

Individual and Consolidated Interim Financial Information

Valid Soluções S.A.

September 30, 2024
with Independent Auditor's Review Report

Valid Soluções S.A.

Individual and consolidated interim financial information

September 30, 2024

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A free translation from Portuguese into English of Independent Auditor's Review Report on quarterly information (ITR) prepared in Brazilian currency 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)

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 September 30, 2024, which comprises the statement of financial position as at September 30, 2024 and the related statements of profit or loss and of comprehensive income for the three- and nine-month periods then ended, and the statements of changes in equity and of cash flows for the nine-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 nine-month period ended September 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 to the interim financial information and the accounting records, as applicable, and if their form 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 individual and consolidated interim financial information taken as a whole.

Rio de Janeiro, November 5, 2024

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



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

A free translation from Portuguese into English of quarterly information (ITR) prepared in Brazilian currency in accordance with the 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)

Valid Soluções S.A.

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

	Note	Individual		Consolidated	
		09/30/2024	12/31/2023	09/30/2024	12/31/2023
Assets					
Current assets					
Cash and cash equivalents	3	145,160	179,837	542,157	422,029
Restricted financial investments	3	9,729	16,117	9,729	16,142
Trade accounts receivable	4	219,140	160,005	443,777	386,929
Related parties	13	26,985	35,177	-	-
Taxes recoverable	5.a	101,625	57,321	135,597	86,137
Inventories	6	163,587	160,004	293,032	267,477
Other		19,384	18,168	63,851	40,164
		685,610	626,629	1,488,143	1,218,878
Assets available for sale					
		2,478	12,749	4,275	48,557
Noncurrent assets					
Marketable securities	3	13,350	13,538	13,350	13,538
Restricted financial investments	3	190,705	180,780	190,705	180,780
Related parties	13	7,089	36,944	2,392	2,038
Taxes recoverable	5.a	69,153	71,891	70,023	71,891
Judicial deposits	7	20,094	19,455	20,320	19,767
Deferred income and social contribution taxes	5.b	2,221	17,971	65,506	93,644
Investments in subsidiaries and associates	8	1,244,552	873,515	2,285	18,886
Other investments designated at fair value	22	-	-	93,869	-
Property, plant and equipment	10	174,717	164,000	216,727	207,775
Intangible assets	9	27,308	31,513	642,367	656,347
Other		10,376	10,453	13,339	13,525
		1,759,565	1,420,060	1,330,883	1,278,191
Total assets					
		2,447,653	2,059,438	2,823,301	2,545,626

	Note	Individual		Consolidated	
		09/30/2024	12/31/2023	09/30/2024	12/31/2023
Liabilities					
Current liabilities					
Trade accounts payable		77,651	64,562	156,103	162,379
Obligations arising from the purchase of goods and services		2,107	2,959	2,107	2,959
Related parties	13	4,472	80	-	-
Loans, financing, debentures and lease liabilities	11	80,333	98,835	117,450	172,061
Payroll, accruals and social charges payable		74,542	54,851	121,143	103,227
Taxes, charges and contributions payable	5.c	55,677	33,175	90,205	65,579
Dividends and interest on equity payable	14.d	56	8	56	8
Advances from customers and other accounts payable		2,892	12,648	32,693	44,957
		297,730	267,118	519,757	551,170
Noncurrent liabilities					
Related parties	13	1,108	1,716	1,108	1,716
Loans, financing, debentures and lease liabilities	11	390,721	386,809	489,612	537,893
Provisions for litigation and contingencies	12	31,003	52,600	40,023	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	-	-	14,502	9,940
Business acquisition liabilities	8	31,148	45,947	31,148	45,947
Other accounts payable		5,512	5,370	8,872	9,015
		460,907	493,857	586,680	663,187
Equity					
Capital	14.a	1,022,370	1,022,370	1,022,370	1,022,370
Capital reserves	14.b	30,523	27,936	30,523	27,936
Treasury shares	14.b	(32,242)	(25,324)	(32,242)	(25,324)
Income reserves	14.c	201,316	174,978	201,316	174,978
Other comprehensive income		211,831	73,857	211,831	73,857
Additional dividends proposed	14.d	-	24,646	-	24,646
Retained earnings		255,218	-	255,218	-
		1,689,016	1,298,463	1,689,016	1,298,463
Noncontrolling interests	14.e	-	-	27,848	32,806
		1,689,016	1,298,463	1,716,864	1,331,269
Total liabilities and equity					
		2,447,653	2,059,438	2,823,301	2,545,626

See accompanying notes.

Valid Soluções S.A.

Statements of profit or loss

Nine-month periods ended September 30, 2024 and 2023

(In thousands of reais, unless otherwise stated)

	Note	Individual		Consolidated	
		09/30/2024	09/30/2023	09/30/2024	09/30/2023
Sales revenue, net	16	848,483	826,350	1,582,171	1,622,044
Cost of sales and/or services	17	(560,079)	(548,090)	(1,003,152)	(1,025,764)
Gross profit		288,404	278,260	579,019	596,280
Selling expenses	17	(46,810)	(25,772)	(153,023)	(127,748)
General and administrative expenses	17	(82,857)	(83,154)	(118,030)	(123,469)
Other operating income (expenses), net	19	(264)	(13,425)	105,099	(27,255)
Share of profit of subsidiary, associate and joint venture	8	201,646	83,481	(1,906)	(885)
Income before finance income (costs)		360,119	239,390	411,159	316,923
Finance income	18	43,848	43,650	143,495	159,628
Finance costs	18	(65,119)	(82,850)	(185,416)	(235,462)
Pretax income		338,848	200,190	369,238	241,089
Income and social contribution taxes	5.d	(21,024)	(22,500)	(51,542)	(65,254)
Net income for the period		317,824	177,690	317,696	175,835
Income (loss) attributable to controlling interests		317,824	177,690	317,824	177,690
Income (loss) attributable to noncontrolling interests	14.e	-	-	(128)	(1,855)
Basic and diluted earnings per share, attributable to controlling interests (in reais)	15	3.96527	2.22137	3.96527	2.22137

See accompanying notes.

Valid Soluções S.A.

Statements of profit or loss

Three-month periods ended September 30, 2024 and 2023

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

	Individual		Consolidated	
	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023
Sales revenue, net	301,950	274,828	579,699	558,409
Cost of sales and/or services	(203,874)	(181,815)	(369,316)	(362,970)
Gross profit	98,076	93,013	210,383	195,439
Selling expenses	(17,893)	1,410	(58,796)	(33,505)
General and administrative expenses	(29,074)	(33,911)	(42,815)	(46,692)
Other operating income (expenses)	533	(701)	(1,705)	(3,827)
Share of profit of subsidiary, associate and joint venture	48,460	22,483	(283)	671
Income before finance income (costs)	100,102	82,294	106,784	112,086
Finance income	14,700	13,167	42,081	65,391
Finance costs	(23,431)	(23,848)	(37,991)	(89,613)
Pretax income	91,371	71,613	110,874	87,864
Income and social contribution taxes	(1,056)	(10,901)	(19,436)	(26,863)
Net income for the period	90,315	60,712	91,438	61,001
Income (loss) attributable to controlling interests	90,315	60,712	90,315	60,712
Income (loss) attributable to noncontrolling interests	-	-	1,123	289
Basic and diluted earnings per share, attributable to controlling interests (in reais)	1.12875	0.75769	1.12875	0.75769

See accompanying notes.

Valid Soluções S.A.

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

	Individual		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Net income for the period	317,824	177,690	317,696	175,835
Other comprehensive income				
Items that may be subsequently reclassified				
Foreign exchange effects on the translation of foreign investments	78,941	(40,548)	80,164	(41,177)
Net income from instruments at fair value through other comprehensive income	78,424	-	78,424	-
Taxes on instruments at fair value through other comprehensive income	(19,391)	-	(19,391)	-
Total comprehensive income for the period	455,798	137,142	456,893	134,658
Comprehensive income attributable to:				
Income attributable to controlling interests	455,798	137,142	455,798	137,142
Income (loss) attributable to noncontrolling interests	-	-	1,095	(2,484)

See accompanying notes.

Valid Soluções S.A.

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

	Individual		Consolidated	
	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023
Net income for the period	90,315	60,712	91,438	61,001
Other comprehensive income				
Items that may be subsequently reclassified				
Foreign exchange effects on the translation of foreign investments	(18,050)	14,232	(18,186)	14,687
Net income from instruments at fair value through other comprehensive income	-	-	-	-
Total comprehensive income for the period	72,265	74,944	73,252	75,688
Comprehensive income attributable to:				
Income attributable to controlling interests	72,265	74,944	72,265	74,944
Income attributable to noncontrolling interests	-	-	987	744

See accompanying notes.

Valid Soluções S.A.

Statements of changes in equity Nine-month periods ended September 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	-	-	-	342	-	-	-	-	-	342	-	342
Foreign exchange effects on the translation of foreign investments	-	-	-	-	-	-	-	(40,548)	-	(40,548)	(629)	(41,177)
Recognized options granted 14.b	-	2,458	-	-	-	-	-	-	-	2,458	-	2,458
Net income for the period	-	-	-	-	-	-	-	-	177,690	177,690	(1,855)	175,835
Adjustments for inflation to foreign subsidiary 14.c	-	-	-	-	-	14,496	-	-	-	14,496	-	14,496
Interest on equity	-	-	-	-	-	-	-	-	(30,431)	(30,431)	-	(30,431)
Payment of dividends to noncontrolling interests	-	-	-	-	-	-	-	-	-	-	(449)	(449)
Subsidiary reserve	-	-	-	-	-	(614)	-	-	-	(614)	-	(614)
Balances at September 30, 2023	1,022,370	27,817	(719)	(25,324)	4,208	48,387	-	134,762	147,259	1,358,760	34,375	1,393,135
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	-	-	-	(6,918)	-	-	-	-	-	(6,918)	-	(6,918)
Foreign exchange effects on the translation of foreign investments	-	-	-	-	-	-	-	78,941	-	78,941	1,223	80,164
Recognized options granted 14.b	-	2,587	-	-	-	-	-	-	-	2,587	-	2,587
Net income for the period 14.e	-	-	-	-	-	-	-	-	317,824	317,824	(128)	317,696
Inflation adjustments to foreign subsidiary 14.c	-	-	-	-	-	25,667	-	-	-	25,667	-	25,667
Payment of dividends to noncontrolling interests	-	-	-	-	-	(432)	-	-	-	(432)	(857)	(1,289)
Net income from instruments at fair value through other comprehensive income 22	-	-	-	-	-	-	-	59,033	-	59,033	-	59,033
Disposal of equity interest in subsidiary 14.e	-	-	-	-	-	-	-	-	-	-	(5,196)	(5,196)
Distribution of additional dividends 14.d	-	-	-	-	-	-	(24,646)	-	-	(24,646)	-	(24,646)
Interest on equity 14.d	-	-	-	-	-	-	-	-	(62,606)	(62,606)	-	(62,606)
Subsidiary reserve 8	-	-	-	-	-	1,103	-	-	-	1,103	-	1,103
Balances at September 30, 2024	1,022,370	31,242	(719)	(32,242)	14,872	186,444	-	211,831	255,218	1,689,016	27,848	1,716,864

See accompanying notes.

