

Conference Call 3Q25 – Eztec

Introduction

Pedro Lourenço:

Good morning, ladies and gentlemen. Welcome to the Eztec 2Q25 Earnings Conference Call.

For those who want to listen to this conference call in English, please use the translation button in your Zoom platform.

Hello, I am Pedro Lourenço, head of the company's Investor Relations department, and joining us for this presentation are Silvio Ernesto Zarzur, the company's CEO and board member; Marcos Zarzur, board member; Samir El-Tayar, Vice Chairman of the Board of Directors; Marcelo Zarzur, Director of the Company; Emílio Fugazza, Chief Financial Officer and DRI of the company; as well as Flávio Zarzur, Director of the company and Chairman of the Board of Directors, who will join us shortly.

Please note that this event is being recorded and all participants will only be listening to the conference call during the company's presentation. We will then begin the Q&A session, when further instructions will be provided. If any of those present require assistance during this conference call, please request help from IR and Eztec support via chat. In case of connection failure, please reuse the same link or ID available on our website ri.eztec.com.br. You can also find the presentation slides on our website in our Download Center.

The information is available in Brazilian reais (R\$), in BR GAAP and IFRS applicable to real estate development companies in Brazil. Otherwise, it will be indicated.

Before we begin, I would like to mention that any statements made during this conference call regarding Eztec's business prospects, such as projections, operational and financial goals, are based on the beliefs and assumptions of the company's management, as well as information that is currently available. Forward-looking statements are not guarantees of performance; they involve risks, uncertainties, and assumptions, as they refer to future events and therefore depend on circumstances that may or may not occur.

Investors should understand that general economic conditions, industry conditions, and other operating factors may affect Eztec's future performance and may lead to results that differ materially from those expressed in such forward-looking statements. Now, I would like to give the floor to Mr. Emilio Fugazza, CFO and IR Director, who will begin the presentation.

Beginning of the Earnings Presentation

Emilio Fugazza:

Pedro, thank you very much. Good morning, everyone. As always, it is a pleasure and an honor to be here for the third quarter 2025 earnings conference call.

Slides 3 (Launch Performance)

I would like to start by talking about our launches. We are now experiencing the company's largest and best launch pace, both in the third quarter and already announced in the fourth quarter of 2025, for the entire time that Eztec has been publicly traded. In the first nine months of 2025, we have already reached R\$ 1.581 billion. But considering that it has already been launched and disclosed by IR, we have reached R\$ 2.150 billion in launches.

Slide 4 and 5 (Launches)

Notwithstanding this, I would like to comment on what these launches were in the third quarter.

In the third quarter, we start with POP Osasco, our maintenance of a project in Minha Casa Minha Vida, carried out in partnership. This project is located near Rodoanel, in the city of Osasco, with 35% already sold and continuing with the dynamic we have of making sales with the transfer, and we will still have subsequent phases of this project to be launched.

The next launch is Bluemarine, which is a highlight of the year in terms of sales speed. This development is located in a social segment that the company deeply dominates, which is the middle class, between middle class and upper middle class, with apartments ranging from 25 to 80 m² sold at approximately R\$ 11,000 per square meter, in the Saúde region. We are talking about Avenida Fagundes Filho, near Avenida dos Bandeirantes or Rodovia dos Imigrantes, at the exit to the coast of São Paulo. This development achieved 63% of sales. I would like to point out

that it was launched at the end of the third quarter, achieving this sales speed, which allowed us to recognize this project in the results we are presenting here in the third quarter, and shows customer appetite and the assertiveness of the product that Eztec has managed to develop.

Slide 6 (4Q25 Launches Completed)

Still about launches, the next slide is the Reserva São Caetano Parque slide. São Caetano Parque is the first phase of the launch of the land acquired in the city of São Caetano. I would like to remind you that the city of São Caetano is a city of approximately 200,000 inhabitants in the metropolitan region of São Paulo, which has one of the best Human Development Indexes in Brazil. It is a city with excellent education and public health system, and it is a desirable place to live. It is a dream of people, especially those who live nearby, to migrate to that region, and there was a lack of developments in that region that could meet the demand, with units ranging from 59 to 89 square meters, a strong demand among the middle class. Just as we have delivered with great praise and results in the cities of Guarulhos, Osasco, São Bernardo, and Santo André in recent years.

