Additions	Write-offs	Payment (principal + interest)	Allocation (interest + transaction costs)	Adjustment for exchange differences (P&L)	Foreign exchange differences (Equity)	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

Valid Soluções S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais, unless otherwise stated)

12. 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					06/30/2024
	12/31/2023	Provisions	Reversals ⁽¹⁾	Payments	Transfers	
Labor	42,261	5,488	(26,219)	(854)	(771)	19,905
Tax	2,945	153	-	-	-	3,098
Civil, commercial and other	7,394	284	(74)	-	-	7,604
	52,600	5,925	(26,293)	(854)	(771)	30,607

	Individual					12/31/2023
	12/31/2022	Provisions	Reversals	Payments	Transfers	
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							06/30/2024
	12/31/2023	Provisions	Reversals ⁽¹⁾	Payments	Foreign exchange differences	Transfers	Disposal of subsidiaries	
Labor	44,573	5,838	(26,387)	(951)	12	(774)	(444)	21,867
Tax	4,614	4,470	-	-	772	-	-	9,856
Civil, commercial and other	8,074	383	(80)	(12)	-	-	(50)	8,315
	57,261	10,691	(26,467)	(963)	784	(774)	(494)	40,038

	Consolidated						12/31/2023
	12/31/2022	Provisions	Reversals	Payments	Foreign exchange differences	Transfers	
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. An injunction had been filed, thus benefitting Valid until publication of the Court Decision. Accordingly, with limitation of the effects of the decision in time, the previously provisioned amount was fully reversed on the decision date.

Valid Soluções S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(In thousands of reais, unless otherwise stated)

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 in the amount of R\$1,867 at June 30, 2024 (R\$1,728 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.

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 judgment, attorney’s fee awards, proc. 0047004-58.2022.8.26.0100, an insurance policy was attached to secure the decision, and a rebuttal was presented and 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 June 30, 2024, the provision amounted to R\$7,500 (R\$7,231 at December 31, 2023).

Valid Soluções S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(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	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Labor (i)	31,739	31,322	32,861	32,518
Tax (ii)	354,905	347,253	367,369	359,029
Civil, commercial and other (iii)	20,873	21,729	30,483	33,739
Criminal (iv)	25,391	22,742	25,391	22,742
	432,908	423,046	456,104	448,028

(i) 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.

(ii) 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. At June 30, 2024, the restated amount of these proceedings is R\$16,187 (R\$15,891 at December 31, 2023).

Valid Soluções S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais, unless otherwise stated)

- The Company was served a notice of tax deficiency by the São Paulo State Department of Finance 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 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 June 30, 2024, the restated amount of the proceeding is R\$129,102 (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 June 30, 2024, the restated amount of the proceeding is R\$30,704 (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 June 30, 2024, the restated amount is R\$9,059 (R\$8,568 at December 31, 2023).
- In 2017, as a result of a favorable final and unappealable decision on a suit, Valid began the process to have its PIS and COFINS credits validly reported in September 2018. In December 2018, Valid began transmitting the requests for offsetting through the E-Request for Federal Tax Recovery, Refund or Offset (PER/DCOMP) to use the credits validated and recognized in court, in the amount of R\$30,931. However, on May 5, 2023, the Brazilian IRS Office (DRF-Sorocaba) issued an order not validating the offsets requested by the Company, which generated a charge in the amount of R\$31,224, plus interest and late payment penalty. On June 6, 2023, Valid filed a protest letter (which awaits trial) challenging the order. In June 2024, the restated amount is R\$50,807 referring to principal + interest and fine (R\$48,855 at December 31, 2023).

