



Valid

Earnings | 4Q
Release | 23

Videoconference with simultaneous translation into English

March 07, 2024 – 10 a.m. (BRT)

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Highlights

Valid presents a 20% growth in Net Revenue and achieves a Net Profit of R\$ 213 million for the year.

São Paulo, March 06, 2024 – Valid (B3: VLID3 – ON) presents today its results for the fourth quarter (4Q23) and full year of 2023.

The following financial and operating information is presented on a consolidated basis, in Brazilian reais, under International Financial Reporting Standards (IFRS). Comparisons refer to the same periods in 2022.



Net Revenue

- Net Revenue stood at R\$633Mn in 4Q23, up by 32% over 4Q22 and by 13% over 3Q23;
- In 2023, Net Revenue reached R\$2.26Bn, up by 20% over the R\$1.88Bn reported in 2022. The YoY revenue growth exceeded 10% in all operating segments.



EBITDA

- EBITDA was R\$147Mn in 4Q23, up by 9% over the R\$135Mn reported in 4Q22. The EBITDA margin stood at 23.2% in the quarter;
- EBITDA closed the year at R\$567Mn, a 19% YoY growth. This is the 3rd consecutive year that Valid reports record EBITDA;
- The EBITDA margin stood at 25.1% in 2023, in line with the 25.4% reported in 2022.



Net Income

- Net income attributable to controlling shareholders was R\$36Mn in 4Q23, with a net margin of 5.7%, up by 44% over 4Q22;
- In 2023, Net Income attributable to controlling shareholders stood at R\$213Mn, with a margin of 9.5%. Compared to the Net Income of R\$24Mn reported in 2022, growth came to 774%.



Cash Conversion and Leverage

- The EBITDA-to-Cash conversion rate stood at 109% in 4Q23. This rate was 95% in 2023;
- The effort to optimize Working Capital strengthened in 2H23 and enabled another period of significant leverage reduction in 2023;
- The ND/EBITDA ratio closed the year at 0.13x only, com with a Net Debt of R\$73Mn, the lowest level ever reported since the Company's IPO.



Subsequent Events

- In January, Valid concluded the sale process of its property in São Bernardo do Campo, as well as its stake in Serbet/Digital Parking.
- Also in January, we prepaid the bilateral debt outstanding with Safra, of approximately R\$16Mn, given that the cost of this transaction was above the amount being raised by Valid.
- On February 19, we disclosed a Material Fact announcing some changes in Valid's Executive Board. After nearly three and a half years as the Chair of the Executive Board, having led and delivered important operational, financial, governance, and team results, Mr. Ivan Murias will leave this position to Mr. Ilson Bressan, who will take office on April 01. Bressan joined Valid in May 2020 and was responsible for the ID segment. Valid promoted Mr. Leandro Castro, who has been one of the leaders in this unit since June 2023, for the position previously held by Mr. Bressan.
- On March 06, we disclosed a Material Fact announcing the conclusion of the sale of 67.5%, equivalent to 8,863,743 shares, for €32.175.387, that Valid Soluciones Tecnológicas ("Valid Spain") owned in the IOT Cubic Telecom. After this event, Valid will remain, through its subsidiary Valid Spain, with 7,261,873 shares of the investee company.
- The Board of Directors is proposing, to be confirmed at the Ordinary General Meeting that will take place on April 17, the payment of additional dividends for the 2023 fiscal year in the amount of R\$24,646,235.95, which represents R\$0.307585 per share, considering the current shareholders

basis, already excluding treasury shares. The Company's shareholders holding shares on 04/22/2024 will be entitled to the dividends. Payment will be made on 04/30/2024.

Note: In 2023, Valid recorded non-recurring accounting entries in its financial statements, totaling R\$9Mn, due to the receipt of past amounts from a major client from the government segment.

Comments from the Management

Dear sirs,

All Executive Board members are proud to present today the results for 2023.

Before breaking down the figures achieved, we would like to once again the work of each one of our employees. At the end of 2020, we started writing a new chapter in Valid's long history, and it was evident that we would need a significant cultural and organizational change.

Also in 2021, we conducted the first NPS survey with our employees and received a score of 53%. In January 2024, we conducted another version of the survey and achieved a score of 73%. The significant increase in the indicator shows us that everyone at Valid is building, quarter after quarter, a better environment to thrive. And undoubtedly dedicated human capital interested in the Company yields results.

Moving on to the figures, 2023 will be marked as the 3rd consecutive year in which Valid reports significant results both on the operational and financial fronts. The highlights are as follows:

- i) 20% growth in Net Revenue, reaching R\$2.26Bn;
- ii) Record EBITDA and Net Income in the period, of R\$567Mn and R\$213Mn, respectively;
- iii) 4.8 p.p. increase in ROIC, reaching 22.5% at the end of 2023;
- iv) Progress, especially in 2H, in Working Capital optimization efforts, which led to an EBITDA-to-Cash conversion rate of 95% in the year;
- v) Reduction of approximately R\$250Mn in Net Debt in 2023, closing the period with only R\$73Mn in Net Debt, representing a leverage of 0.1x;
- vi) Resumption of the continuous process of distributing dividends to shareholders, with the payment of R\$98Mn in 2023 alone;
- vii) Significant increase in stock liquidity, moving up from R\$2.9 million in 4Q22 to R\$8.9 million in 4Q23. In 2023, Valid became part of the SMLLI1 index, increasing its representation in the index throughout the year;
- viii) On the strategic side, we announced, in the mid of the year, the acquisition of Flexdoc, and, in 4Q23, we executed an agreement for the sale of the minority stake that Valid Spain held in IOT, Cubic Telecom, whose closing and receipt of approximately €32 million is expected for 1Q24;
- ix) Conclusion of the process of selling the São Bernardo do Campo property and the stake held by Valid in Serbet Digital Parking.

The highlights by business unit are as follows:

Valid ID:


1. Strong document issue volume in all quarters of 2023, which was no different in 4Q23. We issued 7.1 million documents in 4Q23, and closed the year with 28.9 million documents issued. The segment revenue reached R\$210Mn in the quarter and R\$747Mn in the year, growths of 23% and 17% over the same periods in 2022.
2. EBITDA stood at R\$67Mn in the quarter, with a margin of 31.9%, and R\$252Mn in the year, with a margin of 33.7%. The margin achieved was slightly below the 34.4% reported in 2022.
3. The year 2023, especially in 1H, benefited from the extended deadlines for the expiration of driver's licenses that would initially expire during the pandemic, which will not occur in 2024.

Valid Pay:

1. Growths of 44% in sales, reaching R\$268Mn, and 56% in EBITDA, reaching R\$56Mn, compared to 4Q22. In 2023, sales reached R\$892Mn (+30%) and EBITDA came to R\$191Mn (+62%).
2. The operating margins came to 21.0% in the quarter and 21.4% in 2023, showing an improvement compared to the levels achieved in 2022.
3. The result obtained in this vertical throughout the year, more especially in the 4th quarter, was influenced by the favorable scenario for Valid in Argentina. As it is currently a hyperinflationary country, local numbers need to undergo corrections in accordance with IAS 29 / CPC 42. Such adjustments benefited the EBITDA of this vertical in the period.
4. In the last quarter, the country also experienced a significant devaluation of the local exchange rate, which led to a launch of foreign exchange expenses affecting the profit of the 4th quarter.

Valid Mobile:

1. In the Mobile segment, we closed the year with an 11% increase in Revenue, reaching R\$617Mn, and a 12% drop in EBITDA, to R\$124Mn. These results represent an EBITDA margin of 20.1% in the year, down by 5.2 p.p. from the margin reported in 2022.
2. During the 2023 reports, we mentioned that this business unit would undergo a stronger adjustment in prices and margins as the volume of SIM cards increased. In the 1st half of the year we managed to sustain prices and margins, however in the 2nd half we saw the deterioration we were talking about affecting the results.
3. In some locations, especially in those regions where SIM Cards used are of lower added value, price competition has been more intense. We will continue to observe these



dynamics to preserve our market share without excessively compromising the unit's profitability.