This development, launched in two phases with three towers, had a total VGV of R\$ 569 million, with sales already reaching almost 50%.

Slide 7 and 8 (Upcoming Launches)

We will also launch another phase, not only the park phase, which has already been launched and is already yielding results, but we are also launching the forest phase, the first phase of this stage, which we call the São Caetano Bosque reserve. We are talking here about a VGV of R\$ 162 million and now with apartments that are slightly smaller on average than the previous phase, the park phase, ranging from 33 to 64 m². And obviously, the expectation is for commercial development very similar to what we achieved in the previous phase launched.

Mooca Città Torino is the third launch in a grand project that we have of approximately seven phases in the Mooca region, a region in which we are delivering and developing a park. This park supports the first launches, Firenze and Milano, and now Torino, where Eztec's share in VGV is R\$102 million. We are talking here about a floor area that was successful in sales in the Firenze development, from 63 to 126 m². We will be launching 234 units in the fourth quarter, which

should obviously perform better than the R\$2.15 billion that we have already announced to you, and we have achieved within the year 2025.

Slide 9 (Net Sales)

That said, we have achieved approximately R\$ 529 million in net sales.

We are talking about net sales in 12 months of almost R\$ 1.8 billion, which is a quarter that, from the sales perspective, is already the best sales quarter in the company's history. I would like to remind you here that we have very well recognized launch sales, which will make up this year's results. Approximately \$91 million in revenue comes from these sales made from launches we did this year.

Slide 10 (Deliveries)

To conclude our operational discussion, I would like to mention the company's project deliveries this year, which was the year with the highest volume of project deliveries. We are talking about R\$ 2.6 billion, of which R\$ 1.6 billion was delivered in the third quarter alone, with all projects delivered showing some kind of savings, which has an impact on our results.

Notwithstanding the third quarter deliveries, we have already reached the fourth quarter of 2025 with the occupancy permits for two projects, which represent R\$ 110 million in VGV, the two projects with occupancy permits already issued. Now, we will go through the phases of holding the Meeting and, obviously, delivering these projects to our customers.

With this, we will accumulate R\$ 2.6 million in properties delivered or to be delivered during the year, which currently represents 76% of units sold. Note that from 2021 to 2024, all projects delivered already reach more than 90%, on average, of units sold. And for 2026, we also have 80% of units sold. In other words, our management of finished or nearly finished properties has been following a dynamic that does not generate significant finished inventory for the company, in line with how the commercial department works.

Slide 12 (Net Revenue)

That said, let's talk about the financial highlights. I'll start with the financial highlights in relation to revenue, which totaled R\$ 1.6 billion in 12 months, but in the third quarter it was approximately R\$ 470 million. Of the 470, R\$ 91 million

came from revenue recognition from projects that have just been launched or launched during 2025.

The highlight here is clearly Bluemarine, with its excellent sales performance, which had almost R\$ 50 or 55 million in revenue.

Slide 13 (Gross Profit)

Next, talking about gross profit and gross margin, we achieved R\$ 209 million in gross profit for a gross margin of 44.7%. I would like to remind you that this is an increase of almost 10 percentage points compared to the gross margin a year ago. This is a marked recovery, whether in terms of how we execute our work or in terms of pricing, which is being achieved through commercial means, through the INCC adjustments in our portfolio.

But the truth is that when we look at our ref. margin, we continue to see the 40% ref. margin that has been achieved, and I have said this to all of you, it has given an indication of what the company's sustainable margin is in the revenue it has to earn in backlog revenue, which we disclose in our earnings disclosure material.

Slide 14 (Financial Results)

Next, I would like to talk a little about another item that is always very important, which is the development of our results, namely the portfolio of pre-formed receivables and, obviously, the company's cash management.

Note that for the year 2025, which is nine months away, we have reached R\$580 million in our portfolio. This R\$580 million is the result of R\$150 million in new areas. So, whether through sales made by our commercial team in our future real estate sales shifts, or through the delivery of developments that, little by little, a portion that is still insignificant, are staying with us in the fiduciary sale portfolio.