Valid Soluções S.A.

Statements of cash flows

Nine-month periods ended September 30, 2024 and 2023

(In thousands of reais)

	Individual		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Pretax income	338,848	200,190	369,238	241,089
Adjustments to reconcile income or loss to cash flows from operating activities				
Depreciation	27,939	29,198	37,692	43,797
Amortization	6,378	12,204	38,304	44,578
Net gains (losses) on write-off/disposal of assets	12,504	404	(123,427)	2,818
Fair value of fund Criatec III	357	(1,124)	357	(1,124)
Restatement of judicial deposits	(812)	(511)	(831)	(521)
Recognized options granted	2,587	2,458	2,587	2,458
Provisions for litigation and contingencies	(19,083)	19,598	(14,695)	18,382
Allowance for expected credit losses	490	(17,405)	(1,276)	(16,099)
Provision for impairment	-	-	24,029	-
Provision for inventory obsolescence	-	-	2,897	2,882
Equity pickup	(201,646)	(83,481)	1,906	885
Interest expenses on debentures, loans and financing	49,034	66,694	58,344	78,125
Foreign exchange differences on loans	34	-	1,084	143
Interest, write-offs and foreign exchange differences on leases	(313)	1,013	297	1,740
Foreign exchange differences and interest on intercompany loans	(1,283)	(2,209)	866	(202)
Credits and financial adjustments of PIS and COFINS on ICMS	(432)	(1,826)	(432)	(1,827)
Present value adjustment	1,570	2,026	3,172	(6,129)
Other	(2,647)	(1,289)	15,261	41,258
Changes in assets and liabilities				
Trade accounts receivable	(59,625)	10,271	(46,371)	(67,948)
Taxes recoverable	(41,134)	28,963	(46,107)	37,295
Inventories	(3,583)	(11,770)	(23,756)	(30,614)
Judicial deposits	(905)	(1,366)	(924)	(1,417)
Other accounts receivable	(24)	(5,185)	6,207	70,315
Related-party receivables	8,192	(16,526)	(354)	81
Trade accounts payable	5,103	(12,734)	(24,318)	(35,229)
Related-party payables	4,392	(3,688)	(608)	-
Payroll, accruals and social charges payable	19,691	11,176	15,733	17,984
Taxes, charges and contributions payable	21,359	(2,534)	4,220	16,143
Advances from customers and other accounts payable	(9,804)	(290)	(8,828)	(12,257)
Payment of labor, civil and tax contingencies	(1,436)	(23,659)	(1,554)	(27,282)
Payment of income and social contribution taxes (IRPJ and CSLL)	(4,131)	(5,886)	(25,325)	(39,643)
Cash flows from operating activities	151,620	192,712	263,388	379,681
Cash flows from investing activities				
Acquisition of property, plant and equipment	(28,406)	(10,365)	(31,710)	(21,155)
Acquisition of intangible assets	(1,934)	(4,157)	(13,639)	(17,375)
Acquisition of investments	-	(20,000)	-	(17,992)
Capital increase in subsidiaries	(23,487)	(919)	-	-
Net cash received from the disposal of equity interest	5,177	-	177,680	-
Receipt of dividends	13,041	468	-	-
Marketable securities	(169)	(613)	(169)	(613)
Restricted financial investment	(3,537)	(6,933)	(3,512)	(6,935)
Payment of earn-out for acquisition of Flexdoc	(14,798)	-	(14,798)	-
Cash flows (used in) investing activities	(54,113)	(42,519)	113,852	(64,070)
Cash flows from financing activities				
Related-party receivables	31,138	49,485	-	-
Interest on equity paid	(62,561)	(51,437)	(62,561)	(51,437)
Payment of dividends	(24,643)	-	(24,643)	-
Payment of dividends to noncontrolling interests	-	-	(1,289)	(897)
Treasury shares	(6,918)	342	(6,918)	342
Lease payments	(5,834)	(5,101)	(10,156)	(10,346)
Payment of interest on leases	-	-	(76)	(101)
Debentures raised	241,392	-	241,392	-
Payment of debentures	(243,141)	(90,000)	(243,141)	(90,000)
Payment of interest on debentures	(18,262)	(26,962)	(18,262)	(26,962)
Loans raised	182,983	82,440	182,983	145,777
Repayment of loans	(175,433)	(147,755)	(281,541)	(216,957)
Payment of interest on loans	(17,341)	(24,014)	(27,908)	(31,512)
Financing raised	-	30,000	-	30,000
Repayment of financing	(30,000)	-	(30,000)	-
Payment of interest on financing	(3,564)	-	(3,564)	-
Cash flows used in financing activities	(132,184)	(183,002)	(285,684)	(252,093)
Increase (decrease) in cash and cash equivalents	(34,677)	(32,809)	91,556	63,518
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	-	-	28,572	5,950
Cash and cash equivalents at end of period	145,160	201,228	542,157	434,629
Increase (decrease) in cash and cash equivalents	(34,677)	(32,809)	91,556	63,518

See accompanying notes.

Valid Soluções S.A.

Statements of value added

Nine-month periods ended September 30, 2024 and 2023

(In thousands of reais)

	Individual		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Revenues	976,356	958,729	1,755,830	1,768,436
Sales of services and goods, net of returns	963,001	941,009	1,709,397	1,750,605
Other revenues	13,845	315	14,192	1,732
Allowance for expected credit losses	(490)	17,405	32,241	16,099
Materials acquired from third parties	(411,834)	(415,417)	(821,112)	(809,237)
Cost of sales and services	(343,404)	(345,302)	(656,898)	(690,832)
Materials, power, services from suppliers and other	(68,430)	(70,115)	(164,214)	(118,405)
Gross value added	564,522	543,312	934,718	959,199
Depreciation and amortization	(34,542)	(41,402)	(76,950)	(87,942)
Net value added	529,980	501,910	857,768	871,257
Value added received from transfers	245,558	127,131	278,722	158,743
Share of profit of subsidiary, associate and joint venture	201,646	83,481	(1,906)	(885)
Finance income	43,848	43,650	143,495	159,628
Other	64		137,133	
Total value added to be distributed	775,538	629,041	1,136,490	1,030,000
Personnel and charges (except INSS)	224,799	202,062	394,283	369,644
Salaries	179,598	161,752	332,239	315,491
Benefits	33,610	30,760	47,364	41,522
Unemployment Compensation Fund (FGTS)	11,591	9,550	14,680	12,631
Taxes and contributions	162,349	156,561	231,553	238,498
Federal taxes	132,646	123,995	196,555	199,458
State taxes	7,184	11,303	9,238	13,957
Local taxes	22,519	21,263	25,760	25,083
Debt remuneration	70,566	92,728	192,958	246,023
Interest	65,119	82,850	185,416	235,462
Rent	5,447	9,878	7,542	10,561
Equity remuneration	317,824	177,690	317,696	175,835
Controlling interests in retained profits	317,824	177,690	317,824	177,690
Noncontrolling interests in retained losses	-	-	(128)	(1,855)
	775,538	629,041	1,136,490	1,030,000

See accompanying notes.

Valid Soluções S.A.

Notes to individual and consolidated interim financial information
September 30, 2024
(In thousands, 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 and is primarily engaged in the production and provision of services for the security market in identification, management, and protection of data, whether physical or digital. Its main customers include state governments and government agencies, financial institutions, telecommunications companies, retailers, agricultural cooperatives, and self-employed professionals.

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

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

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

Valid Soluções S.A.

Notes to individual and consolidated interim financial information
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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 November 5, 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 September 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
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The percentage of equity interest held at the reporting dates is as follows:

Subsidiaries	Denomination	(% Equity interest)			
		09/30/2024		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 Uruguay	100	-	100	-
4. Valid Soluciones y Servicios de Seguridad en Medios de Pago e Identificación S.A. de C.V.	Valid Mexico	100	-	100	-
5. Valid Link Sol em Rastreabilidade S.A.	Valid Link	100	-	100	-
6. Guaratinguetá Consórcio Rotativo ⁽²⁾	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. ⁽³⁾	Serbet	-	-	50% + 1 unit of interest	-
10. Mitra - Acesso em Rede e Tecnologia da Informação Municipal Ltda.	Mitra	51	-	51	-
11. Flexdoc Tecnologia da Informação Ltda. ⁽¹⁾	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 ⁽⁴⁾	Valid ID	-	-	-	100
ii. Marketing Software Company, LLC ⁽⁵⁾	MSC	-	-	-	100
b. Valid A/S	Valid A/S	-	100	-	100
i. Valid Logistics Limited	Valid Logistics	-	100	-	100
ii. Valid Holding Denmark Aps	Valid Holding	-	100	-	100
1. Valid Panamá Inc. ⁽⁶⁾	Valid Panamá	-	-	-	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
e. Valid Deutschland GmbH ⁽⁷⁾	Valid Germany	-	100	-	-

(1) Acquired on May 22, 2023

(2) Disposed of on January 26, 2024 for being an investee of Serbet. See Note 8 – Investments

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

(4) Discontinued on January 05, 2024

(5) Discontinued on July 29, 2024

(6) Discontinued on August 6, 2024

(7) Established on September 19, 2024

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.