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

Consolidated Result

Consolidated Result (R\$ Million)

	4Q22	4Q23	Var. %	2022	2023	Var. %
Net Operating Income	478.8	633.5	32.3%	1,879.4	2,255.5	20.0%
Costs	-309.7	-406.9	31.4%	-1,209.8	-1,432.7	18.4%
Gross result	169.1	226.6	34.0%	669.6	822.8	22.9%
<i>Gross Margin</i>	35.3%	35.8%		35.6%	36.5%	
Operating income (expenses)						
Selling expenses	-41.9	-66.3	58.2%	-176.1	-194.1	10.2%
General and administrative expenses	-21.2	-42.3	99.5%	-115.7	-165.7	43.2%
Other non-operating income (expenses)*	-44.7	-43.8	-2.0%	-71.7	-71.0	-1.0%
Equity pick-up	-1.5	0.6	n.a.	-3.4	-0.2	-94.1%
Operating Income	59.8	74.8	25.1%	302.7	391.8	29.4%
<i>Operating Margin</i>	12.5%	11.8%		16.1%	17.4%	
Financial Result						
Financial income	60.0	117.5	95.8%	220.3	277.1	25.8%
Financial expenses	-94.1	-160.2	70.2%	-407	-396	-2.7%
Profit (loss) for the period before Income Tax and Social Contribution	25.7	32.1	24.9%	116.2	273.2	135.1%
Income and social contribution taxes	-0.3	2.7	n.a.	-18.8	-62.6	233.0%
Profit (loss) after Taxes	25.4	34.8	37.0%	97.4	210.6	116.2%
Net profit from discontinued operations	-10.6	0.0	n.a.	-81.9	0.0	n.a.
Income (loss) for the period profit attributable to:	14.8	34.8	135.1%	15.5	210.6	1258.7%
Controlling shareholders	24.7	35.6	44.1%	24.4	213.3	774.2%
Non-controlling shareholders	-9.9	-0.8	-91.9%	-8.9	-2.7	-69.7%

EBITDA Reconciliation (R\$ million)

	4Q22	4Q23	Var. %	2022	2023	Var. %
Net income for the period	24.7	35.6	44.1%	24.4	213.3	774.2%
(+) Non-Controlling Interest	-9.9	-0.8	-91.9%	-9.0	-2.6	-71.1%
(+) Income tax and social contribution	0.3	-2.7	n.a.	19.0	62.5	228.9%
(+) Financial expenses/(income)	34.1	42.7	25.2%	186.5	118.5	-36.5%
(+) Depreciation and amortization	29.1	29.4	0.8%	100.4	104.0	3.6%
(+) Other non-operating income (expenses)	44.7	43.7	-2.2%	71.7	71.0	-1.0%
(+/-) Equity pick-up	1.5	-0.6	n.a.	3.3	0.3	-90.9%
(+/-) Results from discontinued operations	10.6	0.0	-100.0%	81.9	0.0	-100.0%
EBITDA	135.1	147.3	9.0%	478.2	567.0	18.8%
<i>EBITDA Margin</i>	28.2%	23.2%		25.4%	25.1%	

*Breakdown of Other Non-Operating Income/Expenses

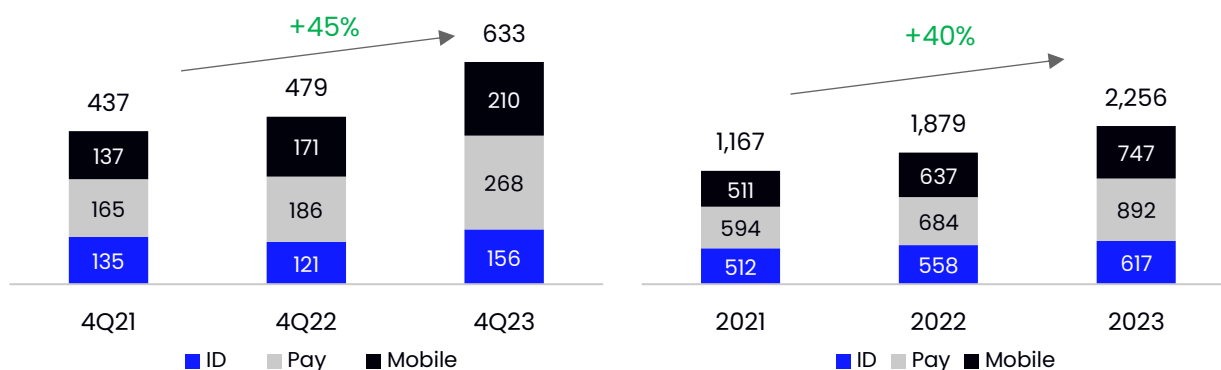
Other Non-Operating Income/Expenses (R\$ million)

	4Q22	4Q23	Var. %	2022	2023	Var. %
Brazil	-37.6	-37.6	0.0%	-44.0	51.0	15.8%
Foreign	-7.1	-6.2	-12.6%	-27.7	20.1	-27.6%
Total	-44.7	-43.8	-2.0%	-71.7	71.0	-1.0%

Net Revenue

Valid's total Net Revenue reached R\$2,26Bn in 2023 (+20% YoY) and R\$633Mn in 4Q23, up by 32% over 4Q22. All Valid's operational segments grew by more than 10% YoY. In the last 2 years, Valid has achieved annual growth of 40%.

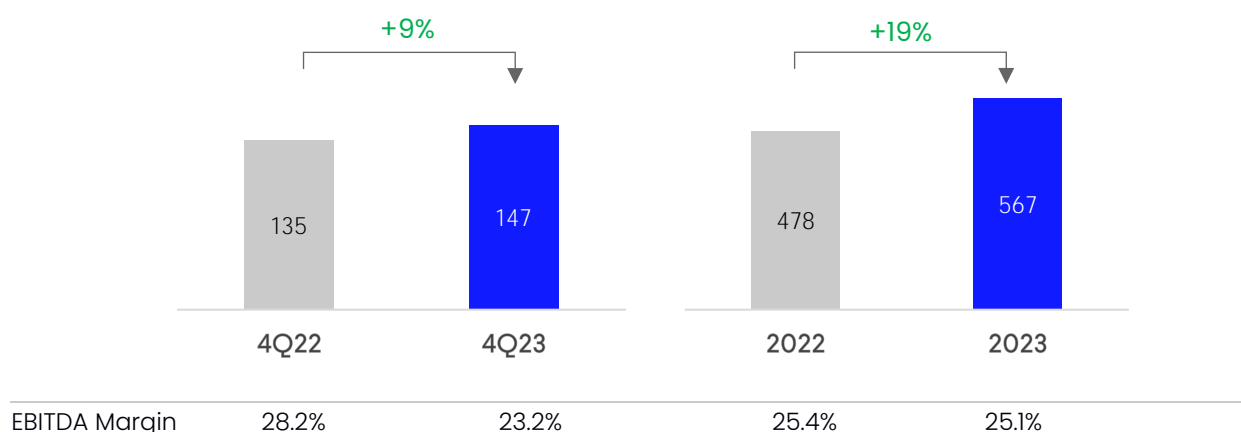
Net Revenue (R\$ Million)



OPEX and EBITDA

Valid's Consolidated OPEX totaled R\$486M in the quarter, up by 41.5% YOY. As a result, EBITDA was R\$147Mn in the quarter (+9% YOY). The EBITDA Margin reached 23.2%. EBITDA totaled R\$567Mn in the year, an increase of 18.6%, which marks the 3rd consecutive year of record results, while the margin came to 25.1% (-0.3 p.p. YoY).