Valid Soluções S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais, unless otherwise stated)

- 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. In June 2024, the restated amount is R\$63,378 (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 June 30, 2024, the restated amount of this proceeding is R\$23,203 (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 June 30, 2024, the restated amount of this proceeding is R\$18,931 (R\$18,512 at December 31, 2023).
- Tax enforcement filed by the State Finance Department against Valid Soluções S.A. for collection of COFINS debts related to the periods from August to December 1996 and from January 1997 to December 2001. The motions for review filed by the Company was upheld, recognizing the nullity of the enforcement order on the grounds that the taxes contained in the certificate attesting to existence of debts included in the roster of debtors to federal government were not subject to assessment, disregarding the offsets indicated therein (against PIS credits), and that the amounts were registered without due notice to the appellant. Tax enforcement suspended, pending judgment of the appeal filed in the case records. At June 30, 2024, the restated amount is R\$5,006 (R\$4,931 at December 31, 2023).

Valid Soluções S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais, unless otherwise stated)

(iii) 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 June 30, 2024, the restated amount of the proceeding, considering a refund of amounts received, is R\$15,679 (R\$15,612 at December 31, 2023).
- Collection action filed by Notre Dame Seguradora due to termination of the group health insurance contract. The claims were dismissed in the lower and appellate courts. The plaintiff appealed and the STJ accepted the appeal, returning the case records to the lower court for production of expert evidence. An expert analysis was conducted and the report was inconclusive because Notre Dame failed to present the documents requested by the expert. The claim filed by the Company has not yet been analyzed. At June 30, 2024, the restated amount of the proceeding is R\$1,422 (R\$1,380 at December 31, 2023).

(iv) Criminal proceeding

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 June 30, 2018, the restated amount of the proceeding is R\$25,391 (R\$22,742 at December 31, 2023).

Valid Soluções S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais, unless otherwise stated)

13. Transactions with related parties

	Individual	
	06/30/2024	12/31/2023
Assets		
Current - accounts receivable		
Valid Argentina	27,541	26,764
Valid Uruguay	3,030	2,179
Valid Sucursal	2,231	6,229
Other	1,376	5
Total accounts receivable	34,178	35,177
Total current assets	34,178	35,177
Noncurrent - intercompany loans receivable		
Valid Spain	-	25,231
Valid Hub	9,218	8,677
Serbet	-	3,036
Total intercompany loans receivable	9,218	36,944
Total noncurrent assets	9,218	36,944
Total assets	43,396	72,121
	Individual	
	06/30/2024	12/31/2023
Current - accounts payable		
Valid Sucursal	(92)	-
Valid Spain	(2,740)	-
Valid Certificadora	(332)	-
Other	-	(80)
Total accounts payable - current liabilities	(3,164)	(80)
Noncurrent		
Mitra	(1,801)	(1,716)
Total accounts payable - noncurrent	(1,801)	(1,716)
Total liabilities	(4,965)	(1,796)

Valid Soluções S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais, unless otherwise stated)

	Individual	
	06/30/2024	06/30/2023
Statement of profit or loss		
Net revenues		
Valid Sucursal	-	1,964
Valid Argentina	5,053	16,646
Mitra	260	134
Valid Hub	-	139
Valid Spain	279	-
Valid Uruguay	2,498	-
Other	-	74
	8,090	18,957
Cost of sales and services		
Valid Certificadora	(2,013)	(30)
Valid Spain	(9,929)	(20,317)
Valid AS	-	(23,064)
Valid Argentina	(439)	-
Other	(1,600)	(210)
	(13,981)	(43,621)
Finance income (costs)		
Serbet	26	241
Valid Hub	540	284
Valid Spain	293	860
	859	1,385

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 35 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	01/31/2023	06/01/2023
Settlement date	03/13/24	01/26/24	-	-
Maturity date*	05/03/2026	08/03/2025	07/05/2025	05/31/2025
Interest	6.00% p.a.	8.0% p.a. + IPCA	8.0% 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 02/05/2025)	Only at the end of the contract
Balance in debt currency at 06/30/2024:	Settled	Settled	R\$9,218	US\$2,145
Restated balance at 06/30/2024 – R\$:	N/A	N/A	R\$9,218	R\$11,918

* The contract provides for annual automatic renewals.