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

Companies	Functional currency
Valid	Brazilian real
BluPay	Brazilian real
Serbet ⁽²⁾	Brazilian real
Mitra	Brazilian real
Valid Hub	Brazilian real
Valid Argentina	Argentine peso
Valid Certificadora	Brazilian real
Valid Link	Brazilian real
Guaratinguetá Consórcio ⁽³⁾	Brazilian real
Flexdoc ⁽⁴⁾	Brazilian real
Valid Uruguay	Uruguayan peso
Valid Mexico	Mexican peso
Valid Sucursal	Colombian peso
Valid Spain	Euro
Valid USA	US dollar
Valid A/S ⁽¹⁾	US dollar
Valid Beijing	US dollar
Valid Nigeria	US dollar
Valid Germany ⁽⁵⁾	Euro

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

(2) Disposed of on January 26, 2024.

(3) Discontinued on October 17, 2023.

(4) Acquired on May 22, 2023.

(5) Established on September 19, 2024.

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.

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Notes to individual and consolidated interim financial information
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3. Cash and cash equivalents, marketable securities, and restricted financial investments

	Individual		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Current				
Cash and banks	6,040	5,492	188,853	212,111
Cash equivalents	139,120	174,345	353,304	209,918
Total cash and cash equivalents	145,160	179,837	542,157	422,029
Restricted financial investments	9,729	16,117	9,729	16,142
	154,889	195,954	551,886	438,171
Noncurrent				
Marketable securities	13,350	13,538	13,350	13,538
Restricted financial investments	190,705	180,780	190,705	180,780
	204,055	194,318	204,055	194,318
	358,944	390,272	755,941	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 99.5% p.a. of the CDI as at September 30, 2024 (99.5% 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\$38,194 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), (ii) R\$10,850 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; (iii) R\$151,390 invested in an index investment fund (CDI FICFI) with an average return of 11.7% 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.

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4. Trade accounts receivable

	Individual		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Trade accounts receivable	223,721	164,096	460,339	433,696
Allowance for expected credit losses	(4,581)	(4,091)	(16,562)	(46,767)
	219,140	160,005	443,777	386,929

The aging list of accounts receivable is as follows:

	Individual		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Falling due	183,391	133,971	327,687	262,792
Past due				
Within 30 days	23,874	11,851	47,648	48,095
From 31 to 90 days	2,523	3,165	12,420	32,075
From 91 to 120 days	178	259	25,399	5,567
From 121 to 180 days	302	242	7,887	26,250
From 181 to 365 days	1,921	10,411	12,096	15,067
Above 365 days	11,532	4,197	27,202	43,850
Total past due	40,330	30,125	132,652	170,904
Total	223,721	164,096	460,339	433,696

At September 30, 2024, part of the past due consolidated balance, amounting to R\$83,712, derives from foreign subsidiaries based in Spain, Denmark, Mexico, Colombia, Nigeria, and Valid USA (R\$135,911 at December 31, 2023) and, therefore, is subject to the appreciation or depreciation of the Brazilian real against the functional currencies of such subsidiaries.

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

	Individual		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Opening balance	(4,091)	(21,656)	(46,767)	(72,200)
Additions	(1,159)	(6,917)	(6,324)	(15,178)
Reversals (receipts) ⁽¹⁾	669	24,482	7,600	34,654
Write-offs ⁽¹⁾	-	-	30,972	2,590
Translation adjustments	-	-	(2,043)	3,367
Closing balance	(4,581)	(4,091)	(16,562)	(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.

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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	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
IRPJ and CSLL recoverable ⁽¹⁾	75,953	54,472	88,402	64,378
ICMS recoverable	1,524	2,503	14,474	12,873
IPI recoverable ⁽²⁾	31,578	26,328	31,578	26,328
Federal taxes withheld by customers	-	-	9,100	7,969
PIS and COFINS recoverable ⁽³⁾	48,731	35,099	49,719	35,480
Other	12,992	10,810	12,347	11,000
	170,778	129,212	205,620	158,028
Current	101,625	57,321	135,597	86,137
Noncurrent	69,153	71,891	70,023	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 September 30, 2024, the Company had applied for the request for refund of IPI credits amounting to R\$29,983 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.

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b) Deferred income and social contribution taxes

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

	Individual				
	12/31/2022	Addition (reversal/ realization)	12/31/2023	Addition (reversal/ realization)	09/30/2024
Income and social contribution tax losses	5,481	(1,018)	4,463	(2,309)	2,154
Commissions payable	665	18	683	(59)	624
Attorney's fees	1,741	(310)	1,431	505	1,936
Provisions for litigation and contingencies	19,177	(1,293)	17,884	(7,343)	10,541
Allowance for doubtful accounts	6,725	(5,334)	1,391	(484)	907
Provisions for equipment obsolescence	3,537	(3,537)	-	-	-
Restructuring provisions	2,450	2,532	4,982	-	4,982
Provisions for profit sharing	11,306	(2,573)	8,733	2,393	11,126
Provisions for royalties	795	39	834	59	893
Recognized options granted	1,292	-	1,292	-	1,292
Impairment	7,422	1,794	9,216	(9,216)	-
Other temporary additions (exclusions)	6,537	5,154	11,691	581	12,272
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	(15,750)	2,221

	Consolidated							
	12/31/2022	Addition (reversal/ realization in P&L for the period)	Foreign exchange differences/ monetary restatement	12/31/2023	Addition (reversal/ realization in P&L for the period)	Addition (reversal/ realization in OCI)	Foreign exchange differences/ monetary restatement	09/30/2024
Tax loss	76,418	(2,752)	(4,095)	69,571	(2,871)	-	7,173	73,873
Commissions payable	1,021	(190)	-	831	(21)	-	-	810
Finance costs related to loans	3,414	87	(2,629)	872	142	-	(61)	953
Attorney's fees	1,741	(310)	-	1,431	505	-	-	1,936
Provisions for litigation and contingencies	20,266	(296)	(903)	19,067	(5,319)	-	(79)	13,669
Allowance for doubtful accounts	8,760	(6,619)	(75)	2,066	(978)	-	45	1,133
Provisions for equipment obsolescence	3,632	(3,599)	(33)	-	-	-	-	-
Provisions for profit sharing	11,834	(2,911)	-	8,923	3,042	-	-	11,965
Recognized options granted	1,292	-	-	1,292	-	-	-	1,292
Financial instruments	4,018	39	(198)	3,859	-	-	519	4,378
Impairment	7,422	1,794	-	9,216	(9,216)	-	-	-
Tax amortization of deductible goodwill	(35,290)	-	-	(35,290)	-	-	-	(35,290)
PIS and COFINS tax credits on ICMS	(7,322)	-	-	(7,322)	-	-	-	(7,322)
Financial instruments at fair value	-	-	-	-	-	(19,391)	-	(19,391)
Accounting vs. tax depreciation difference	(4,845)	920	7	(3,918)	(1,456)	-	(10)	(5,384)
Inflation adjustment - Valid Argentina	(6,441)	(18,038)	17,540	(6,939)	(4,394)	-	646	(10,687)
Revaluation surplus of assets	(4,989)	1,180	-	(3,809)	330	-	-	(3,479)
Other temporary additions (exclusions)	13,339	11,449	(934)	23,854	(2,238)	-	932	22,548
Total deferred taxes	94,270	(19,246)	8,680	83,704	(22,474)	(19,391)	9,165	51,004
Assets	103,855			93,644				65,506
Liabilities	(9,585)			(9,940)				(14,502)

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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	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
IR and CSLL	-	-	17,749	16,375
State Value-added Tax (ICMS)	856	587	5,929	4,449
Service Tax (ISS)	10,113	11,019	12,982	18,918
Contribution tax on gross revenue for social security financing (COFINS)	36,058	17,782	38,652	18,859
Contribution tax on gross revenue for social integration program (PIS)	8,149	3,621	8,635	3,871
Social Security Tax (INSS) withheld from customers	954	648	967	661
Other	962	933	6,706	3,861
	57,092	34,590	91,620	66,994
Total current	55,677	33,175	90,205	65,579
Total noncurrent	1,415	1,415	1,415	1,415

d) Reconciliation between tax expenses and statutory rates

	Individual		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Income (loss) before income taxes from continuing operations	338,848	200,190	369,238	241,089
IRPJ and CSLL nominal rate	34%	34%	34%	34%
IRPJ/CSLL expense (credit) at nominal rate	115,208	68,065	125,541	81,970
Reconciliation with effective rate:				
Recognized options granted	1,322	836	1,322	836
Difference in rate for foreign companies and taxation on income abroad	-	-	(43,753)	(480)
Difference in rate for Brazilian companies whose profit is computed as a percentage of gross revenue	-	-	(4,098)	374
Equity pickup	(68,560)	(28,384)	(648)	(301)
ICMS matching credit	(4,439)	(4,599)	(4,439)	(4,599)
Interest on equity	(21,286)	(10,347)	(21,286)	(10,347)
Restatement of unduly paid taxes	-	(3,459)	-	(3,459)
Amortization of revaluation surplus	(1,251)	(370)	(1,251)	(370)
Other	30	758	154	1,630
IRPJ and CSLL expense (credit) charged to profit or loss for the period	21,024	22,500	51,542	65,254
Effective rate	6%	11%	14%	27%
Current IRPJ/CSLL	(5,274)	(10,021)	(29,068)	(37,665)
Deferred IRPJ/CSLL	(15,750)	(12,479)	(22,474)	(27,589)

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6. Inventories

	Individual		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Raw materials	114,357	112,243	170,186	140,144
Work-in-process	33,581	31,979	45,484	45,739
Replacement parts and materials	7,793	6,827	7,915	6,894
Goods for resale	986	2,039	63,314	49,285
Provision for inventory losses	-	-	(3,776)	(3,948)
Advances to suppliers	6,870	6,916	9,909	29,363
	163,587	160,004	293,032	267,477

7. Judicial deposits

	Individual		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Judicial deposits - labor	3,561	3,582	3,659	3,729
Judicial deposits - tax	3,194	2,975	3,194	2,975
Judicial deposits - civil	13,339	12,898	13,467	13,063
	20,094	19,455	20,320	19,767

The most individually significant amount refers to deposit of R\$6,646, made on February 8, 2013, related to a civil lawsuit classified as possible loss, filed against Brazil's National Telecommunications Agency (ANATEL), claiming the suspension of the penalty imposed by this Agency against the Company, under an administrative proceeding, for the alleged production of an inductive card with an expired certificate number. At September 30, 2024, the restated judicial deposit amounts to R\$13,033 (R\$12,601 at December 31, 2023).