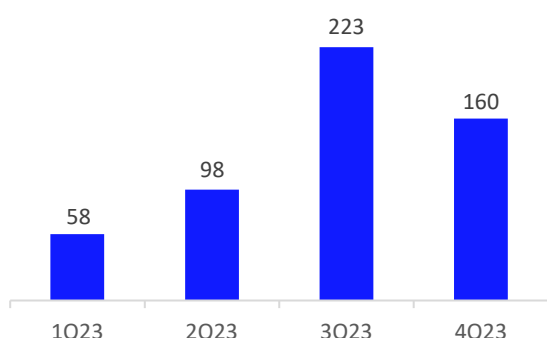
EBITDA (R\$ Million)



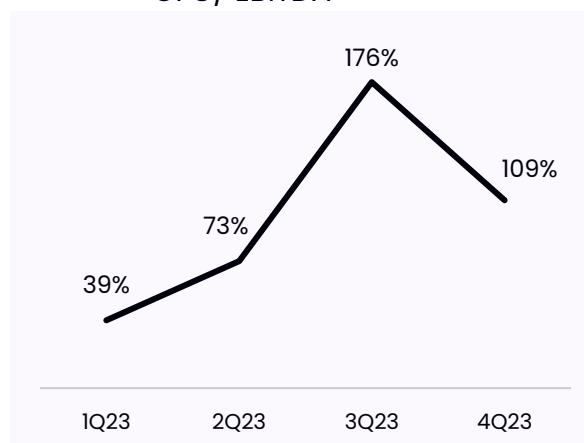
Consolidated Result

Below is the quarterly evolution of the cash conversion throughout 2023. The indicator has significantly grown due to the dedicated work on improving Working Capital management, with a special focus on the Accounts Receivable and Inventory lines. This improvement in the indicator has enabled a continued reduction in leverage. In the year, YTD OCF/EBITDA exceeded 95%.

Operating Cash Flow (R\$Mn)



OCF/ EBITDA



Net Income

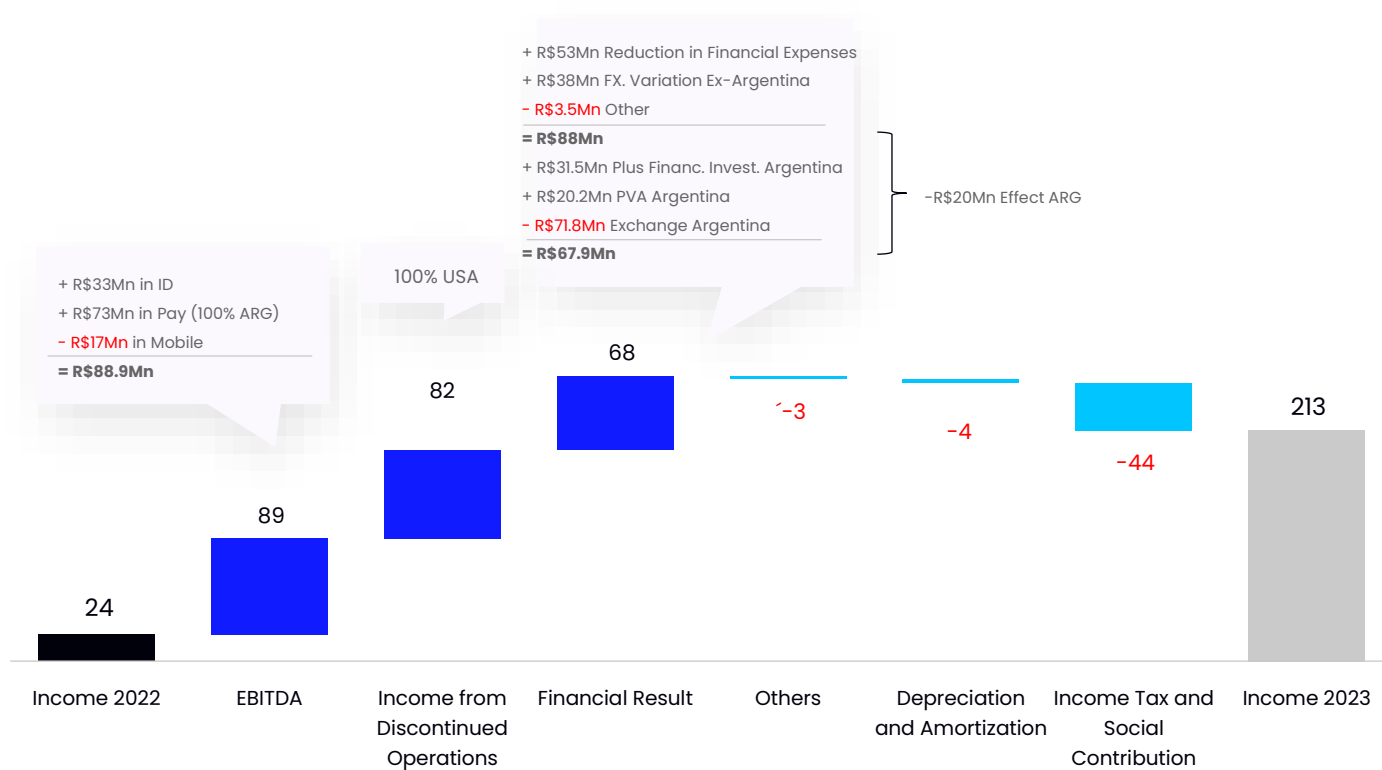
The Company reported an all-time high Net Income of R\$213Mn in 2023, compared to the R\$24Mn recorded in 2022 (774% YoY). This result represents an earnings per share of nearly R\$2.70. Compared to the previous year's result, the increase came from i) the EBITDA growth; ii) the fact that 2023 was not impacted by the USA operation; and iii) the reduction in currency variations linked to loans and the significant decrease of the Company's debt, which led to a decrease in demand for interest payments. The quarterly profit was mainly affected by the significant devaluation of the Argentine currency in December, which impacted the financial result.

Net income for the period (R\$ Million)

	4Q22	4Q23	Var. %	2022	2023	Var. %
EBITDA	135.1	147.3	9.0%	478.2	567.0	18.6%
EBITDA Margin	28.2%	23.2%		25.4%	25.1%	
(+) Other non-operating Income/Expenses	-44.7	-43.8	-2.2%	-71.7	-71.1	-1.0%
(+/-) Equity pick-up	-1.6	0.7	n.a.	-3.3	-0.3	-90.9%
(+) Non-Controlling Interest	10.0	0.8	-91.9%	9.0	2.7	-71.1%
(+) Income tax and social contribution	-0.3	2.7	n.a.	-18.7	-62.5	228.9%
(+) Financial Expenses/Revenues	-34.1	-42.8	25.2%	-186.6	-118.6	-36.5%
(+) Depreciation and amortization	-29.1	-29.4	0.8%	-100.4	-103.9	3.6%
(+) Results from discontinued operations	-10.6	0.0	n.a.	-81.9	0.0	-100.0%
Net Income (Loss)	24.7	35.6	44.1%	24.4	213.3	774.2%

Below, we can see the bridge from the accumulated result in 2022 to that recorded in YTD 2023. The chart clearly shows the evolution of the aforementioned lines.

Bridge Net Income 2022 > Net Income 2023

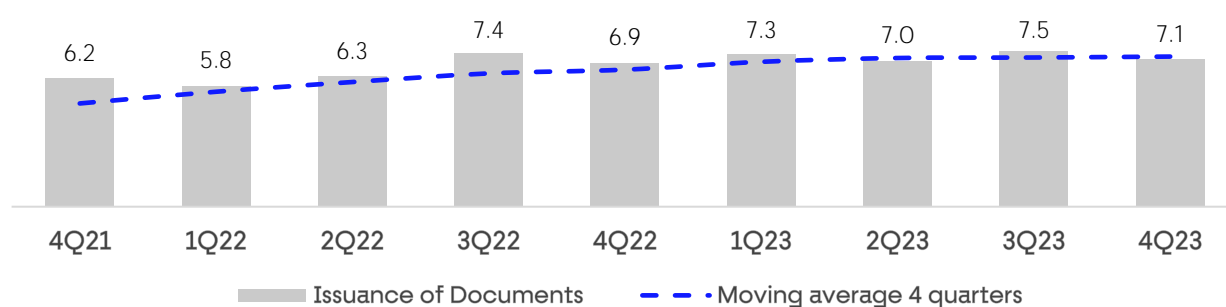


R\$ Million	4Q22	4Q23	Var.%	3Q23	Var.%	2022	2023	Var.%
Revenue	171.4	210.2	22.6%	194.3	8.2%	637.3	747.2	17.3%
EBITDA	73.1	66.8	-8.6%	73.2	-8.7%	219.4	252.1	14.9%
EBITDA Margin	42.7%	31.9%	-10.8 p.p.	37.7%	-5.8 p.p.	34.4%	33.7%	-0.7 p.p.
OPEX	98.3	143.4	45.9%	121.0	18.5%	417.9	495.1	18.4%
Volume of Documents (million)	6.9	7.1	2.6%	7.5	-5.1%	26.4	28.9	9.6%

Valid's Revenue from Identification (ID) solutions totaled R\$747Mn in the year, up by 17% over 2022. Net Revenue came to R\$210Mn in the quarter, a YoY growth of 23%.