But the most impressive thing, without a doubt, is that in nine months, for a portfolio that is already close to 500 million in 2024, we had a payment of 111 million reais. In other words, we are talking about more than 20% of the portfolio being received, which it gives us, as can be clearly seen in the release, in the customer payment profile, that even with financing of up to 30 years, we have had prepayments. In other words, payment of this portfolio with a duration of approximately 7 to 8 years.

The highlight for this portfolio, when we think about the future here, is that for the result of R\$38 million, a negative IGP-DI of 2.7 is considered, with 50% of the portfolio being adjusted by IGP-DI. So, it is to be expected, obviously, that in the fourth quarter, impacted by a neutral to positive IGP-DI, we will have an even better financial result than we had in the third quarter of 25.

Slide 15 (Net Income & ROE)

With that, we achieved net income.

The company's net income was R\$ 183 million, which is a highlight since 2017 in terms of quarterly net income, performing R\$ 544 million in net income in 12 months, for a 12-month ROE of 11%. But obviously, the R\$ 183 million is individualized here, meaning an ROE of 15% within our operation, which is already, for ROE, obtained in recent quarters, a very significant improvement, a net margin that reaches 39% and sets the tone for the work that has been done over the last few years, whether in terms of faster turnover of land, disposing of or selling land that we would not have immediate use for, accelerating launches, or a new commercial way of working with the units. Each of the company's areas has been contributing to the result becoming more significant in their own networks.

Slide 16 (Capital Structure)

With that, we talked a little about solidity. A company that generated cash during the nine months of 2025, a cash generation of R\$201 million. Note that, from the holding company's point of view, we were able to observe exactly R\$200 million in relation to our corporate debts.

So, we are net cash in the holding company and in the SPEs. We have a difference in terms of net debt in the SPEs of approximately R\$380/370 million, which we can consider to be basically the financing, the production of our Esther Towers venture.

The net debt in the company as a whole is 165 million, lower than the net debt of 2024 in the same period. Our corporate debt of 700 million now in the fourth quarter, as a subsequent event, already adds up to another 400 million, therefore, 1.1 billion reais that we obtained in a successful CRI issuance successfully led by Itaú and XP, at a cost of approximately 40% of it at 98% of the CDI in 5 years and 60% of it at 99.5% of the CDI in 6 years. It is our production financing at an average cost of 8.4%.

So, note that, from the point of view of the average cost of our debt, considering that almost all of our corporate debt today is below CDI and production debt at 8.4%, we are saying that we are running third-party capital within the company, something weighted there in the range of about 80% of CDI and 85% of CDI.

Slide 17 (Dividends)

With that, we conclude our presentation of results and open the floor for questions. The company's dividends have already been distributed, together with what we are about to announce, total more than R\$330 million in dividends to be paid or paid during 2025. We are now talking about a dividend of R\$ 220 million, with R\$ 87 million being paid at the end of November and R\$ 133 million in mid-December, which will mean a total of just over R\$ 1.00 per share by the end of the year. This totals R\$ 339 million in accumulated dividends for 12 months. We are rewarding our shareholders and investors with practically our entire cash flow for 2025, with equal dividends for everyone.

Closing

Pedro Lourenço:

I conclude here the presentation of results to open for comments from our company president, Silvio Ernesto Zarzur, on the results for the third quarter of the fiscal year.

Silvio Ernesto Zarzur:

First, I would like to thank everyone for joining us on this call. I would like to say that these results are not the result of a single quarter, but rather the result of long-term planning that began at the end of the pandemic, so that we could get to where we are today and begin to reap the rewards, as we are discussing now. There have been several innovations that have brought the company to where it is today.

So, we changed several concepts in the company, we bought different land, we sold different buildings, we acted more strongly in engineering, we also acted very strongly in administrative expenses, and we also acted very strongly in the remuneration of the company's executives. I'll put it this way, if we look at Eztec today, it is tradition, an aspect of solidity, I would even call it working correctly, doing things in a corporate way, in a correct way. Beyond that, the company is innovation. It is innovation in the way it manages cash, it is innovation in the way it

offers our products, it is innovation in the way we relate to employees, to suppliers, the way we are positioning ourselves in the market.