Valid Soluções S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(In thousands of reais, unless otherwise stated)

Other transactions between related parties related to the sale of inputs:

	06/30/2024	12/31/2023
Between Valid Spain and:		
Argentina	12,826	14,962
Valid USA	1,520	4,520
Valid Sucursal	10,724	4,434
Valid Mexico	6,893	15,006
Valid AS	26,613	-
Valid Nigeria	5,643	3,284
Valid China	2,479	-
	66,698	42,206
Between Valid A/S and:		
Spain	89,078	112,194
Valid Nigeria	17,342	20,781
Valid Argentina	22,760	26,170
	129,180	159,145

These transactions are eliminated in full on consolidation.

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

For the six-month periods ended June 30, 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	06/30/2024
Annual fixed compensation	1,273	262	3,647	3,650	8,832
Compensation	1,061	218	2,683	2,712	6,674
Charges and benefits	212	44	880	879	2,015
Private pension plan	-	-	84	59	143
Annual variable compensation	-	-	5,739	4,969	10,708
Variable compensation	-	-	3,461	4,026	7,487
Share-based payment	-	-	1,746	765	2,511
Charges borne by the employer	-	-	532	178	710
Total compensation	1,273	262	9,386	8,619	19,540

(*) The compensation paid to Executive Board, Board of Directors, Supervisory Board and Statutory Board approved at the Annual General Meeting held on April 17, 2024 corresponds to R\$21,717.

Valid Soluções S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(In thousands of reais, unless otherwise stated)

Consolidated	Board of Directors	Supervisory Board	Statutory Board	Other management members	06/30/2023
Annual fixed compensation	1,042	245	5,811	4,164	11,262
Compensation	869	204	3,996	3,439	8,508
Charges and benefits	173	41	1,544	608	2,366
Private pension plan	-	-	271	117	388
Annual variable compensation	-	-	6,733	2,279	9,012
Variable compensation	-	-	3,128	2,100	5,228
Share-based payment	-	-	2,924	87	3,011
Charges borne by the employer	-	-	681	92	773
Total compensation	1,042	245	12,544	6,443	20,274

(*) The compensation paid to Executive Board, Board of Directors, Supervisory Board and Statutory Board approved at the Annual General Meeting held on April 20, 2023 corresponds to R\$19,633.

14. Equity

a) Capital

The reconciliation of the Company's capital in accordance with its bylaws and financial information as at June 30, 2024 and December 31, 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	<u>1,022,370</u>

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

The Company recognized R\$1,330 as expense in the period ended June 30, 2024 (R\$546 in 2023) matched against the capital reserve for stock options granted.
A summary of the plans' conditions is as follows:

Valid Soluções S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(In thousands of reais, unless otherwise stated)

Grant date	Options granted	Maturity date	Fair value (in reais)	Balance at beginning of year	Granted during the year	Exercised during the year	Canceled during the year	Balance at end of year
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_1,2	21,625	May/24	R\$11.12	21,625	-	(21,625)	-	-
SOP Replacement Officers_1,2	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	-	-	117,545
Matching Officers 2024	117,543	May/27	R\$16.56	-	117,543	-	-	117,543
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	-	-	147,205
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
Total	1,839,540			1,008,931	641,479	(383,715)	(63,655)	1,203,040

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.

Valid Soluções S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(In thousands of reais, unless otherwise stated)

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%	11/26/2025

In the year ended December 31, 2023, the Company delivered 303,801 shares as part of the long-term incentive program.