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8. Investments

Financial information

At September 30, 2024, significant financial information of direct and indirect subsidiaries is as follows:

Subsidiaries ⁽¹⁾	Total assets	Total liabilities	Equity	P&L for the period
Valid Argentina	187,616	92,379	95,237	49,236
Valid Sucursal	55,482	23,578	31,904	(1,376)
BluPay	26,003	-	26,003	-
Serbet ⁽²⁾	-	-	-	(114)
Valid Hub	7,801	7,780	21	1,430
Mitra	24,374	7,551	16,823	3,830
Valid Certificadora	44,975	13,921	31,054	(361)
Valid Mexico	46,891	24,298	22,593	9,564
Valid Uruguay	5,152	586	4,566	655
Valid Link	9,520	1,787	7,733	(250)
Flexdoc ⁽³⁾	22,991	3,150	19,841	19,754
Valid Spain	1,038,425	297,547	740,878	123,861
Valid Beijing	21,373	5,557	15,816	9,385
Valid Nigeria	10,483	24,972	(14,489)	(12,369)
Valid USA (consolidated)	129,903	7,373	122,530	24,598
Valid A/S (consolidated)	296,925	79,558	217,367	3,313

(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.

Changes in investments

Investments	12/31/2023	Additions (write-offs)	Equity pickup	Individual		Dividends	Other changes	09/30/2024
				Adjustment for inflation – IAS 29 ⁽¹⁾	Cumulative translation adjustment			
Subsidiaries								
Valid Argentina	26,438	-	49,236	25,667	(6,104)	-	-	95,237
Valid Sucursal	31,986	-	(1,376)	-	1,294	-	-	31,904
Valid Spain	481,181	-	123,861	-	134,692	-	1,144	740,878
BluPay (*)	2,516	23,487	-	-	-	-	-	26,003
Serbet	4,968	(4,911)	(57)	-	-	-	-	-
Valid Hub	(845)	-	858	-	-	-	-	13
Mitra	7,519	-	1,953	-	-	(892)	-	8,580
Flexdoc	12,189	-	19,754	-	-	(11,673)	(429)	19,841
Via Soft	415	-	365	-	-	-	(57)	723
V/Soft	(241)	-	762	-	-	-	13	534
Valid Certificadora	31,475	-	(361)	-	-	(60)	-	31,054
Consórcio Guaratinguetá	-	-	-	-	-	-	-	-
Valid Uruguay	3,721	-	655	-	190	-	-	4,566
Valid Link	8,399	-	(250)	-	-	(416)	-	7,733
Valid Mexico	13,983	-	9,564	-	(954)	-	-	22,593
	623,704	18,576	204,964	25,667	129,118	(13,041)	671	989,659
Goodwill								
Interprint	103,793	-	-	-	-	-	-	103,793
Valid Link	2,851	-	-	-	-	-	-	2,851
Valid Argentina	94	-	-	-	(6)	-	-	88
Valid Spain	65,841	-	-	-	8,862	-	-	74,703
BluPay	2,436	-	-	-	-	-	-	2,436
Flexdoc	47,072	-	-	-	-	-	-	47,072
Mitra	7,357	-	-	-	-	-	-	7,357
Revaluation surplus - technology	9,091	(456)	(1,239)	-	-	-	-	7,396
Revaluation surplus - brands	2,809	-	(903)	-	-	-	-	1,906
Revaluation surplus - customer portfolio	8,467	-	(1,176)	-	-	-	-	7,291
	249,811	(456)	(3,318)	-	8,856	-	-	254,893
Total	873,515	18,120	201,646	25,667	137,974	(13,041)	671	1,244,552

(*) Capital increase at Blu Pay on September 24, 2024.

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Investments	12/31/2022	Additions (write-offs)	Equity pickup	Adjustment for inflation – IAS 29 ⁽¹⁾	Individual Cumulative translation adjustment	Amortization	Dividends	Other changes	Impairment	12/31/2023
Subsidiaries										
Valid Argentina	25,169	-	37,295	25,657	(61,683)	-	-	-	-	26,438
Valid Sucursal	18,899	-	8,889	-	4,198	-	-	-	-	31,986
Valid Spain	475,428	-	47,355	-	(41,599)	-	-	(3)	-	481,181
BluPay	2,341	180	(5)	-	-	-	-	-	-	2,516
Serbet	6,699	-	(1,692)	-	-	-	-	-	(39)	4,968
Valid Hub	647	-	(1,492)	-	-	-	-	-	-	(845)
Mitra	4,211	-	3,776	-	-	-	(468)	-	-	7,519
Flexdoc	-	8,503	4,515	-	-	-	(714)	(115)	-	12,189
Via Soft	201	-	294	-	-	-	(14)	(66)	-	415
V/Soft	293	-	(78)	-	-	-	(117)	(339)	-	(241)
Valid Certificadora	31,223	-	252	-	-	-	-	-	-	31,475
Consórcio Guaraníquetá	149	(311)	162	-	-	-	-	-	-	-
Valid Uruguay	3,393	-	523	-	(195)	-	-	-	-	3,721
Valid Link	5,906	739	1,754	-	-	-	-	-	-	8,399
Valid Mexico	12,786	-	323	-	874	-	-	-	-	13,983
	587,345	9,111	101,871	25,657	(98,405)	-	(1,313)	(523)	(39)	623,704
Goodwill										
Interprint	103,793	-	-	-	-	-	-	-	-	103,793
Valid Link	2,851	-	-	-	-	-	-	-	-	2,851
Valid Argentina	462	-	-	-	(368)	-	-	-	-	94
Valid Spain	68,521	-	-	-	(2,680)	-	-	-	-	65,841
BluPay	2,436	-	-	-	-	-	-	-	-	2,436
Serbet	1,050	-	-	-	-	-	-	-	(1,050)	-
Flexdoc	-	47,072	-	-	-	-	-	-	-	47,072
Mitra	7,357	-	-	-	-	-	-	-	-	7,357
Revaluation surplus - technology	9,377	1,759	-	-	-	(2,045)	-	-	-	9,091
Revaluation surplus - brands	-	3,411	-	-	-	(602)	-	-	-	2,809
Revaluation surplus - customer portfolio	1,339	8,013	-	-	-	(885)	-	-	-	8,467
	197,186	60,255	-	-	(3,048)	(3,532)	-	-	(1,050)	249,811
Total	784,531	69,366	101,871	25,657	(101,453)	(3,532)	(1,313)	(523)	(1,089)	873,515

(1) Effects of the hyperinflation in Argentina.

Investments	Consolidated						09/30/2024
	12/31/2023	Equity pickup	Cumulative translation adjustment	Subsidiary reserve	Payment of dividends	Transfer to investment at fair value ⁽¹⁾	
Associates							
Cubic	2,246	(2,377)	574	-	-	(443)	-
VCMC	(792)	(431)	(158)	-	-	-	(1,381)
Vsoft	(241)	762	-	13	-	-	534
ViaSoft	415	365	-	(52)	(5)	-	723
Total	1,628	(1,681)	416	(39)	(5)	(443)	(124)
Goodwill - Cubic	14,624	-	79	-	-	(14,703)	-
Revaluation surplus - technology	1,462	(125)	-	-	-	-	1,337
Revaluation surplus - customer portfolio	1,172	(100)	-	-	-	-	1,072
Total	18,886	(1,906)	495	(39)	(5)	(15,146)	2,285

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

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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 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.

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\$14,798 in 2024, with a remaining balance of R\$31,149 recognized in business acquisition liabilities.

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.

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

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

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

The allocations are summarized below:

Revaluation surplus of customer relationship (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.

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9. Intangible assets

Changes in intangible asset balances are as follows:

	Individual			
	12/31/2023	Additions	Amortization	09/30/2024
Finite useful life				
Software	27,866	2,173	(6,378)	23,661
Finite useful life	27,866	2,173	(6,378)	23,661
Indefinite useful life				
Goodwill				
Trust	3,647	-	-	3,647
Total intangible assets	31,513	2,173	(6,378)	27,308

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

	Consolidated							
	12/31/2023	Additions	Disposal of subsidiary ⁽¹⁾	Amortization	Foreign exchange differences	Impairment ⁽²⁾	Transfers	09/30/2024
Finite useful life								
Software	140,998	13,917	-	(32,523)	6,582	(24,029)	150	105,095
Customer portfolio	9,425	-	-	(4,573)	1,342	-	-	6,194
Right of use ⁽¹⁾	7,975	-	(7,678)	(297)	-	-	-	-
Trademarks and patents	3,413	-	-	-	-	-	-	3,413
Digital certification license	36	-	-	(8)	-	-	-	28
Total - finite useful life	161,847	13,917	(7,678)	(37,401)	7,924	(24,029)	150	114,730
Indefinite useful life								
Trademarks and patents	17,311	-	-	(903)	2,245	-	-	18,653
Digital certification license	490	-	-	-	-	-	-	490
Goodwill								
Trust	3,647	-	-	-	-	-	-	3,647
Argentina	94	-	-	-	(6)	-	-	88
Interprint	103,793	-	-	-	-	-	-	103,793
Valid Link	2,851	-	-	-	-	-	-	2,851
Spain	65,841	-	-	-	8,862	-	-	74,703
Valid A/S	230,577	-	-	-	28,901	-	-	259,478
BluPay	2,436	-	-	-	-	-	-	2,436
Serbet	5,962	-	(5,962)	-	-	-	-	-
Flexdoc	47,072	-	-	-	-	-	-	47,072
Mitra	14,426	-	-	-	-	-	-	14,426
Total - indefinite useful life	494,500	-	(5,962)	(903)	40,002	-	-	527,637
Total intangible assets	656,347	13,917	(13,640)	(38,304)	47,926	(24,029)	150	642,367

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- (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.