And you see, this quarter, we have already launched approximately 570 million, and we are going to close that. We have two open shifts, as Emílio mentioned, one in Mooca and one in São Caetano, which are open, with open decoration, with a price list, with IR, which we are ready to launch. We should launch two more buildings there in the coming weeks with good sales results. So, we understand that we will have continuity in this way of operating in the company. We are prepared for that. So, this result had a relevant point in terms of construction savings, but these savings were achieved over all the months behind us, with engineering demonstrating significant efficiency. The sales department, led by Leôncio, has also demonstrated significant efficiency, which has brought relevant results for the company as a whole. The financial department, with Emílio, my brothers Flávio and Marcelo, in their respective areas, has also performed very strongly, each in their own sector. My brothers-in-law, Mauro and Roberto, are also doing a very important job. What I mean is that we are in a period of modernization and change for the company. That is the spirit. I think that this result, in itself, is not so important. I think that what is more important is the position that the company is taking.

That is the message. We are available for questions. I think Flávio, who is the chairman of the board here and also a director of the company, can add to that.

Flávio Ernesto Zarzur:

Good morning, everyone. It is very good to be here today, sharing with you the results for this quarter.

As Silvio says, and here we are very much in agreement, this is not just the result of this quarter, it is the result of work that has been ongoing. I will tell you that for approximately three years we have been dealing with the pain we experienced during the pandemic, and we have also sought to correct the course of change.

I will also mention, between us, the passing of my father, so we had a different dynamic and a different way of seeing things, and we are seeking this to bring permanence and longevity to the company. So, it is absolutely correct, I think there is also a little bit of what Silvio said, it has passed.

But I think there's something else that's also important, which is choice. We don't want to be, we're not going to be, good at everything. So, for example, we've been

doing low-income projects with partners. It may be that in the future we will also focus on that, but we're going to prioritize things, do curve A, B, C, attack curve A, B, C, as we are doing in some of Adolfo Lindenberg's high-income projects. So, I think this is a sign that it's a very clear strategy and it makes me feel comfortable, and I foresee that in the next two years we will have good results, because we are not only in this segment, not only in this sector, we are working in several and we will move forward. That's what I have to say, Marcelo and Samir can add to that as well.

Marcelo Ernesto Zarzur:

It's more of the same, isn't it? Let's talk about that.

So, this quarter, reaping the rewards of the work done over the last three years, the work led by Silvio, realigning all departments. But this result, I understand that it's just the beginning, it's the beginning, because the work that is happening is continuing and will be much better for the coming quarters and years, and the company has returned to being a very profitable company.

So that's it, and I'll pass it on if anyone else wants to speak.

Samir El-Tayar:

For me, Eztec will continue to grow and progress, and generate more profits, because it is a company with a long tradition, which has always worked with honesty and delivered projects on time. It will continue like this. God willing, next year and the years to come will be even better. Thank you for coming.

Emilio Fugazza:

Thank you, gentlemen. Thank you, Pedro. Please, let's open the floor for questions

Q&A Session Begins

Pedro Lourenço:

Thank you, gentlemen, for the presentation and comments. We will now open the Q&A session. We will start with questions from your websites that cover the company, following a pre-established order, if representatives have the raise hand feature active.

As time permits, we will also answer questions that come in via chat. If it is not possible to answer them within the allotted time, please forward the question with your email address to our IR contact available on our website. That way, our investor relations team will be able to assist you.

Our first question comes from BTG Pactual Bank, from Mr. Gustavo Cambauva. Mr. Gustavo, you may proceed.

BTG Pactual

Gustavo Cambauva, BTG Pactual:

Hello, good morning, everyone. I would like to ask two questions here.

The first is about the large delivery volume you have now. I'd like to understand a little bit about what you're seeing. The gross margin dynamics basically consider two things here. The first you presented there, already in the third quarter deliveries, a large savings in construction. I would like to understand if this is something specific to a project or if it is more related to the harvest itself, if perhaps the deliveries in the fourth quarter, at the beginning of next year, also have this more conservative budget and there will be savings in construction. And the margin dynamics of this finished inventory, because your inventory margin is also high, right? So, I would like to understand, let's say that these deliveries will generate a reasonable volume of finished inventory, to understand a little bit about how you are seeing this margin as well.