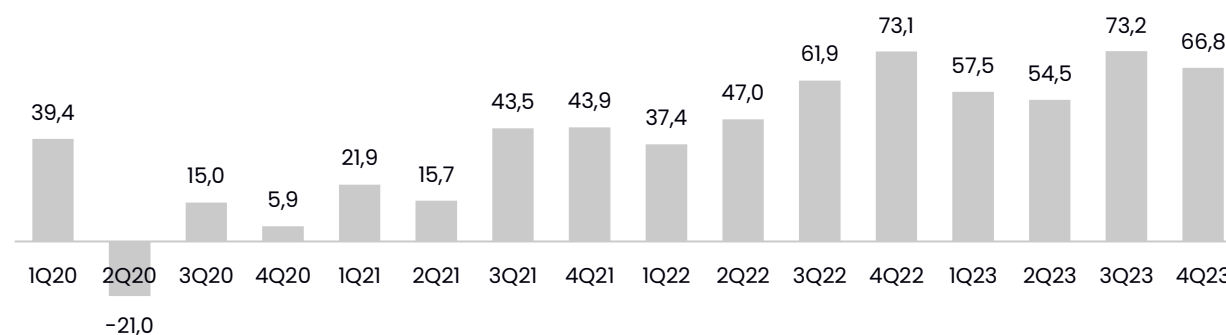
The year 2023 was the best in terms of issues, totaling 28.9 million documents issued (9.6% YoY). In the quarter, the company issued 7.1 million documents, up by 2.6% over 4Q22. The strong volume in 2023 was a result of the extended validity schedule of driver's licenses, whose new calendar was in effect until August 2023.

Issue of documents (millions of units)



OPEX totaled R\$495Mn in the year, up by 18.4% over 2022. EBITDA reached R\$252Mn in 2023 (+14.9% YoY), with a margin of 33.7% (-0.7 p.p. YoY). The EBITDA Margin reached 31.9% in the quarter, down by -10.8 p.p. from 4Q22. The result in 4Q was affected by the accounting of the results in the examinations segment, which has a lower margin when compared to the identification segment, and occurred entirely in the last quarter of 2023.

EBITDA (R\$ Mn)



ValidPay

R\$ Million	4Q22	4Q23	Var.%	3Q23	Var.%	2022	2023	Var.%
Revenue	186.2	267.5	43.7%	223.9	19.5%	684.3	891.7	30.3%
EBITDA	35.7	56.3	57.7%	48.7	15.6%	117.8	190.7	61.9%
EBITDA Margin	19.2%	21.0%	1.8 p.p.	21.8%	-0.7 p.p.	17.2%	21.4%	4.2 p.p.
OPEX	150.5	211.2	38.7%	175.2	20.6%	566.5	701.0	23.4%
Volume of Cards BRA + ARG (million)	15.2	15.5	1.7%	15.8	-2.1%	68.9	66.1	-4.1%

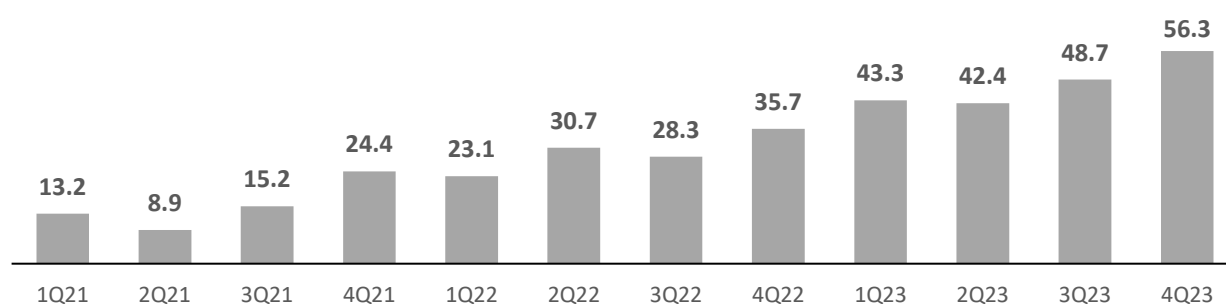
Valid's Revenue from the payments (Pay) segment totaled R\$892Mn in 2023 and R\$268Mn in 4Q23, increases of 30.3% and 43.7%, respectively.

Despite the decrease in the annual volume of cards, revenue and margins increased. A significant portion of growth is due to the performance of the Argentine market, which accounts for around 30% of volume, but which has generated short-term opportunities.

It is worth noting that the positive effects on the operational part should be analyzed together with the higher financial expenses, which have occurred due to currency losses.

The OPEX of this vertical increased by 23.4% YoY. The increase in costs below the sales increase has led to better operating margins. The R\$56Mn reported in 4Q23 represents a YoY increase of 57.7%. EBITDA stood at R\$191Mn in 2023 (+62 YoY), with a margin of 21.4% (+4.2 p.p. over 2022).

EBITDA (R\$ Mn)



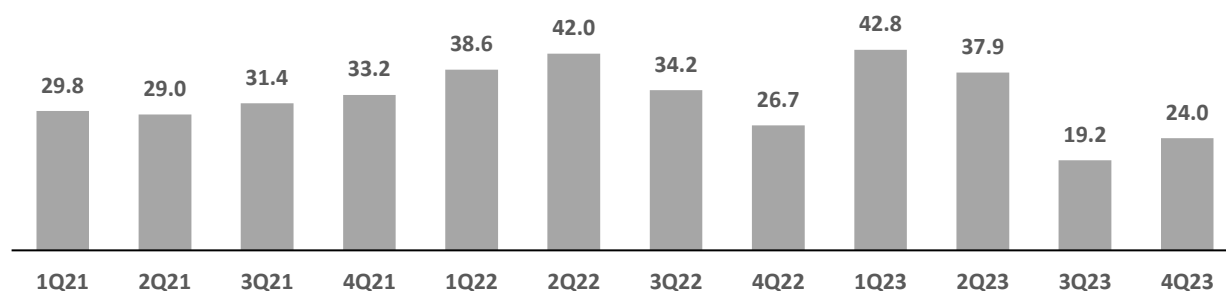
R\$ Million	4Q22	4Q23	Var.%	3Q23	Var.%	2022	2023	Var.%
Revenue	121.2	155.7	28.5%	140.2	11.0%	557.9	616.6	10.5%
EBITDA	26.7	24.0	-10.1%	19.2	24.7%	141.4	123.9	-12.4%
EBITDA Margin	22.3%	15.4%	-6.9 p.p.	13.7%	1.7 p.p.	25.3%	20.1%	-5.2 p.p.
OPEX	94.5	131.8	39.4%	121.0	8.9%	416.5	492.7	18.3%
Volume of Sim Cards (million)	39.4	70.4	78.7%	64.9	8.5%	258.6	269.1	4.0%

Mobile Revenue totaled R\$617Mn in 2023, up by 10.5% over the previous year, and R\$156Mn in the quarter (+28.5% YoY). This segment continues to face pricing pressure, especially in some regions that use low-end SIM cards. Therefore, as already seen in 3Q23, despite the increased volumes, unit prices have been affected, leading to an impact on margins.

OPEX increased by 18% YoY in 2023, leading to a 12.4% retraction in EBITDA, totaling R\$124Mn. EBITDA fell by 10% in 4Q23, from the figure reported in 4Q22. We reached an EBITDA Margin of 20.1% in the year (-5.2 p.p. YoY) and 15.4% in the quarter, down by 6.9 p.p. from 4Q22.

Price pressure and, therefore, margin reduction in this segment, are expected to continue and we continue to seek optimization in our sales mix to try to mitigate the decline in results.