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

Intangible assets with finite useful lives are represented basically by trademarks and patents, customer portfolio, and software licenses, amortized at the average rates of 4.6% to 33.3% p.a., based on the estimated useful lives or license terms (applicable to software licenses), while digital certification licenses are amortized at the average rate of 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 totaling R\$24,832 in 2022, comprising R\$20,040 referring to goodwill and R\$4,792 referring to revaluation surplus of technology and customer portfolio.

In the year ended December 31, 2023, the Company recognized an additional loss of R\$1,990 relating to goodwill.

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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, analyses were conducted and 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 September 30, 2024.

10. Property, plant and equipment

	Individual				
	12/31/2023	Additions	Write-offs ⁽²⁾	Transfers	09/30/2024
Cost					
Land	3,222	-	-	-	3,222
Buildings	88,251	58	(7,271)	14	81,052
Machinery and equipment	167,371	5,727	(11,326)	3,250	165,022
Furniture and fixtures	23,279	2,043	(603)	21	24,740
Vehicles	650	-	-	-	650
Data processing equipment	193,477	21,399	(3,466)	120	211,530
Leasehold improvements	14,609	1,113	(128)	626	16,220
Construction in progress	499	502	(249)	(244)	508
Advances to suppliers	2,324	4,458	(910)	(3,787)	2,085
Right of use ⁽¹⁾	18,454	5,855	(3,528)	-	20,781
Subtotal - cost	512,136	41,155	(27,481)	-	525,810
Depreciation					
Buildings	(64,328)	(1,859)	15,954	-	(50,233)
Machinery and equipment	(91,893)	(7,021)	2,633	-	(96,281)
Furniture and fixtures	(17,313)	(1,065)	508	-	(17,870)
Vehicles	(650)	-	-	-	(650)
Data processing equipment	(154,222)	(11,558)	3,179	-	(162,601)
Leasehold improvements	(10,081)	(1,323)	91	-	(11,313)
Right of use	(9,649)	(5,113)	2,617	-	(12,145)
Subtotal - depreciation	(348,136)	(27,939)	24,982	-	(351,093)
Total property, plant and equipment, net	164,000	13,216	(2,499)	-	174,717

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

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

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

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

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	Consolidated							09/30/2024
	12/31/2023	Additions	Disposal of subsidiary	Write-offs	Adjustment for inflation – IAS 29 ⁽¹⁾	Foreign exchange differences	Transfers	
Cost								
Land	3,222	-	-	-	-	-	-	3,222
Buildings	89,390	204	(39)	(7,272)	-	-	14	82,297
Machinery and equipment	253,654	6,205	(3,506)	(11,456)	40,850	(424)	3,250	288,573
Furniture and fixtures	28,033	2,283	(161)	(733)	857	168	24	30,471
Vehicles	1,429	-	(127)	-	269	(34)	-	1,537
Data processing equipment	229,127	23,167	(855)	(4,111)	7,622	380	321	255,651
Leasehold improvements	34,161	1,899	(1,315)	(128)	7,354	136	3,168	45,275
Construction in progress	3,312	686	-	(264)	390	(23)	(3,140)	961
Advances to suppliers	2,324	4,458	-	(910)	-	-	(3,787)	2,085
Right of use ⁽²⁾	59,300	5,908	(444)	(3,528)	5,095	2,902	-	69,233
Subtotal - cost	703,952	44,810	(6,447)	(28,402)	62,437	3,105	(150)	779,305
Depreciation								
Buildings	(65,529)	(1,899)	20	15,954	-	-	-	(51,454)
Machinery and equipment	(161,975)	(9,049)	1,284	2,674	(36,050)	269	-	(202,847)
Furniture and fixtures	(21,161)	(1,147)	98	526	(785)	(173)	-	(22,642)
Vehicles	(1,227)	(12)	102	-	(163)	16	-	(1,284)
Data processing equipment	(181,923)	(14,107)	495	3,233	(7,255)	(65)	-	(199,622)
Leasehold improvements	(24,915)	(2,087)	586	91	(6,749)	(275)	-	(33,349)
Right of use	(39,447)	(9,391)	208	2,617	(2,723)	(2,644)	-	(51,380)
Subtotal - depreciation	(496,177)	(37,692)	2,793	25,095	(53,725)	(2,872)	-	(562,578)
Total property, plant and equipment, net	207,775	7,118	(3,654)	(3,307)	8,712	233	(150)	216,727

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

(1) Effects arising from the subsidiary in Argentina.

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

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

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11. Loans, financing, debentures and lease liabilities

	Individual		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Loans ^(a)	205,843	196,808	336,062	412,074
Debentures ^(b)	256,159	248,050	256,159	248,050
Financing	-	31,442	-	31,442
Lease liabilities ^(c)	9,052	9,344	14,841	18,388
	471,054	485,644	607,062	709,954
Current	80,333	98,835	117,450	172,061
Noncurrent	390,721	386,809	489,612	537,893

a) Loans

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

	Valid Spain	Valid Spain	Valid Spain	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.
Borrower:	Santander	Santander	Santander	Banco Brasil	CEF	CEF	Banco ABC
Bank:	Santander	Santander	Santander	Banco Brasil	CEF	CEF	Banco ABC
Total amount:	EUR13,000	EUR4,400	EUR15,000	R\$30,000	R\$71,100	R\$85,000	U\$5,515
Date of loan:	11/13/2018	05/05/2022	10/11/2023	07/05/2022	09/27/2024	09/27/2024	07/15/2024
Maturity date:	04/14/2025	04/22/2025	10/10/2025	04/05/2028	09/26/2028	09/26/2028	07/15/2025
Settlement date:	-	-	-	-	-	-	-
Interest:	4.70% p.a.	4.70% p.a.	6.05% p.a.	CDI + 1.70% p.a.	CDI + 0.12% p.m.	CDI + 0.12% p.m.	7.23% p.a.
Guarantee:	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.	Valid S.A.
Repayment of principal:	Semiannually from October 2022	Semiannually from October 2022	Only at the end of the contract	12-month grace period (monthly from August 2023)	4-month grace period (monthly from February 2025)	4-month grace period (monthly from February 2025)	Bullet
Interest payment:	Semiannually from October 2022	Semiannually from October 2022	Only at the end of the contract	12-month grace period (monthly from August 23)	Bimonthly during the 4-month grace period (monthly from February 2025)	Bimonthly during the 4-month grace period (monthly from February 2025)	3-month grace period (quarterly from October 2025)
Balance in debt currency at 09/30/2024:	EUR4,785	EUR1,491	EUR15,169	R\$22,166	R\$69,217	R\$83,952	R\$30,509
Restated balance at 09/30/2024 – R\$:	R\$29,057	R\$9,055	R\$92,106	R\$22,166	R\$69,217	R\$83,952	R\$30,509

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

Loans	Individual		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Principal	208,645	197,934	337,206	410,473
Interest	714	1,035	2,743	4,403
Borrowing costs	(3,516)	(2,161)	(3,887)	(2,802)
	205,843	196,808	336,062	412,074
Current	60,645	20,687	97,520	90,986
Noncurrent	145,198	176,121	238,542	321,088

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The loans are subject to certain quarterly covenants with which the Company and its subsidiaries were in compliance at September 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 September 30, 2024, the amount of R\$309,449 (R\$542,748 for the year ended December 31, 2023) was repaid, out of which R\$27,908 (R\$47,809 for the year ended December 31, 2023) as interest on loans.

Key information on the loans settled within the nine-month period ended September 30, 2024 is presented below:

Borrower:	Valid S.A.	Valid Spain	Valid Spain	Valid Spain	Valid S.A.	Valid S.A.
Bank:	Safra	Itaú	Itaú	Itaú BBA	CEF	CEF
Total amount:	R\$26,666	EUR4,000	EUR6,000	US\$38,888	R\$71,100	R\$85,000
Date of loan:	03/12/2021	04/12/2023	11/10/2023	07/05/2019	19/12/2023	19/12/2023
Original maturity date:	04/24/2025	04/11/2024	10/10/2025	10/22/2025	12/20/2027	12/20/2027
Settlement date:	01/25/2024	06/28/2024	06/28/2024	06/28/2024	09/27/2024	09/27/2024
Interest:	CDI + 2.60% p.a.	6.10% p.a.	6.20% p.a.	6.95% p.a.	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:	Quarterly from January 2023	Only at the end of the contract	Only at the end of the contract	Semiannually from October 2023	1-year grace period (monthly from January 2025) 3-month grace period (quarterly until December 2024, and monthly from January 2025)	1-year grace period (monthly from January 2025) 3-month grace period (quarterly until December 2024, and monthly from January 2025)
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	06/10/2023	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

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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	9-month grace period and quarterly after October 2024
Type and series	Single-series unsecured nonconvertible debentures with security interest	Single-series unsecured nonconvertible debentures with security interest
Restated balance in R\$ at 09/30/2024	R\$7,116	R\$249,043

The balances of debentures are broken down as follows:

Debentures	Individual		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Principal	250,000	250,000	250,000	250,000
Interest	12,562	833	12,562	833
Borrowing costs	(6,403)	(2,783)	(6,403)	(2,783)
	256,159	248,050	256,159	248,050
Current	12,876	41,345	12,876	41,345
Noncurrent	243,283	206,705	243,283	206,705

The debentures are subject to certain quarterly covenants with which the Company was in compliance at September 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 September 30, 2024, R\$261,403 was repaid, of which R\$18,262 referred to interest payments (R\$136,705 repaid, of which R\$46,705 referred to interest payment in 2023).