At June 30, 2024, the Company holds 1,557,278 common shares in treasury in the amount of R\$24,023 (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:

Type	Individual (in reais)		
	Share price – Minimum	Share price – Maximum	Share price – Weighted
Share acquisition cost	7.53	25.39	15.43

Based on the last market quote available at June 30, 2024, treasury shares total R\$23,702, with weighted average price, and minimum and maximum price at June 30, 2024 as follows:

Type	Price (in reais)			
	Share price – Minimum	Share price – Maximum	Share price – Weighted	Share price – Last quote
Current share price	15.10	18.48	16.60	15.22

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.

Valid Soluções S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(In thousands of reais, unless otherwise stated)

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	20,109
Payment of dividends to noncontrolling interests	(432)
Subsidiary reserve	1,103
Balance at June 30, 2024	180,886

d) Dividends and interest on equity

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	R\$0.18000	05/09/2023	14,414
Declared IOE referring to 2023	R\$0.20000	07/18/2023	16,016
Declared IOE referring to 2023	R\$0.27000	10/24/2023	21,635
Declared IOE referring to 2023	R\$0.30700	12/01/2023	24,600
Total declared IOE in 2023			76,665
Dividends and IOE paid			
Payment of declared IOE referring to 2022	R\$0.26303	01/31/2023	(21,007)
Payment of declared IOE referring to 2023	R\$0.18000	05/22/2023	(14,414)
Payment of declared IOE referring to 2023	R\$0.20000	07/31/2023	(16,016)
Payment of declared IOE referring to 2023	R\$0.27000	11/08/2023	(21,635)
Payment of declared IOE referring to 2023	R\$0.30700	12/14/2023	(24,597)
Total IOE paid in 2023			(97,669)
Dividends and IOE payable at December 31, 2023			8
Additional dividends proposed ⁽¹⁾	R\$0.30759	12/31/2023	24,646
Payment of declared dividends referring to 2023	R\$0.30759	04/29/2024	(24,643)
Declared IOE referring to 2024	R\$0.34000	05/21/2024	27,343
Payment of declared IOE referring to 2024	R\$0.34000	06/07/2024	(27,334)
Dividends payable to noncontrolling interests	R\$0.34972	05/24/2024	857
Balance at June 30, 2024			877

(1) Additional dividends proposed for 2023, at R\$0.30759 per share, approved at the Annual General Meeting held on April 17, 2024. The payment was made on April 30, 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.

Valid Soluções S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(In thousands of reais, unless otherwise stated)

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 Articles of Incorporation 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

The changes in other comprehensive income refer to exchange rate effects related to the translation of foreign investment in the amount of R\$98,130 as of June 30, 2024 ((R\$54,780) as of June 30, 2023) and to net income from financial instruments at fair value through other comprehensive income of R\$57,894 (see Note 22).

f) Noncontrolling interests

	06/30/2024	12/31/2023
Opening balances	32,806	37,308
Share in P&L for the year	(1,251)	(2,665)
Payment of dividends to noncontrolling interests	(857)	(871)
Disposal of Serbet – noncontrolling interest	(5,196)	-
Cumulative translation adjustments	1,359	(966)
Closing balances	26,861	32,806

15. Earnings per share

	Individual	
	06/30/2024	06/30/2023
Profit or loss attributed to the parent company's common shareholders	227,509	116,978
Weighted average number of common shares used to calculate earnings per share	80,222	79,921
Basic earnings per share (in reais)	2.83599	1.46367

Basic earnings (loss) per share are calculated by dividing net income (loss) for the period attributed to the Company's common shareholders by the weighted average number of common shares outstanding in the period, not including 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.