EBITDA (R\$ Mn)



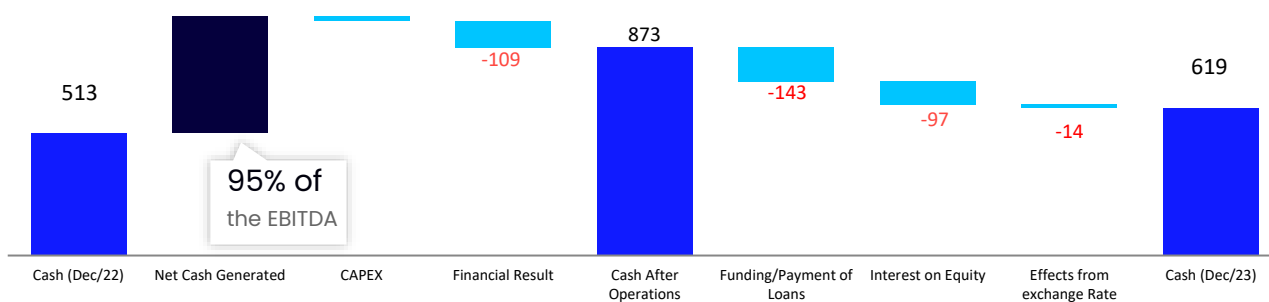
Cash Flow

One of Valid's highlights in 2023 was its ability to effectively convert EBITDA into Cash. In 2023, operating cash generation was R\$539Mn, accounting for 95% of annual EBITDA. Continuous efforts into operational gains together with improvements in the working capital dynamics enabled the higher conversion of this accounting indicator into actual cash. The indicator reached 109% in 4Q23.

The main cash changes 2023 are as follows:

- Operating Cash Generation: R\$539Mn;
- CAPEX: -R\$69Mn;
- Financial Result: -R\$109Mn
- Fundraising/amortization net of loans: -R\$143Mn;
- Payment of Interest on Equity: -R\$99Mn;

(R\$ Mn)

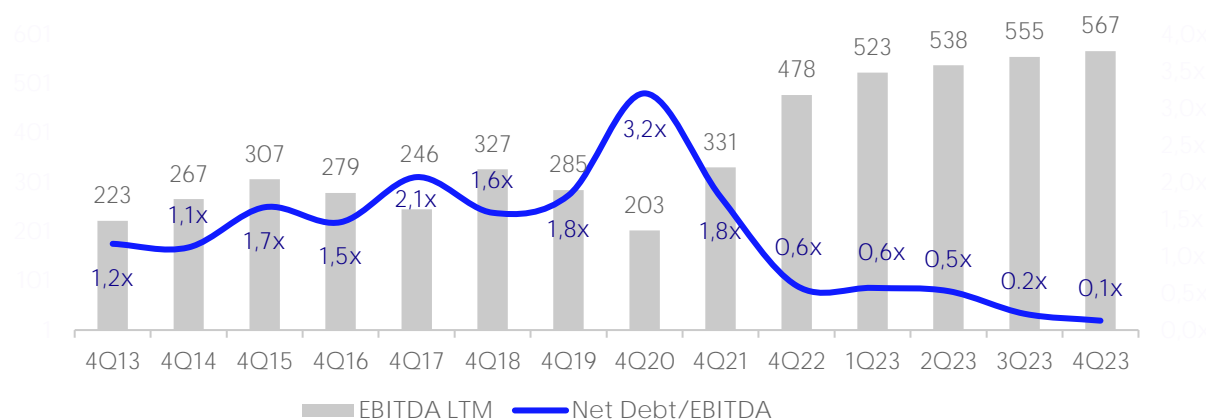


Note: Operating Cash Generation: EBITDA - Taxes on Results - Working Capital

Indebtedness

With the constant improvement of operational results, Valid has been enhancing its leverage quarter after quarter since the end of 2021. At the end of 2023, the Company's Net Debt/EBITDA ratio was 0.1x, the lowest leverage in the Company's history since its IPO. Valid's debt is well distributed among bilateral, market, and international operations, and currently, around 1/4 of the debt is short-term.

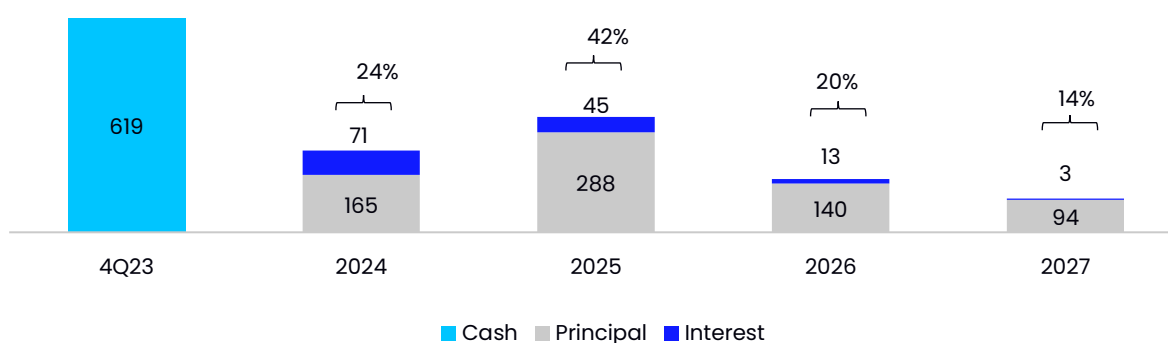
Leverage Ratio (Net Debt / LTM EBITDA)



The cash position of R\$619Mn at the end of the quarter is comfortable and sufficient to meet all obligations for 2024 and 2025. The constant improvement in leverage due to better operational results and the balancing of maturities over time were mentioned by the rating agency Moody's, which upgraded the corporate ratings and ratings of the 9th debenture issue to AA- and AA, respectively, in December.

The consolidated debt amortization schedule and the debt position in R\$ and US\$ as of December 31, 2023, are as follows.

Current Amortization Schedule (R\$ Mn)



Brazil Debt	R\$476
International Debt	R\$215
Total	R\$692
%BR	69%

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

Debt Profile	
Gross Debt (Mn)	R\$692
Cash ¹ (R\$Mn)	R\$619
Net Debt (R\$Mn)	R\$73
Financial Covenants	
Net Debt/EBITDA	0.1x
EBITDA/Net Financial Expenses	4.8x
Contracted Covenants	
Net Debt/EBITDA	≤3.0
EBITDA/Net Financial Expenses	1.75

¹Considering short-term securities and financial investments.

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

Debentures

	9th Issuance
Total Value	250,000,000
Maturity	06/20/2027
Remuneration	CDI + 3.0%
Guarantee	Fiduciary Assignment of Linked Account
Amortization of principal	Semiannual from Dec/24
Payment of interest	Semiannual from Dec/22
R\$ ('000)	BRL 248,050

Loans and financing

Description	Loan	Loan	Loan	Loan	Loan
Recipient	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.
Total amount	BRL 85,000 thousand	BRL 26,666 thousand	BRL 30,000 thousand	BRL 30,000 thousand	BRL 71,100 thousand
Maturity	12/20/2027	04/24/2025	7/5/2026	07/15/2024	12/20/2027
Remuneration	CDI + 0.14% p.m.	CDI + 2.60% p.y.	CDI + 2.17% p.y.	CDI + 1% p.y.	CDI + 0.14% p.m.
Guarantee	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.
Amortization of principal	Grace period of 1 Year (monthly from Janeiro 2025)	Quarterly from January 2023	Grace period of 12 months (monthly from August 2023)	Bullet	Grace period of 1 Year (monthly from Janeiro 2025)
Payment of interest	Grace period of 3 months (monthly from March 2024)	Quarterly (as of July 12, 2021)	Grace period of 12 months (monthly from August 2023)	6-month grace period (six-monthly from Jan/24)	Grace period of 3 months (monthly from March 2024)
R\$ ('000)	BRL 84,348	BRL 16,188	BRL 25,718	BRL 31,442	BRL 70,554