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c) Lease liabilities

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

	Individual		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Within 1 year	6,812	5,361	7,054	8,288
From 1 to 5 years	2,240	3,983	7,787	10,100
	9,052	9,344	14,841	18,388

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

	Individual		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Opening balance:	9,344	14,251	18,388	27,028
Additions	5,855	1,048	6,198	4,756
Interest	707	1,303	1,293	2,236
Write-offs	(1,020)	-	(1,255)	-
Adjustment for exchange differences	-	-	15	(40)
Translation adjustments	-	-	434	(1,521)
Payments	(5,834)	(7,258)	(10,232)	(14,071)
Closing balance	9,052	9,344	14,841	18,388

The maturities of loans, financing and debentures at September 30, 2024 and December 31, 2023 (not including future charges) are as follows:

	Individual		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Within 1 year	73,521	93,474	110,396	163,773
From 1 to 2 years	13,026	149,394	106,370	265,315
From 2 to 3 years	72,002	140,184	72,002	169,230
From 3 to 4 years	137,688	93,248	137,688	93,248
From 4 to 5 years	121,639	-	121,639	-
From 5 to 6 years	44,126	-	44,126	-
	462,002	476,300	592,221	691,566

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Changes in liabilities from financing activities

	Individual						09/30/2024
	12/31/2023	Additions	Write-offs	Payments (principal + interest)	Allocation (interest + transaction costs)	Adjustment for exchange differences (P&L)	
Loans	196,808	182,983	-	(192,774)	18,792	34	205,843
Debentures	248,050	241,392	-	(261,403)	28,120	-	256,159
Financing	31,442	-	-	(33,564)	2,122	-	-
Leases	9,344	5,855	(1,020)	(5,834)	707	-	9,052
Total debt	485,644	430,230	(1,020)	(493,575)	49,741	34	471,054

	Individual					12/31/2023
	12/31/2022	Additions	Payments (principal + interest)	Allocation (interest + transaction costs)	Adjustment for exchange differences (P&L)	
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								09/30/2024
	12/31/2023	Additions	Disposal of subsidiaries	Write-offs	Payments (principal + interest)	Allocation (interest + transaction costs)	Adjustment for exchange differences (P&L)	Translation adjustments	
Loans	412,074	182,983	(20)	-	(309,449)	28,102	1,084	21,288	336,062
Debentures	248,050	241,392	-	-	(261,403)	28,120	-	-	256,159
Financing	31,442	-	-	-	(33,564)	2,122	-	-	-
Leases	18,388	6,198	(244)	(1,011)	(10,232)	1,293	15	434	14,841
Total debt	709,954	430,573	(264)	(1,011)	(614,648)	59,637	1,099	21,722	607,062

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

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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					09/30/2024
	12/31/2023	Provisions	Reversals ⁽¹⁾	Payments	Transfers	
Labor	42,261	7,239	(26,727)	(1,436)	(1,078)	20,259
Tax	2,945	210	(207)	-	-	2,948
Civil, commercial and other	7,394	476	(74)	-	-	7,796
	52,600	7,925	(27,008)	(1,436)	(1,078)	31,003

	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							09/30/2024
	12/31/2023	Provisions	Reversals ⁽¹⁾	Payments	Translation adjustments	Transfers	Disposal of subsidiaries	
Labor	44,573	7,630	(26,931)	(1,542)	(59)	(1,081)	(444)	22,146
Tax	4,614	4,526	(207)	-	645	-	-	9,578
Civil, commercial and other	8,074	936	(649)	(12)	-	-	(50)	8,299
	57,261	13,092	(27,787)	(1,554)	586	(1,081)	(494)	40,023

	Consolidated						12/31/2023
	12/31/2022	Provisions	Reversals	Payments	Translation adjustments	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, not impacting taxpayers for which favorable decisions had been awarded before the decision. Valid had filed an injunction from which it benefited until publication of the court decision. Accordingly, with limitation of the effects of the decision in time, the previously provisioned amount was fully reversed on the decision date.

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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\$1,923 at September 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.
- Aduana Inlays filed a lawsuit against Valid Argentina claiming taxes and fines on the import of inlays due to a classification difference under article 954, subitem a, of the Customs Code. The proceeding is currently in the discovery phase. At September 30, 2024, the restated amount of the proceeding is R\$6,630 (R\$1,669 at December 31, 2023).

Civil claims

- Collection action filed by United Arenas Ltda. against Valid, aiming at collecting rents referring to the movable property subject matter of the "Lease Agreement for the MM3000 Hologram Application Machine" entered into by the parties. A decision was rendered, partially granting the requests made by the plaintiff, which filed an appeal against a specific portion of the decision. At the same time, the plaintiff required the enforcement of the judgment to execute the entirety of the amount claimed in the main action. The Company appealed against the judgment by the STJ and, in the case records of the main action, filed an appeal to the STJ against the decision that upheld that appeal. This appeal has not yet been judged by the STJ. Provisional enforcement of the judgment was initiated, including attorney's fees, case no. 0047004-58.2022.8.26.0100. An insurance policy was attached to secure the decision, and an objection was filed, which was upheld. The Company filed a Motion for Clarification, which is pending analysis. The motions for clarification were upheld and the case records were provisionally archived. At September 30, 2024, the restated amount is R\$7,682 (R\$7,231 at December 31, 2023).

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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	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Labor ⁽ⁱ⁾	30,575	31,322	31,696	32,518
Tax ⁽ⁱⁱ⁾	359,508	347,253	372,293	359,029
Civil, commercial and other ⁽ⁱⁱⁱ⁾	20,840	21,729	30,406	33,739
Criminal ^(iv)	25,391	22,742	25,391	22,742
	436,314	423,046	459,786	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. Administrative proceedings No. 16682.900030/2011-97 and No. 16682.900029/2011-62, which were part of this discussion, were closed, with consequent filing of Annulment Action No. 5005127-98.2023.4.03.6144 by Valid. At September 30, 2024, the restated amount of the proceeding is R\$13,274 (R\$15,891 at December 31, 2023).

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- 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 Parent Company was awarded. Appeals to the High Court of Justice have been filed. Currently, such appeals await trial. In May 2017, a judgment session, by unanimous vote, partially granted the Ordinary Appeal filed by the Company and dismissed the Mandatory Review. In July 2017, an appeal to the STJ was filed by the State Finance Department. In August 2017, the Company filed an appeal to the STJ and a reply brief was presented to the appeal to the STJ filed by the State Finance Department. The referred to appeals filed are currently awaiting inclusion in the court's trial docket by Court of Taxes and Fees (TIT-SP). TIT has unanimously determined the stay of the case until the judgment of the action for the declaration of constitutionality ADC 49, which is pending before the Brazilian Federal Supreme Court (STF). The matter was judged by the STF, which decided on the unconstitutionality of the levy of ICMS on operations between facilities of the same owner. This decision has a binding effect and will possibly be the same applied to the Valid case. However, no changes have occurred in this proceeding, and it is necessary to await trial. At September 30, 2024, the restated amount referring to this lawsuit is R\$130,711 (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 September 30, 2024, the restated amount referring to this lawsuit is R\$31,201 (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 September 30, 2024, the restated amount of the proceeding is R\$9,288 (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 September 2024, the restated amount is R\$51,770 referring to principal + interest and fine (R\$48,855 at December 31, 2023).

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- 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 September 2024, the restated amount of the proceeding is R\$64,361 (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 September 30, 2024, the restated amount referring to this lawsuit is R\$23,463 (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 September 30, 2024, the restated amount referring to this lawsuit is R\$19,138 (R\$18,512 at December 31, 2023).

(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 September 30, 2024, the restated amount of the proceeding, considering a refund of amounts received, is R\$15,699 (R\$15,612 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 September 30, 2024, the restated amount of the proceeding is R\$25,391 (R\$22,742 at December 31, 2023).

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13. Transactions with related parties

	Individual	
	09/30/2024	12/31/2023
Assets		
Current - accounts receivable		
Valid Argentina	25,869	26,764
Valid Uruguay	545	2,179
Valid Sucursal	571	6,229
Other	-	5
Total accounts receivable	26,985	35,177
Total current assets	26,985	35,177
Noncurrent - intercompany loans receivable		
Valid Spain	-	25,231
Valid Hub	7,089	8,677
Serbet	-	3,036
Total intercompany loans receivable	7,089	36,944
Total noncurrent assets	7,089	36,944
Total assets	34,074	72,121
	Individual	
	09/30/2024	12/31/2023
Current - accounts payable		
Valid Sucursal	(90)	-
Valid Spain	(3,736)	-
Valid Certificadora	(646)	-
Other	-	(80)
Total accounts payable - current liabilities	(4,472)	(80)
Noncurrent		
Mitra	(1,108)	(1,716)
Total accounts payable - noncurrent	(1,108)	(1,716)
Total liabilities	(5,580)	(1,796)

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	Individual	
	09/30/2024	09/30/2023
Statement of profit or loss		
Net revenues		
Valid Sucursal Colombia	-	1,964
Valid Argentina	5,595	23,896
Mitra	608	182
Valid Hub	-	866
Valid Spain	279	1,320
Valid Uruguay	2,498	2,874
Other	-	57
	8,980	31,159
Cost of sales and services		
Valid Sucursal Colombia	(2,176)	-
Valid Certificadora	(3,093)	(32)
Valid Spain	(15,499)	(35,981)
Valid AS	-	(23,064)
Valid Argentina	(439)	(19)
Other	(343)	(484)
	(21,550)	(59,580)
Finance income (costs)		
Serbet	26	311
Valid Hub	712	456
Valid Spain	293	1,579
	1,031	2,346

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

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

Intercompany loan	Spain	Serbet	Valid Hub	Valid Sucursal
Origin	Valid	Valid	Valid	Valid Spain
Total amount	EUR22,728	R\$4,300	R\$4,000	US\$5,000
Date of loan	05/03/2021	08/03/2022	01/30/2023	06/01/2023
Settlement date	03/13/2024	01/26/2024	-	-
Maturity date*	05/03/2026	08/03/2025	07/05/2025	05/31/2025
Interest	6% p.a.	8% p.a. + IPCA	8% p.a.	8% p.a.
Repayment of principal	Only at the end of the contract	Only at the end of the contract	6 fixed installments (from 02/05/2025)	Only at the end of the contract
Balance in debt currency at 09/30/2024:	Settled	Settled	R\$7,089	US\$2,172
Restated balance at 09/30/2024 – R\$:	N/A	N/A	R\$7,089	R\$11,834

* The contract provides for annual automatic renewals.