Valid Soluções S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(In thousands of reais, unless otherwise stated)

16. Sales revenue, net

	Individual		Consolidated	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Gross revenue from products sold	25,458	47,729	259,461	274,382
Gross revenue from services rendered	596,515	581,361	827,637	875,357
Total gross revenue	621,973	629,090	1,087,098	1,149,739
Sales taxes	(73,350)	(76,490)	(82,028)	(85,008)
Sales returns	(2,090)	(1,078)	(2,598)	(1,096)
Net sales revenue	546,533	551,522	1,002,472	1,063,635

17. Costs and expenses by nature

Expenses by nature	Individual		Consolidated	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Labor	118,538	100,326	213,911	197,996
Employee benefits	21,738	19,795	30,469	26,709
Taxes and charges	25,100	19,586	44,359	38,250
Operating lease	3,459	7,279	4,638	7,497
Depreciation and amortization	22,392	26,082	43,163	49,932
Consumables/raw material	133,811	149,231	280,771	315,964
Third-party services	49,327	39,933	77,962	69,839
Maintenance	7,127	6,705	8,176	9,344
Utilities and services	54,708	42,649	75,244	61,857
Sales commissions	4,472	3,973	12,064	13,182
Freight on sales	3,723	4,411	7,487	7,701
General and other expenses ⁽¹⁾	(5,490)	22,730	5,034	35,543
Total expenses by nature	438,905	442,700	803,278	833,814
Classified as:				
Cost of sales and/or services	356,205	366,275	633,836	662,794
Selling expenses	28,917	27,182	94,227	94,243
General and administrative expenses	53,783	49,243	75,215	76,777
Total	438,905	442,700	803,278	833,814

(1) Of the total amount, R\$25,017 refers to reversal of a labor claim that that discussed "INSS of third parties", reversed in the second quarter of 2024 as described in Note 12.

Valid Soluções S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(In thousands of reais, unless otherwise stated)

18. Finance income and costs

	Individual		Consolidated	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Finance income				
Financial investment yield	18,234	20,274	35,533	28,023
Foreign exchange differences and interest on intercompany loans	1,107	3,508	2,306	2,860
Foreign exchange differences on loans	-	-	299	7,809
Other foreign exchange differences	5,063	2,566	56,255	48,413
Foreign exchange differences, interest and restatement of leases	105	127	116	160
Marketable securities	-	1,228	-	1,228
Credits and financial adjustments on tax credits	432	1,716	432	1,716
Other finance income	4,207	1,064	6,473	4,028
Total finance income	29,148	30,483	101,414	94,237
Finance costs				
Interest on debentures, loans and financing	(32,962)	(46,907)	(40,427)	(54,684)
Foreign exchange differences and interest on intercompany loans	-	(2,294)	(2,562)	(3,527)
Foreign exchange differences on loans	-	-	(1,348)	(5,328)
Other foreign exchange differences	(2,381)	(2,669)	(79,468)	(71,344)
Bank expenses	(1,129)	(2,176)	(12,428)	(4,871)
Interest, restatement and foreign exchange differences on leases	(488)	(784)	(924)	(1,302)
Other finance costs	(4,728)	(4,172)	(10,268)	(4,793)
Total finance costs	(41,688)	(59,002)	(147,425)	(145,849)
Total finance income and costs	(12,540)	(28,519)	(46,011)	(51,612)

Valid Soluções S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(In thousands of reais, unless otherwise stated)

19. Other operating income (expenses)

	Individual		Consolidated	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Net gain on disposal - Cubic ⁽¹⁾	-	-	136,842	-
Amortization of asset revaluation surplus	(232)	(388)	(5,751)	(7,201)
Provision for impairment ⁽²⁾	-	-	(24,029)	-
Loss on sale of PPE and provision for obsolescence	382	(357)	382	(357)
Other operating income and expenses, net	(1,079)	(3,176)	(772)	(7,067)
Contingencies – Sorocaba Plant ⁽³⁾	132	(8,803)	132	(8,803)
Total other operating expenses	(797)	(12,724)	106,804	(23,428)

(1) See Notes 8 and 22.

(2) Impairment relating to the investee VCMC, as mentioned in Note 9.

(3) Provision for labor proceedings relating to the continuous form paper plant in Sorocaba.

20. 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.

Valid Soluções S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais, unless otherwise stated)

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.