Description	Loan	Loan	Loan	Loan	Loan	Loan	Loan
Recipient	Valid Espanha	Valid Espanha	Valid Espanha	Valid Espanha	Valid Espanha	Valid Espanha	Valid Espanha
Total amount	EUR 54,000	EUR 13,000 thousand	US\$38,888 thousand	EUR 54,400	EUR 6,000 thousand	EUR 15,000 thousand	USD 7,142 thousand
Maturity	11/4/2024	04/14/2025	04/22/2025	04/22/2025	10/10/2025	10/10/2025	5/5/2025
Remuneration	6.10% p.y.	4.7% p.y.	6.95% p.y.	4.70% p.y.	6.20% p.y.	6.05% p.y.	6.90% p.y.
Guarantee	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.
Amortization of principal	Bullet	Semi-annual (from	Semi-annual (from April/2023)	Semi-annual (from October	Bullet	Bullet	Semi-annual (as of November
Payment of interest	Bullet	Semi-annual (from	Semi-annual (from April/2023)	Semi-annual (from October	Bullet	Bullet	Semi-annual (as of November
Currency of the country of	EUR 54,179	EUR 6,838	US\$6,375	EUR 52,206	EUR 6,083	EUR 15,139	Discharged
R\$ ('000)	BRL 22,364	BRL 36,596	BRL 30,864	BRL 11,809	BRL 32,558	BRL 81,016	Discharged

Description	Loan	Loan	Loan	Loan	Loan	Loan	Loan
Recipient	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.	Valid Espanha	Valid USA
Total amount ('000)	BRL 90,000 thousand	BRL 33,333 thousand	BRL 100,000 thousand	BRL 83,500 thousand	EUR 4,200 thousand	US\$ 10,000 thousand	US\$ 8,000 thousand
Maturity	5/31/2026	2/14/2025	03/30/2026	05/26/2027	10/06/23	12/09/24	03/16/24
Remuneration	CDI + 13% p.m.	CDI + 2.90% p.y.	CDI + 0.20% p.m.	CDI + 0.15% p.m.	5.99% p.y.	7.72% p.y.	SOFR + 2.5% p.y.
Guarantee	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.
Amortization of principal	Grace period of 9 months (Bimonthly from March 2023)	monthly from March 2023	Grace period of 4 months (Bimonthly from August 2022)	Grace period of 6 months (monthly from December	Bullet in Oct/2023	Semi-annual, from Dec/2023	Bullet
Payment of interest	Grace period of 9 months (Bimonthly from April 2023)	monthly (12 Months) and Quarterly Grace (after Grace)	Grace period of 4 months (Bimonthly from August 2022)	Grace period of 6 months (monthly from December	Semi-annual, from Apr/2023	Semi-annual, from June/2023	Monthly
R\$ ('000)	Discharged	Discharged	Discharged	Discharged	Discharged	Discharged	Discharged

Capital Markets

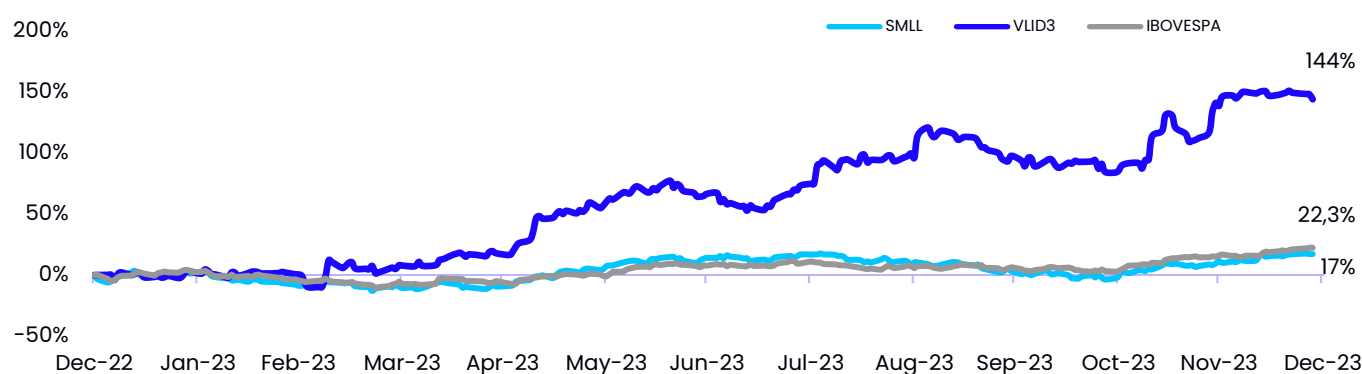
Dividends and interest on equity

The table below shows the latest Dividends and IoE paid by Valid. Proceeds for 2023 totaled R\$77Mn, representing a payout of 36% and dividend yield of 5%, considering the final price of 2023.

Event	Data	Fiscal year	Shareholding Position	Payment date	Gross amount per share (R\$)	Gross amount (R\$)
IoE	09/21/2018	2018	09/26/2018	10/11/2018	0.235340	16,565,774.59
IoE	12/11/2018	2018	12/14/2018	01/10/2019	0.588230	41,414,436.47
IoE	11/11/2019	2019	11/14/2019	01/03/2020	0.350000	24,606,589.70
IoE	11/11/2019	2019	11/14/2019	12/10/2020	0.350000	24,606,589.70
IoE	12/29/2021	2021	01/05/2022	01/31/2022	0.290354	23,145,000.00
IoE	12/29/2022	2022	01/05/2023	01/31/2023	0.263031	20,999,926.96
IoE	05/09/2023	1Q23	05/15/2023	05/22/2023	0.180000	14,371,558.74
IoE	07/18/2023	2Q23	07/21/2023	07/31/2023	0.200000	16,016,078.00
IoE	10/24/2023	3Q23	10/27/2023	11/08/2023	0.270000	21,634,641.81
IoE	12/01/2023	2023	12/06/2023	15/12/2023	0.307000	24,599,389.02

Stock performance

Valid's shares (VLID3) have been listed on B3's Novo Mercado since April 2006. Shares closed the quarter at R\$20.50, up by 144% compared to the end of 2022, being the 9th share that appreciated the most in the stock exchange. In 2023, IBOV moved up by 22% and SMLL by 17%. The average daily trading volume was R\$8.9 million in the quarter, up by 30% over 3Q23 and by 207% over 4Q22. The chart below shows the performance of VLID3 in late 2021 in comparison with the Ibovespa (IBOV) and SmallCap (SMLL) indices.





Exhibits

Balance Sheet

BALANCE SHEETS (In million of reais)

	Company		Consolidated	
	Dez 22	Dez 23	Dez 22	Dez 23
Assets				
Current assets				
Cash and cash equivalents	234,0	179,8	365,2	422,0
linked financial application	19,6	16,1	19,6	16,1
Trade accounts receivable	181,8	160,0	347,1	386,9
Receivables from related parties	19,0	35,2	-	0,0
Taxes recoverable	59,0	57,3	96,5	86,1
Inventories	174,4	160,0	344,2	267,5
Other assets	15,4	18,2	122,4	40,3
Subtotal of current assets	703,2	626,6	1.295,0	1.218,9
Assets available for sale	14,9	12,8	16,7	48,6
Current assets	718,1	639,4	1.311,7	1.267,5
Noncurrent assents				
Long-term assets				
	367,1	351,0	365,8	395,1
Marketable securities	11,9	13,4	11,9	13,5
linked financial application	128,4	180,8	128,4	180,8
Trade accounts receivable	3,8	-	3,8	-
Receivables from related parties	88,2	36,9	2,1	2,0
Taxes recoverable	84,0	71,9	83,9	71,9
Judicial deposits	19,1	19,5	19,4	19,8
Deferred income and social contribution taxes	22,0	18,0	103,9	93,6
Other accounts receivable	9,7	10,5	12,4	13,5
Investments	784,5	873,5	57,0	18,9
Property, plant and equipment	209,8	164,0	262,6	207,8
Intangible assets	39,7	31,5	666,2	656,3
	1.401,1	1.420,0	1.351,6	1.278,1
Total Assets	2.119,2	2.059,4	2.663,3	2.545,6
	Company		Consolidated	
	Dez 22	Dez 23	Dez 22	Dez 23
Liabilities and equity				
Current liabilities				
Trade accounts payables	70,1	64,5	180,6	162,4
Obligations derived from purchases of goods and services	5,4	3,0	5,4	3,0
Payables to related parties	7,0	0,1	0,2	0,0
Loans, financing, debentures and leases payable	174,3	98,8	281,8	172,1
Payroll, provisions and social charge payable	59,4	54,9	96,8	103,2
Taxes, charges and contributions payable	27,5	33,2	55,7	65,6
Dividends and interests on equity payable	21,0	-	21,0	-
Advances from customers and other payables	4,8	12,6	60,7	44,9
	369,5	267,1	702,2	551,2
Noncurrent liabilities				
Payables to related parties	2,1	1,7	2,2	1,7
Loans, financing, debentures and leases payable	448,1	386,8	585,3	537,9
Provisions for disputes and legal demands	56,4	52,6	66,1	57,3
Taxes and fees and social contribution to be collected	1,4	1,4	1,4	1,4
Deferred income tax and social contribution	-	-	9,6	9,90
Company acquisition liabilities	-	45,9	-	45,9
Other accounts payable	6,3	5,4	23,8	9,0
	514,3	493,8	688,4	663,1
Discontinued operations	-	-	-	-
Total liabilities	514,3	493,8	688,4	663,1
Equity				
Capital	1.022,4	1.022,4	1.022,4	1.022,4
Capital reserves and treasury shares	(1,0)	2,6	(1,0)	2,6
Income reserves	38,7	175,0	38,7	175,0
Cumulative translation adjustments	175,3	73,9	175,3	73,9
Proposed additional dividend distribution	-	24,6	-	24,6
Accumulated Profit/Loss	-	-	-	-
Equity attributable to controlling shareholders	1.235,4	1.298,5	1.235,4	1.298,5
Noncontrolling Interest	-	-	37,3	32,8
Total equity	1.235,4	1.298,5	1.272,7	1.331,3
Total liabilities and equity	2.119,2	2.059,4	2.663,3	2.545,6