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

	09/30/2024	12/31/2023
Between Valid Spain and:		
Valid Argentina	5,192	14,962
Valid USA	1,123	4,520
Valid Sucursal Colombia	3,203	4,434
Valid Mexico	12,715	15,006
Valid AS	31,084	-
Valid Nigeria	5,502	3,284
Valid China	2,749	-
	61,568	42,206
	09/30/2024	12/31/2023
Between Valid A/S and:		
Valid Spain	69,111	112,194
Valid Nigeria	16,996	20,781
Valid Argentina	22,306	26,170
	108,413	159,145

These transactions are eliminated in full on consolidation.

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

For the nine-month periods ended September 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	09/30/2024
Annual fixed compensation	1,940	399	5,525	5,698	13,562
Compensation	1,617	333	3,968	4,024	9,942
Charges and benefits	323	66	1,448	1,588	3,425
Private pension plan	-	-	109	86	195
Annual variable compensation	-	-	7,912	6,200	14,112
Variable compensation	-	-	5,089	5,855	10,944
Share-based payment	-	-	2,168	167	2,335
Charges borne by the employer	-	-	655	178	833
Total compensation	1,940	399	13,437	11,898	27,674

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Consolidated	Board of Directors	Supervisory Board	Statutory Board	Other management members	09/30/2023
Annual fixed compensation	1,563	353	5,655	4,607	12,178
Compensation	1,390	312	3,905	3,332	8,939
Charges and benefits	-	-	1,650	1,232	2,882
Private pension plan	173	41	100	43	357
Annual variable compensation	-	-	9,897	4,118	14,015
Variable compensation	-	-	6,095	3,641	9,736
Share-based payment	-	-	3,224	289	3,513
Charges borne by the employer	-	-	578	188	766
Total compensation	1,563	353	15,552	8,725	26,193

14. Equity

a) Capital

The reconciliation of the Company's capital in accordance with its bylaws and financial information as at September 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\$2,587 as expense in the period ended September 30, 2024 (R\$2,458 in 2023) matched against the capital reserve for stock options granted. A summary of the plans' conditions is as follows:

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Grant date	Options granted	Maturity date	Fair value (in reais)	Balance at beginning of period	Changes in the number of options			Balance at end of period
					Granted in the period	Exercised in the period	Canceled in the period	
SOP Program 2021 - 1	138,126	May/21	R\$8.78	43,563	-	(15,938)	-	27,625
SOP Program 2021 - 2	138,126	May/22	R\$8.78	43,559	-	(15,934)	-	27,625
SOP Program 2022 - 1	30,000	Aug/25	R\$8.78	30,000	-	-	-	30,000
SOP Program 2022 - 2	30,000	Aug/25	R\$8.78	30,000	-	-	-	30,000
SOP Program - Managers 2023	121,392	May/24	R\$6.18	121,392	-	(111,227)	(10,165)	-
Matching Managers 2023	233,832	May/25	R\$11.12	233,832	-	-	(20,328)	213,504
Matching Officers 2023	191,994	May/26	R\$11.12	191,994	-	-	-	191,994
SOP Replacement Officers 1.1	7,294	May/24	R\$11.12	7,294	-	(7,294)	-	-
SOP Replacement Officers 1.2	7,294	May/24	R\$11.12	7,294	-	(7,294)	-	-
SOP Replacement Officers 2.1	21,625	May/24	R\$11.12	21,625	-	(21,625)	-	-
SOP Replacement Officers 2.2	21,624	May/24	R\$11.12	21,624	-	(21,624)	-	-
SOP Replacement Officers 3.1	8,696	May/24	R\$11.12	8,696	-	(8,696)	-	-
SOP Replacement Officers 3.2	8,696	May/24	R\$11.12	8,696	-	(8,696)	-	-
SOP Replacement Officers 4.1	21,961	May/24	R\$11.12	21,961	-	(21,961)	-	-
SOP Replacement Officers 4.2	21,962	May/24	R\$11.12	21,962	-	(21,962)	-	-
Matching Officers 2024	117,545	May/26	R\$16.56	-	117,545	-	(13,294)	104,251
Matching Officers 2024	117,543	May/27	R\$16.56	-	117,543	-	(13,294)	104,249
Matching Managers 2024	84,351	May/26	R\$16.56	-	84,351	-	(11,054)	73,297
Matching Managers 2024	84,348	May/27	R\$16.56	-	84,348	-	(11,054)	73,294
SOP Officers 2024	147,205	May/25	R\$16.56	-	147,205	-	(17,725)	129,480
SOP Managers 2024	90,487	May/25	R\$16.56	-	90,487	-	(11,054)	79,433
Matching Managers 2022	97,719	May/24	R\$17.23	97,719	-	(97,719)	-	-
Matching Managers 2022	97,720	May/25	R\$17.23	97,720	-	(23,745)	-	73,975
Total	1,839,540			1,008,931	641,479	(383,715)	(107,968)	1,158,727

Treasury shares

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

Changes in the buyback programs are as follows:

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

In the nine-month period ended September 30, 2024, the Company delivered 150,794 shares, in the amount of R\$3,245 (303,801 shares in the amount of R\$2,916 in 2023).

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At September 30, 2024, the Company holds 1,970,478 common shares in treasury in the amount of R\$32,242 (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	16.36

Based on the last market quote available at September 30, 2024, treasury shares total R\$44,730, with weighted average price, and minimum and maximum prices at September 30, 2024 as follows:

Type	Price (in reais)			
	Share price – Minimum	Share price – Maximum	Share price – Weighted	Share price – Last quote
Current share price	14.81	24.24	19.62	22.70

c) Income reserves

Legal reserve

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

Investment reserve

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

Balance at December 31, 2022	34,505
Adjustments for inflation to foreign subsidiary	25,657
Subsidiary reserve	(1,367)
Recognition of investment reserve	101,311
Balance at December 31, 2023	160,106
Adjustments for inflation to foreign subsidiary	25,667
Payment of dividends to noncontrolling interests	(432)
Subsidiary reserve	1,103
Balance at September 30, 2024	186,444

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d) Dividends and interest on equity

Dividends and interest on equity (IOE) payable	Value 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
Declared IOE referring to 2024	R\$0.44000	07/16/2024	35,263
Dividends paid to noncontrolling shareholders	R\$0.34972	07/23/2024	(857)
Payment of declared IOE referring to 2024	R\$0.44000	08/15/2024	(35,227)
Balance at September 30, 2024			56

(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.

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

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e) Noncontrolling interests

	09/30/2024	12/31/2023
Opening balances	32,806	37,308
Share in P&L for the year	(128)	(2,665)
Payment of dividends to noncontrolling interests	(857)	(871)
Disposal of Serbet – noncontrolling interest	(5,196)	-
Cumulative translation adjustments	1,223	(966)
Closing balances	27,848	32,806

15. Earnings per share

	Individual	
	09/30/2024	09/30/2023
Profit or loss attributed to the parent company's common shareholders	317,824	177,690
Weighted average number of common shares used to calculate earnings per share	80,152	79,991
Basic earnings per share (in reais)	3.96527	2.22137

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.

16. Sales revenue, net

	Individual		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Gross revenue from products sold	42,285	71,804	424,569	459,747
Gross revenue from services rendered	923,499	873,873	1,288,119	1,295,598
Total gross revenue	965,784	945,677	1,712,688	1,755,345
Sales taxes	(114,518)	(114,659)	(127,226)	(128,561)
Sales returns	(2,783)	(4,668)	(3,291)	(4,740)
Net sales revenue	848,483	826,350	1,582,171	1,622,044

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17. Costs and expenses by nature

Expenses by nature	Individual		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Labor	179,598	161,752	332,239	315,491
Employee benefits	33,610	30,760	47,364	41,522
Taxes and charges	38,398	28,952	67,465	57,318
Operating lease	5,447	9,878	7,542	10,561
Depreciation and amortization	33,972	40,937	65,576	77,349
Consumables/raw material	205,423	214,023	438,820	480,459
Third-party services	75,617	62,238	124,215	109,647
Maintenance	11,176	9,531	13,375	13,907
Utilities and services	89,114	66,830	121,528	98,156
Sales commissions	6,824	6,323	18,032	19,417
Freight on sales	5,927	6,540	12,671	11,077
General and other expenses	4,640	19,252	25,378	42,077
Total expenses by nature	689,746	657,016	1,274,205	1,276,981
Classified as:				
Cost of sales and/or services	560,079	548,090	1,003,152	1,025,764
Selling expenses	46,810	25,772	153,023	127,748
General and administrative expenses	82,857	83,154	118,030	123,469
Total	689,746	657,016	1,274,205	1,276,981

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18. Finance income and costs

	Individual		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Finance income				
Financial investment yield	27,351	29,596	52,590	44,945
Foreign exchange difference and interest on intercompany loans	1,283	4,954	1,238	8,995
Foreign exchange differences on loans	1,191	-	1,489	9,270
Other foreign exchange differences	6,966	4,440	77,533	83,214
Foreign exchange differences, interest and restatement of leases	105	207	125	253
Marketable securities	-	1,315	-	1,315
Credits and financial adjustments on tax credits	432	1,826	432	1,827
Other finance income	6,520	1,312	10,088	9,809
Total finance income	43,848	43,650	143,495	159,628
Finance costs				
Interest on debentures, loans and financing	(49,034)	(66,694)	(58,344)	(78,125)
Foreign exchange differences and interest on intercompany loans	-	(2,745)	(2,104)	(8,793)
Foreign exchange differences on loans	(1,225)	-	(2,573)	(9,413)
Other foreign exchange differences	(4,281)	(3,614)	(92,874)	(124,472)
Bank expenses	(1,507)	(2,606)	(13,904)	(6,397)
Interest, restatement and foreign exchange differences on leases	(707)	(1,037)	(1,328)	(1,892)
Other finance costs	(8,365)	(6,154)	(14,289)	(6,370)
Total finance costs	(65,119)	(82,850)	(185,416)	(235,462)
Total finance income and costs	(21,271)	(39,200)	(41,921)	(75,834)

19. Other operating income (expenses)

	Individual		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Net gain on disposal - Cubic ⁽¹⁾	-	-	136,842	-
Amortization of asset revaluation surplus	(346)	(463)	(6,949)	(10,566)
Provision for impairment ⁽²⁾	-	-	(24,029)	-
Loss on sale of PPE and provision for obsolescence	1,354	(145)	1,376	(43)
Disposal of Montrose plant (Valid USA)	-	-	-	(3,780)
Restructuring costs	-	(3,132)	-	(3,149)
Other operating income and expenses, net	(1,434)	(1,046)	(2,303)	(1,077)
Contingencies – Sorocaba Plant ⁽³⁾	162	(8,639)	162	(8,640)
Total other operating expenses	(264)	(13,425)	105,099	(27,255)

(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.