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

06/30/2024	Identification	Means of payment	Mobile	Eliminations	Consolidated
Revenues					
Revenues from customers	396,576	396,006	209,890	(163,188)	839,284
Intersegment revenues	2,596	55,028	105,564	-	163,188
Total revenues	399,172	451,034	315,454	(163,188)	1,002,472
Costs	(227,129)	(289,173)	(117,534)	-	(633,836)
Selling expenses	(29,956)	(13,973)	(50,298)	-	(94,227)
Administrative expenses	(34,317)	(24,311)	(16,587)	-	(75,215)
Intersegment costs and expenses	(2,596)	(55,028)	(105,564)	163,188	-
Finance income (costs), net	-	-	-	-	(46,011)
Other operating expenses, net	-	-	-	-	130,833
Impairment (*)	-	-	(24,029)	-	(24,029)
Share of profit of subsidiary, associate and joint venture	-	-	-	-	(1,623)
Income and social contribution taxes (IRPJ/CSLL)	-	-	-	-	(32,106)
Net income for the period	-	-	-	-	226,258

(*) Refer to impairment of the investee VCMC, as mentioned in Note 9.

Valid Soluções S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais, unless otherwise stated)

06/30/2024	Identification	Means of payment	Mobile	Eliminations	Consolidated
Operating assets	232,922	490,528	418,694	(233,904)	908,240
Trade accounts receivable	136,292	187,121	300,801	(233,904)	390,310
Inventories	21,050	212,565	82,571	-	316,186
Property, plant and equipment	75,580	90,842	35,322	-	201,744
Operating liabilities					
Trade accounts payable and obligations arising from purchase of goods and services	39,296	56,200	276,581	(233,843)	138,234
06/30/2023	Identification	Means of payment	Mobile	Eliminations	Consolidated
Revenues					
Revenues from customers	342,769	399,968	320,898	-	1,063,635
Intersegment revenues	634	79,554	117,649	(197,837)	-
Total revenues	343,403	479,522	438,547	(197,837)	1,063,635
Costs	(197,947)	(292,952)	(171,895)	-	(662,794)
Selling expenses	(26,544)	(12,764)	(54,935)	-	(94,243)
Administrative expenses	(27,657)	(25,059)	(24,061)	-	(76,777)
Intersegment costs and expenses	(634)	(79,554)	(117,649)	197,837	-
Finance income (costs), net	-	-	-	-	(51,612)
Other operating expenses, net	-	-	-	-	(23,428)
Impairment	-	-	-	-	-
Share of profit of subsidiary, associate and joint venture	-	-	-	-	(1,556)
Income and social contribution taxes (IRPJ/CSLL)	-	-	-	-	(38,391)
Net income for the period	-	-	-	-	114,834
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, Panama, South Africa, Nigeria, United Arab Emirates, India, Indonesia, Taiwan, China and Ireland.

Valid Soluções S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais, unless otherwise stated)

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	
	06/30/2024	06/30/2023
In the entity's home country - Brazil	621,077	598,241
In Argentina	137,617	104,462
In EMEAA ⁽²⁾	120,901	230,428
In other foreign countries	88,604	98,817
In the USA	34,273	31,687
Total	1,002,472	1,063,635

Noncurrent assets ⁽¹⁾	Consolidated	
	06/30/2024	12/31/2023
In the entity's home country - Brazil	765,423	779,297
In Argentina	20,462	13,045
In EMEAA ⁽²⁾	464,258	387,608
In other foreign countries	3,809	4,597
In the USA	19	-
Total	1,253,971	1,184,547

(1) Does not include deferred taxes.

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

Valid Soluções S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(In thousands of reais, unless otherwise stated)

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.

21. 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.

Valid Soluções S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(In thousands of reais, unless otherwise stated)

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.

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:

06/30/2024		Individual		Consolidated	
Fair value measurement	Fair value hierarchy	Carrying amount	Fair value	Carrying amount	Fair value
Loans, financing and debentures	Level 2	456,855	462,339	584,013	577,897

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.