4Q23 Income Statement

QUARTELY STATEMENTS OF INCOME
(R\$ million)

	Company		Consolidated	
	4T22	4T23	4T22	4T23
Revenue from sales and/or services				
Revenue from sales and/or services	246,0	282,1	478,8	633,5
Costs of goods and/or services sold	(170,2)	(191,6)	(309,7)	(406,9)
Gross profit	75,8	90,5	169,1	226,6
Selling expenses	(13,4)	(16,6)	(41,9)	(66,3)
General and administrative expenses	7,8	(25,5)	(21,2)	(42,3)
Other operating expenses	(27,6)	(35,7)	(44,7)	(43,8)
Equity pickup	5,8	18,4	(1,5)	0,6
Income before finance income (costs)	48,4	31,1	59,8	74,8
Finance income	41,5	13,4	60,0	117,5
Finance costs	(55,0)	(25,0)	(94,1)	(160,2)
Income (loss) before income taxes	34,9	19,5	25,7	32,1
Current income tax and social contribution taxes	(2,7)	7,7	(8,3)	(5,6)
Deferred income tax and social contribution taxes	3,1	8,4	8,0	8,3
Result after tax on profit	35,3	35,6	25,4	34,8
Reversal of interest on equity	21,0	46,2	21,0	46,2
Net income from continuing operations	35,3	35,6	25,4	34,8
Net income from discontinued operations	(10,6)	-	(10,6)	-
Net profit for the period from continuing operations	(10,6)	35,6	(10,6)	34,8
Net profit (loss) for the period	24,7	35,6	14,8	34,8
Controlling shareholders	24,7	35,6	24,7	35,6
Noncontrolling Interest	-	-	(9,9)	(0,8)
Number of shares	79,6	80,0	79,6	80,0
Earnings per basic and diluted share (R\$)	0,3	0,4	0,2	0,4
Earnings per share of Op. continued	0,4	0,4	0,3	0,4
Earnings per share of Op. discontinued	(0,1)	0,0	(0,1)	0,0

2023 Income Statement

STATEMENTS OF INCOME
(R\$ million)

	Company		Consolidated	
	dez-22	dez-23	dez-22	dez-23
Revenue from sales and/or services				
Revenue from sales and/or services	935,2	1.108,5	1.879,4	2.255,5
Costs of goods and/or services sold	(674,6)	(739,6)	(1.209,8)	(1.432,7)
Gross profit	260,6	368,9	669,6	822,8
Selling expenses	(60,6)	(42,6)	(176,1)	(194,1)
General and administrative expenses	(34,6)	(108,7)	(115,7)	(165,7)
Other operating expenses	(29,2)	(49,1)	(71,7)	(71,0)
Equity pickup	85,7	101,9	(3,4)	(0,2)
Income before finance income (costs)	221,9	270,4	302,7	391,8
Finance income	125,5	57,1	220,3	277,1
Finance costs	(255,2)	(107,9)	(406,8)	(395,7)
Income (loss) before income taxes	92,2	219,6	116,2	273,2
Current income tax and social contribution	(2,8)	(2,3)	(44,8)	(43,3)
Deferred income tax and social contribution	16,9	(4,0)	26,0	(19,3)
Result after tax on profit	106,3	213,3	97,4	210,6
Reversal of interest on equity	21,0	76,7	21,0	76,7
Net income for the period from continuing operations	106,3	213,3	97,4	210,6
Reversal of interest on equity	21,0	76,7	21,0	76,7
Net income for the year from discontinued operations	106,3	213,3	97,4	210,6
Net profit for the period from continuing operations	(81,9)	-	(81,9)	-
Net profit for the period	24,4	213,3	15,5	210,6
Controlling shareholders	24,4	213,3	24,4	213,3
Noncontrolling Interest	-	-	(8,9)	(2,7)
Number of shares	79,6	80,0	79,6	80,0
Earnings per basic and diluted share (R\$)	0,3	2,7	0,2	2,6
Earnings per share of Op. continued	1,3	2,7	1,2	2,6
Earnings per share of Op. discontinued	(1,0)	0,0	(1,0)	0,0

4Q23 Cash Flow Statement

QUARTERLY STATEMENTS OF CASH FLOWS (R\$ million)

	Company		Consolidated	
	4 T22	4T23	4T22	4T23
Earnings before taxes on earnings from continuing operations	34,9	19,5	25,7	32,1
Loss before taxes on profit from discontinued operations	(10,6)	-	(10,6)	-
Cash from operations	88,5	77,1	162,0	189,6
Profit (loss) before income tax and social contribution	24,3	19,5	15,1	32,1
Income before income and social contribution taxes, Reconciliation of income before income and social contribution taxes with cash provided by operating activities				
Depreciation	11,2	9,6	18,4	15,8
asset write-off	3,4	9,7	5,4	16,5
Amortization	3,1	4,6	20,5	16,8
Impairment and result in the sale of the USA operation	-	-	83,1	-
Fair value of the creative fund III	0,2	0,1	(0,4)	0,1
Restatement of judicial deposits	(1,2)	(0,2)	(1,3)	(0,2)
Stock options	1,8	0,8	1,8	0,8
Provisions for litigation and lawsuits	10,3	3,0	12,6	5,7
Provision for obsolescence of fixed assets	-	-	(54,4)	-
Allowance for doubtful accounts	(1,0)	(0,2)	(10,2)	(3,4)
Provision for stock obsolescence	-	-	0,2	(1,3)
provision for impairment	15,3	21,8	24,8	22,7
Variation in the fair value of earn out payable	-	6,6	-	6,6
Provision for restructuring	0,5	-	0,5	-
Equity pickup	4,7	(18,4)	1,5	(0,7)
Interest expense on debentures and loans and financing exchange variation of loans	39,5	19,3	44,7	22,5
Interest, exchange variation and write-off of leases	-	-	(6,8)	(0,7)
Interest and exchange variation on loans	0,4	0,3	0,3	0,5
Interest and exchange variation on loans	(18,4)	(0,8)	(12,2)	(0,2)
PIS and COFINS credits and ICMS financial updates	(5,1)	(0,1)	(5,8)	(0,1)
Adjust to present value	-	0,2	-	(13,9)
Other	-	0,7	-	1,2
Other exchange rate variations	(0,5)	0,6	24,2	68,8
Changes in assets and liabilities	(30,7)	35,0	107,5	79,8
Account receivable	0,5	32,8	(4,4)	27,7
Taxes recoverable	3,7	(13,4)	(19,0)	(38,0)
Inventories	(6,1)	26,2	(73,1)	36,8
Judicial deposits	1,5	0,7	2,0	0,7
Other account receivables	0,6	(0,5)	256,5	5,1
Receivables from related parties	(7,5)	(3,4)	1,5	-
Trade accounts payable	(0,8)	1,2	-	39,9
Debt with related parties	(11,3)	(3,2)	-	(0,6)
Payroll, provisions and social charges payable	0,1	(15,7)	(16,0)	(6,9)
Taxes, charges and contributions payable	(6,1)	12,1	16,6	8,5
Advance from customers and other accounts payables	(4,7)	0,1	(46,8)	(19,7)
Payment of labor, civil and tax contingencies	(0,3)	(1,6)	(0,6)	(1,6)
Payment of income and social contribution taxes	(0,3)	(0,3)	(9,2)	27,9
Cash provided by (used in) operating activities	57,8	112,1	269,5	269,4
Cash flows from investing activities				
Acquisition of PPE	(4,5)	(6,5)	(7,7)	(7,0)
Acquisition of intangible assets	(2,2)	(1,0)	(5,8)	(5,5)
Marketable securities	(1,1)	-	(0,4)	-
Payment for acquisition of equity interest, net of cash acquired	(12,0)	(2,8)	(12,0)	(1,6)
Acquisition of financeira vinculada	79,2	(42,0)	79,2	(42,0)
Dividends received	-	0,5	-	-
Merger of subsidiaries	17,8	-	-	-
Net cash provided by (used in) investing activities	77,2	(51,8)	53,3	(56,1)
Cash flows from financing activities				
Receivables from related parties	307,7	8,7	-	-
Dividends received	-	(0,5)	-	-
Payment of dividends to non-controlling interests	-	-	(0,5)	0,9
Interest on equity paid net	-	(46,3)	-	(46,3)
Caixa recebido pelo exercício de opções de ações outorgadas	(8,9)	-	(8,9)	-
Lease payment	(2,1)	(2,10)	(4,0)	(3,70)
Payment of interest leases	-	-	(0,7)	-
Payment of debentures	(225,3)	-	(225,3)	-
Payment of interest on debentures	(42,6)	(19,7)	(42,6)	(19,7)
Loans	-	154,5	89,7	266,5
Payment of loans	(4,5)	(164,8)	(95,3)	(277,9)
Payment of interest on loans	(11,3)	(11,5)	(16,2)	(16,3)
Cash provided financing activities	13,0	(81,7)	(303,8)	(96,5)
Increase (decrease) in cash and cash equivalents	148,0	(21,4)	19,0	116,8
Cash balances and cash equivalents				
Cash and cash equivalents at the beginning of the period	86,0	201,2	345,4	434,6
Effect of changes in exchange rates on cash and cash equivalents held in foreign curren	-	-	0,7	(129,4)
Cash and cash equivalents at the end of the year	234,0	179,8	365,1	422,0
Net increase (decrease) in cash and cash equivalents	148,0	(21,4)	19,0	116,8