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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.

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).

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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:

09/30/2024	Identification	Means of payment	Mobile	Eliminations	Consolidated
Revenues					
Revenues from customers	621,203	597,010	363,958	-	1,582,171
Intersegment revenues	4,124	66,325	158,025	(228,474)	-
Total revenues	625,327	663,335	521,983	(228,474)	1,582,171
Costs	(357,158)	(446,053)	(199,941)	-	(1,003,152)
Selling expenses	(46,474)	(23,891)	(82,658)	-	(153,023)
Administrative expenses	(52,867)	(38,194)	(26,969)	-	(118,030)
Intersegment costs and expenses	(4,124)	(66,325)	(158,025)	228,474	-
Finance income (costs), net	-	-	-	-	(41,921)
Other operating expenses, net	-	-	-	-	129,128
Impairment (*)	-	-	(24,029)	-	(24,029)
Share of profit of subsidiary, associate and joint venture	-	-	-	-	(1,906)
Income and social contribution taxes (IRPJ/CSLL)	-	-	-	-	(51,542)
Net income for the period	-	-	-	-	317,696

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

09/30/2024	Identification	Means of payment	Mobile	Eliminations	Consolidated
Operating assets	269,384	479,996	406,813	(202,657)	953,536
Trade accounts receivable	152,639	188,845	304,950	(202,657)	443,777
Inventories	20,950	187,625	84,457	-	293,032
Property, plant and equipment	95,795	103,526	17,406	-	216,727
Operating liabilities	47,315	54,118	259,122	(202,345)	158,210
Trade accounts payable and obligations arising from purchase of goods and services	47,315	54,118	259,122	(202,345)	158,210

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09/30/2023	Identification	Means of payment	Mobile	Eliminations	Consolidated
Revenues					
Revenues from customers	537,742	623,071	461,231	-	1,622,044
Intersegment revenues	1,803	137,785	208,381	(347,969)	-
Total revenues	539,545	760,856	669,612	(347,969)	1,622,044
Costs	(314,730)	(449,646)	(261,388)	-	(1,025,764)
Selling expenses	(25,022)	(21,383)	(81,343)	-	(127,748)
Administrative expenses	(46,652)	(42,610)	(34,207)	-	(123,469)
Intersegment costs and expenses	(1,803)	(137,785)	(208,381)	347,969	-
Finance income (costs), net	-	-	-	-	(75,834)
Other operating expenses, net	-	-	-	-	(27,255)
Impairment	-	-	-	-	-
Share of profit of subsidiary, associate and joint venture	-	-	-	-	(885)
Income and social contribution taxes (IRPJ/CSLL)	-	-	-	-	(65,254)
Net income for the period	-	-	-	-	175,835

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, Indonesia, China, and Ireland.

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

Revenues by geographic distribution	Consolidated	
	09/30/2024	09/30/2023
In the entity's home country - Brazil	964,181	905,911
In Argentina	213,262	199,444
In EMEAA ⁽²⁾	203,780	324,757
In other foreign countries	147,652	148,805
In the USA	53,296	43,127
Total	1,582,171	1,622,044

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Noncurrent assets ⁽¹⁾	Consolidated	
	09/30/2024	12/31/2023
In the entity's home country - Brazil	785,566	779,297
In Argentina	20,479	13,045
In EMEAA ⁽²⁾	456,405	387,608
In other foreign countries	2,908	4,597
In the USA	19	-
Total	1,265,377	1,184,547

(1) Does not include deferred taxes.

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

d) Information on major customers

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

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.

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Fair value measurement

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

Level 1: fair value measurement is derived from quoted (unadjusted) prices in active markets for identical assets and liabilities;

Level 2: fair value measurement is derived from other inputs quoted included in Level 1, which are quoted through an asset or liability directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: fair value measurement is derived from valuation techniques that include an asset or liability that is not included in an active market.

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

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:

09/30/2024		Individual		Consolidated	
Fair value measurement	Fair value hierarchy	Carrying amount	Fair value	Carrying amount	Fair value
Loans, financing and debentures	Level 2	462,002	471,817	592,221	591,899

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.

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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.

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 – 09/30/2024	
	Foreign exchange difference 25%	Foreign exchange difference 50%
Equity - Argentine pesos	23,810	47,620
Equity - Colombian pesos	7,976	15,952
Equity - Mexican pesos	5,648	11,297
Equity - Uruguayan pesos	1,142	2,283
Equity - Euro	185,220	370,440
Equity - US dollar	85,306	170,612

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 possible depreciations of the Brazilian real against the US dollar and Euro by 25% and 50%, respectively, would impact finance costs at September 30, 2024 in the following amounts:

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Currency	Consolidated			
	09/30/2024		12/31/2023	
	Foreign exchange difference 25%	Foreign exchange difference 50%	Foreign exchange difference 25%	Foreign exchange difference 50%
Impact	2,475	4,950	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.

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.

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The maturity of outstanding financial liabilities at September 30, 2024 and December 31, 2023 is as follows:

	Individual		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Within 1 month	79,758	67,521	158,210	165,338
Trade accounts payable and obligations arising from purchase of goods and services	79,758	67,521	158,210	165,338
Within 1 month	89	35,864	19,192	39,288
From 1 to 3 months	1,492	3,389	1,656	3,389
From 3 months to 1 year	71,940	54,221	89,548	121,096
From 1 to 5 years	388,481	382,826	481,825	527,793
Loans, financing and debentures	462,002	476,300	592,221	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. With a view to analyzing the sensitivity of the index to which the Company's financial investments were exposed at September 30, 2024, three different scenarios were defined. Based on projections disclosed by B3, dated September 30, 2024, CDI was projected for the next 12 months at 10.05%, which is defined as a probable scenario. From this scenario, CDI variations of 25% to 50% were calculated.

For each scenario, gross finance income from financial investments was calculated, not considering taxes on investment income. The base date used for short-term investments was the balance outstanding at September 30, 2024, with a one-year projection and analysis of the CDI sensitivity in each scenario.

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Individual					
Transaction	Balance at 09/30/2024	Risk	Probable scenario	Scenario II	Scenario III
Short-term investments (cash equivalents)	139,120	CDI	10.05%	7.54%	5.03%
Gross finance income			13,982	10,490	6,998

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 09/30/2024	Risk	Probable scenario	Scenario II	Scenario III
Short-term investments (cash equivalents)	353,304	CDI	10.05%	7.54%	5.03%
Gross finance income			35,507	26,639	17,771

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 obligations with debentures at September 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.

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 base date used for debentures was the balance outstanding at September 30, 2024, with a one-year projection and analysis of the DI sensitivity in each scenario.

Transaction	Balance at 09/30/2024	Risk	Probable scenario	Scenario II	Scenario III
Debentures (9 th issue)	7,116	CDI	11.02%	13.78%	20.67%
Gross finance costs			784	981	1,471

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

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Transaction	Balance at 09/30/2024	Risk	Probable scenario	Scenario II	Scenario III
Debentures (10 th issue)	249,043		11.26%	14.08%	16.89%
Gross finance costs		CDI	28,042	35,065	42,063

Capital management

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

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

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

As at September 30, 2024, the Group's net debt amounted to (R\$150,370), corresponding to (8.8%) of equity (R\$72,615 at December 31, 2023, equivalent to 5.5% of equity).

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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\$136,842, recorded under “other operating income (expenses), net” in the statements of profit or loss (see Note 19). 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 now treats the investment as a financial asset, fully derecognizing the investment and recording it at fair value through other comprehensive income, in accordance with IFRS 9 (CPC 48). The fair value of the investment was valued at R\$93,869 on the transaction date and generated an effect of R\$59,033 in the period. The fair value was determined based on the total amount of the sale transaction and was classified as level 2 by management.

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

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

Type	Currency	Amount insured
Civil liability	Brazilian real	127,238
Operational risks	Brazilian real	641,276
Sundry risks	Brazilian real	169,754
Vehicles	Brazilian real	9,004
D&O - civil liability	Brazilian real	81,722
Errors & Omissions (E&O) - professional liability	Brazilian real	99,964
Loyalty and crime	Brazilian real	7,948
Product transportation - import/export	Brazilian real	105,018

24. Additional disclosures to the statements of cash flows

Noncash transactions

	Individual		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Intangible assets acquired and not paid	239	58	278	1,103
Property, plant and equipment acquired and not paid	12,749	2,023	13,100	6,563
Lease acquired and not paid - liabilities	5,855	1,048	6,198	4,756
Investment measured at fair value through other comprehensive income marked at fair value (net)	-	-	59,033	-
Total noncash transactions	18,843	3,129	78,609	12,422

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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 September 30, 2024 and 2023.

	Consolidated	
	09/30/2024	09/30/2023
Net income for the period	317,824	177,690
(+) Income and social contribution taxes (IRPJ and CSLL)	51,542	65,254
(+) Finance income/costs	41,921	75,834
(+) Depreciation and amortization	76,950	87,942
EBITDA under CVM Ruling No. 572 of October 4, 2012	488,237	406,720
(+) Other operating income (expenses)	(105,099)	27,255
(+) Depreciation and amortization	(7,186)	(13,387)
(+) Noncontrolling interests	(128)	(1,855)
(+/-) Equity pickup - noncontrolling interests	1,906	885
Adjusted EBITDA ⁽¹⁾	377,730	419,618

- (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

On October 15, 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\$0.53 (fifty-three cents of reais) per share, which represents a dividend yield of 2.33%.