And then my second question is about dividends, right? You had this strong cash generation in the third quarter, you announced a dividend of R\$ 220 million. But looking at the balance sheet, you still have very low leverage. And given this issue of potential dividend taxation, I wanted to understand how you are analyzing the possibility of eventually announcing another dividend by the end of the year, due to legislation, or if you think that this volume is already the total for the year. Thank you, good morning.

Silvio Ernesto Zarzur:

These construction savings are a result of our engineering efficiency. So, engineering efficiency is present in the projects that were delivered this month, this past quarter will be present in this quarter and the next, and so on. So, I understand that where we don't have savings on construction, we already have a smaller and

more adjusted construction budget. So, effectively, our engineering is either contributing, at the end of the project, to savings that increase the margin of the venture, or it is already contemplating this in the budgets and bringing a higher margin to the ventures as a whole. So, probably, we have there, in principle, this effect that you are talking about in the next deliveries. Over time, this is incorporated into the margin, naturally, because it will already be foreseen and will be recognized month by month.

I think that in terms of dividends, we can't say anything, I don't think we have anything to say. I'm saying this to make a point, but it's something that I have nothing to say about at this point.

And I think the rest of the margin, I'd like to leave it to Emilio to talk about the margin, I don't remember anymore, as they come up, I'll help you, Flávio and Marcelo, we'll help.

Emilio Fugazza:

Of course. Cambauva, thank you for the question.

So, in terms of margins, we have impacted this balance sheet, it has to do with the harvest and does not necessarily have to do with the entire venture in a specific way.

Does it have to do with the harvest? Yes. This means that the projects launched in 2021 are showing this type of savings. It has to do with the process, it has to do with the organizational form, it has to do with new management, supply management, and it also has to do with the fact that, in 2021, certain costs, not all, but certain costs were higher than what we are practicing today, so that's the first thing.

Then I remind you, and this is also the important part of your question, Cambauva, I showed there that 76% of the properties delivered this year have been sold. Therefore, I have 24% inventory, and this 24% inventory is allocated. So, therefore, a quarter of the savings is allocated to this inventory. This inventory already exceeds our gross margin, on average, it already exceeds our ref. margin in a more general way. So, obviously, when we sell this ready inventory and we sell this ready inventory in the coming semesters, we will have the positive impact of this gross margin coming from this line of ready inventory.

Silvio Ernesto Zarzur:

Let me say something else to make it clear. Look, you see, for example, a capital structure like the one we have, then you have efficient engineering, it is pointing to savings in construction here, where it is not pointing to savings in construction, it has already given me a better budget and has already left me with a larger margin in the project as a whole. Then you have, we have, when in the middle-income bracket, where our buyer is, in principle, suffocated by interest rates, the job market, etc. Now, when we put together this administrative efficiency, financial management efficiency, engineering efficiency, sales efficiency, advertising efficiency, we are able to create a composition that allows us to sell below the competition's price.

So I'm just going to say one thing that it is clear and obvious for us to achieve these sales volumes: we sell below the competition's price.

But with all the structure we have built here, this is possible for us.

For now, I am selling below the competition. In a market with more demand, I will raise this, and we will work on the price and achieve an even higher margin. But the truth is that, with prices below the competition, I can already achieve this margin. So, for now, that's how we're going to operate. I understand that we're going to have very strong demand next year, so we'll raise the price, and we'll have even more margin.

But what are we always looking at? First of all, at this moment, liquidity. So, we want to sell a lot, we want to launch a lot, and it's going well like this, it's diluting costs. For now, this seems like the ideal formula. As the market changes, we will adapt to make the most of the market. I think that's it.

Emilio Fugazza:

Gustavo, we answered what we could, but is there anything else?

Gustavo Cambauva, BTG Pactual:

No, guys, that's great. Thank you, good morning.

Citi

Pedro Lourenço:

Our next question comes from Citi Bank, via Piero Trotta. Mr. Piero, please go ahead.