Valid Soluções S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(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:

Currency	Consolidated – 06/30/2024	
	Foreign exchange difference 25%	Foreign exchange difference 50%
Equity - Argentine pesos	20,705	41,410
Equity - Colombian pesos	8,159	16,319
Equity - Mexican pesos	4,577	9,155
Equity - Uruguayan pesos	983	1,965
Equity - Euro	182,430	364,860
Equity - US dollar	81,338	162,676

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 June 30, 2024 in the following amounts:

Currency	Consolidated			
	06/30/2024		12/31/2023	
	Foreign exchange difference 25%	Foreign exchange difference 50%	Foreign exchange difference 25%	Foreign exchange difference 50%
Impact	2,485	4,969	1,503	3,008

Credit risk

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.

Valid Soluções S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(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 June 30, 2024 and December 31, 2023 is as follows:

	Individual		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Within 1 month	65,946	67,521	138,234	165,338
Trade accounts payable and obligations arising from purchase of goods and services	65,946	67,521	138,234	165,338
Within 1 month	31,841	35,864	32,921	39,288
From 1 to 3 months	-	3,389	-	3,389
From 3 months to 1 year	31,229	54,221	65,764	121,096
From 1 to 5 years	393,785	382,826	485,328	527,793
Loans, financing and debentures	456,855	476,300	584,013	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 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.

Valid Soluções S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(In thousands of reais, unless otherwise stated)

With a view to analyzing the sensitivity of the index to which the Company's short-term investments were exposed at June 30, 2024, three different scenarios were defined. Based on projections disclosed by B3 on July 3, 2024, CDI was projected for the next 12 months at 10.05%, which was defined as the 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 base date used for financial investments was the balance outstanding at June 30, 2024, with a one-year projection and analysis of the CDI sensitivity in each scenario.

Individual					
Transaction	Balance at 06/30/2024	Risk	Probable scenario	Scenario II	Scenario III
Short-term investments (cash equivalents)	160,781	CDI	10.05%	7.54%	5.03%
Gross finance income			16,158	12,123	8,087

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 06/30/2024	Risk	Probable scenario	Scenario II	Scenario III
Short-term investments (cash equivalents)	254,241	CDI	10.05%	7.54%	5.03%
Gross finance income			25,551	19,170	12,788

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 June 30, 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.

Valid Soluções S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(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 June 30, 2024, with a one-year projection and analysis of the DI sensitivity in each scenario.

Transaction	Balance at 06/30/2024	Risk	Probable scenario	Scenario II	Scenario III
Debentures (9 th issue)	6,880		11.02%	13.78%	17.23%
Gross finance costs		CDI	758	948	1,185

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

Transaction	Balance at 06/30/2024	Risk	Probable scenario	Scenario II	Scenario III
Debentures (10 th issue)	240,720		11.26%	14.08%	16.89%
Gross finance costs		CDI	27,105	33,893	40,658

The same analysis was made for the balance corresponding to financing obligations at June 30, 2024. A CDI rate of 10.05% projected and disclosed by Bovespa on July 3, 2024 was taken into consideration and, based on this probable scenario, 25% and 50% index variations were calculated, representing the conditions for different scenarios.

Transaction	Balances at 06/30/2024	Risk	Probable scenario	Scenario II	Scenario III
Financing - ABC	31,842	CDI	10.05%	12.56%	15.08%
Gross finance costs			3,200	3,999	4,802

Transaction	Balances at 12/31/2023	Risk	Probable scenario	Scenario II	Scenario III
Financing - ABC	31,442	CDI	10,05%	12,56%	15,08%
Gross finance costs			3,160	3,949	4,741

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.

Valid Soluções S.A.