2023 Cash Flow Statement

STATEMENTS OF CASH FLOWS (R\$ million)

	Company		Consolidated	
	dez-22	dez-23	dez-22	dez-23
Earnings before taxes on earnings from continuing operations	92,2	219,6	116,2	273,2
Loss before taxes on profit from discontinued operations	(81,9)	-	(81,9)	-
Cash flows from operating activities				
Cash from operations	256,0	303,1	570,2	641,9
Profit before income tax and social contribution	10,3	219,6	34,3	273,2
Income before income and social contribution taxes,				
Reconciliation of income before income and social contribution taxes with cash provided by operating activities				
Depreciation	36,9	38,8	75,8	59,5
asset write-off	4,3	10,1	12,7	19,3
Amortization	11,4	16,8	68,4	61,4
Impairment and result in the sale of the USA operation	-	-	118,1	-
Fair value of the creative fund III	(0,9)	(1,0)	(1,5)	(1,0)
Restatement of judicial deposits	(1,2)	(0,7)	(1,3)	(0,8)
Stock options	3,7	3,3	3,7	3,3
Provisions for litigation and lawsuits	21,0	22,5	24,1	24,2
Allowance for doubtful accounts	(0,5)	(17,6)	(18,3)	(19,5)
Provision for stock obsolescence	-	-	(0,4)	1,6
provision for impairment	15,3	21,8	24,8	22,7
Variation in the fair value of earn out payable	-	6,6	-	6,6
Provision for restructuring	0,5	-	0,5	-
Equity pickup	(3,8)	(101,9)	3,4	0,2
Interest expense on debentures and loans and financing	139,1	86,0	152,4	100,6
exchange variation of loans	-	-	0,9	(0,6)
Interest, exchange variation and write-off of leases	0,8	1,3	4,2	2,2
Interest and exchange differences on intercompany loans	26,4	(3,0)	41,9	(0,4)
PIS and COFINS credits and ICMS financial updates	(5,6)	(1,9)	(7,3)	(1,9)
Adjust to present value	-	2,2	-	(20,0)
Other	-	0,3	-	1,2
Other exchange rate variations	(1,7)	(0,1)	33,8	110,1
Changes in assets and liabilities	(45,0)	1,8	(26,1)	7,3
Accounts receivable	(14,0)	43,2	(61,9)	(40,2)
Taxes recoverable	9,7	15,6	(20,7)	(0,7)
Inventories	(38,0)	14,4	(191,8)	6,2
Judicial deposits	22,7	(0,7)	22,3	(0,7)
Other receivables	(2,6)	(5,7)	249,1	75,4
Receivables from related parties	(8,1)	(20,0)	(0,4)	0,1
Trade accounts payable	(4,9)	(11,5)	2,4	4,7
Debt with related parties	(14,0)	(6,9)	(1,1)	(0,6)
Payroll, provisions and social charge payable	12,5	(4,5)	6,8	11,1
Taxes, charge and contributions payable	(1,2)	9,6	16,2	24,6
Advance from customers and other accounts payable	(4,5)	(0,2)	(22,3)	(32,0)
Payment of labor, civil and tax contingencies	(2,4)	(25,3)	(3,2)	(28,9)
Payment of income and social contribution taxes	(0,2)	(6,2)	(21,5)	(11,7)
Cash provided operating activities	211,0	304,9	544,1	649,2
Cash flows from investing activities				
Aquisitions of PPE	(52,4)	(16,9)	(62,4)	(28,3)
Aquisitions of intangible assets	(11,1)	(5,2)	(28,4)	(22,9)
capital increase in subsidiaries	(0,4)	(0,9)	-	-
Marketable securities	(2,5)	(0,6)	(1,8)	(0,6)
Payment for acquisition of equity interest, net of cash acquired	(12,0)	(22,8)	(12,0)	(19,6)
Acquisition of financeira vinculada	21,6	(48,9)	21,6	(48,9)
Dividends received	-	0,5	-	-
Merger of subsidiaries	17,8	-	-	-
Cash provided by (used) investing activities	(39,0)	(94,8)	(83,0)	(120,3)
Cash flows from financing activities				
Receivables from related parties	297,2	58,1	-	-
Payment of dividends to non-controlling interests	-	-	(0,5)	-
Interest on equity paid net	(23,1)	(97,7)	(23,1)	(97,7)
Cash received from the exercise of stock options granted	(19,4)	0,3	(19,4)	0,3
Issuance of shares in the parent company, net of transaction costs	18,8	-	18,8	-
Lease payment	(6,7)	(7,2)	(18,4)	(14,0)
Payment of interest leases	-	-	(3,9)	(0,1)
Debentures raised	245,8	-	245,8	-
Payment of debentures	(620,7)	(90,0)	(620,7)	(90,0)
Payment of interest on debentures	(105,5)	(46,7)	(105,5)	(46,7)
Raising financing	-	30,0	-	30,0
Loans	216,3	236,9	415,1	412,3
Payment of loans	(113,1)	(312,5)	(327,8)	(494,9)
Payment of interest on loans	(34,1)	(35,5)	(46,4)	(47,8)
Cash used in financing activities	(144,5)	(264,3)	(486,0)	(348,6)
Decrease in cash and cash equivalents	27,5	(54,2)	(24,9)	180,3
Cash balances and cash equivalents				
Cash and cash equivalents at the beginning of period	206,5	234,0	390,0	365,1
Effect of exchanges rate changes on the balance of cash and cash equivalents held in foreign currency	-	-	-	(123,4)
Cash and cash equivalents at the end of the year	234,0	179,8	365,1	422,0
Increase (decrease) in cash and cash equivalents	27,5	(54,2)	(24,9)	180,3

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