Notes to individual and consolidated interim financial information

June 30, 2024

(In thousands of reais, unless otherwise stated)

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 June 30, 2024, the Group's net debt amounted to (R\$136,943), corresponding to (8.2%) of equity (R\$72,615 at December 31, 2023, equivalent to 5.5% of equity).

22. 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 spot exchange rate), resulting in a gain of R\$137 million, recorded under "other operating income (expenses), net" in the statements of profit or loss. After the completion and applicable dilutions, the Group will still hold, through its subsidiary Valid Spain, 4,261,873 shares in this investee, which represents approximately 1.67% of Cubic Telecom's capital.

After the disposal, the Company lost significant influence over the investee in light of IAS 28 (CPC 18) – Investments in Associates and Joint Ventures. Consequently, the Company has been treating the investment as a financial asset, and derecognized the investment in full and recorded it at fair value through other comprehensive income, in accordance with IFRS 9 (CPC 48). The fair value of the investment was valued at R\$92,057 as at June 30, 2024 and generated an effect of R\$57,894 in the six-month period. Fair value was determined based on the total amount of the sale transaction and was classified as level 2 by management. There was no significant change in fair value for the period ended June 30, 2024.

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.

Valid Soluções S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(In thousands of reais, unless otherwise stated)

23. 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 June 30, 2024, the Company has the following major insurance policies taken out from third parties:

Type	Currency	Amount insured
Civil liability	Brazilian real	126,104
Operational risks	Brazilian real	625,704
Sundry risks	Brazilian real	147,193
Vehicles	Brazilian real	7,564
D&O - civil liability	Brazilian real	83,384
Errors & Omissions (E&O) - professional liability	Brazilian real	100,879
Loyalty and crime	Brazilian real	8,059
Product transportation - import/export	Brazilian real	104,874

24. Additional disclosures to the statements of cash flows

Noncash transactions

	Individual		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Intangible assets acquired and not paid	-	58	205	1,103
Property, plant and equipment acquired and not paid	1,609	2,023	1,852	6,563
Lease acquired and not paid - liabilities	1,506	1,048	1,525	4,756
Investment measured at fair value through other comprehensive income marked at fair value (net)	-	-	57,894	-
Total noncash transactions	3,115	3,129	61,476	12,422

Valid Soluções S.A.

Notes to individual and consolidated interim financial information
June 30, 2024
(In thousands of reais, unless otherwise stated)

25. 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 six-month periods ended June 30, 2024 and 2023.

	Consolidated	
	06/30/2024	06/30/2023
Net income for the period	227,509	116,978
(+) Income and social contribution taxes (IRPJ and CSLL)	32,106	38,391
(+) Finance income/costs	46,011	51,612
(+) Depreciation and amortization	50,959	57,161
EBITDA under CVM Ruling No. 572 of October 4, 2012	356,585	264,142
(+) Other operating income (expenses)	(106,804)	23,428
(+) Depreciation and amortization	(4,637)	(8,486)
(+) Noncontrolling interests	(1,251)	(2,144)
(+/-) Equity pickup - noncontrolling interests	1,623	1,556
Adjusted EBITDA ⁽¹⁾	245,516	278,496

- (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.

26. Events after the reporting period

Debt renegotiation

On July 15, 2024, the Company extended the debt repayment term with Banco ABC. Originally, the debt, at the cost of CDI + 1.00%, matured on July 15, but with the new operation, the maturity was extended for another year without changing the original costs provided for under the contract.

Dividends referring to 2024

On July 16, 2024, as communicated through the Notice to the Shareholders, the Board of Directors decided on one more round of payment of Interest on Equity referring to 2024. The amount approved was of R\$0.44 (forty-four cents of reais) per share, which represents a dividend yield of 2.5%.

Changes in the executive board

On August 1, 2024, the Board of Directors elected Olavo Vaz as Statutory Financial and Investor Relations Officer and Rudy Tarasantchi as Chief Technology Officer, as of August 12, 2024.