Piero Trotta, Citi:

Good morning, everyone. Congratulations on the results and thank you for the call. I also have two questions.

The first is a follow-up to Cambauva's question about gross margin, but more on the income statement side. I would like to understand a little better the size of the savings in construction costs that led to this gross margin of 44.7%. To understand, excluding this effect, what would have been the gross margin for the quarter, and if, for the coming quarters, you also expect the gross margin to be at these levels, given that, I imagine, the level of savings on construction should be similar, even though delivery is not so concentrated. So I would like to understand what you expect in terms of gross margin and what it would be excluding this effect of savings on construction.

And the second question is about sales expenses, but it is more focused on the launches that were postponed, which you mention in the release that there was a delay in the preparation of two stands, because some launches were rescheduled for 2026. I just want to understand the reason for this postponement, whether it is a sales strategy or an adaptation of the project. So that's it from my side. Thank you.

Emilio Fugazza:

Good morning. It's great to see you here. Thank you for your question.

Piero, here's the thing, speaking of gross margin, I want to remind you that when I mentioned that slide about deliveries, I mentioned 1.6 billion in deliveries in the third quarter. When I look at our ref. margin, and you've seen this ref. margin quarter after quarter, it's around 40%. When I talk about 1.6 billion in deliveries, you realize that I have such a large volume of deliveries and such a large amount of revenue to recognize that any percentage, even if it is small, is over a very large volume of revenue at the end, so the company's actual gross margin is that 40% that is in the ref. That difference of four points, almost five percentage points, is exactly that savings in construction. There was no one-off effect other than that.

When I look at it, if you notice, Pedro has a chart on page eight of the release that shows the comparison of margins. So, when you look at the margin that was there in the second quarter compared to the margin that is in the third quarter, it is exactly what went up as a result of these savings. Now, when you look at your question about our next deliveries, in the fourth quarter, for example, I have approximately the same harvest there. So it is expected in that proportion of the same harvest. Something can be expected there, but look, it is not something that I will have as recurring at a gross margin of 44%. The recurring margin is what we disclose, 40% gross margin.

Now, to talk about sales expenses regarding the launches, Silvio, please.

Silvio Ernesto Zarzur:

The on-call services are already ready, so the expense has already been incurred. It has already been incurred, it has already been recognized, even though we haven't launched the building. There was a delay with the Metropolitan building, which is with Lindemberg, on Rua da Paz, in front of Parque da Cidade, due to a delay in legislation that the city government took a while to publish. It has now been published, we are ready to launch, and the on-call services are ready. Everything is ready, but we think the runway is short this year, with everything we have, and we'll move on to next year. I don't think there's anything to worry about. And even without this project, we're going to reach the sales volume we were aiming for, it will be achieved. So I think we're pretty comfortable with that and, as I'm saying, next year, for this venture, we'll only have revenue, because we've already covered all the expenses for the construction of the shifts. So I think that's it.

Emilio Fugazza:

Piero, and remember that in the third quarter I also have the impact of on-call expenses from the launch in São Caetano. These on-call expenses in São Caetano are significant, and we have already launched with great success.

Silvio Ernesto Zarzur:

In São Caetano, we have to imagine it this way: we have four phases, four very large developments that will be sold on the same shift. So, we have broken down the shift that will be used over time. Now, as we launch, we will have lower expense recognition, because we have already done it. And this strategy of launching several projects in the same sales office will happen again starting next year in

Roque Petroni, where we have something like 130,000 to 140,000 square meters of private area to sell there, I don't know, 200 meters from Morumbi Shopping Mall, facing the avenue. And we should be using the sales office on a recurring basis. We already have a sales office there, and we are going to renovate it. By launching all of our new developments from this sales office, we should see significant savings on construction costs.

Emilio Fugazza:

Piero, thank you. So far, is there anything else we can help you with?

Piero Trotta, Citi:

No, it's crystal clear. Thank you very much, everyone. Good morning.

Goldman Sachs

Pedro Lourenço:

Our next question comes from Igor, from Goldman Sachs. Mr. Igor Machado, please go ahead.

Igor Machado, Goldman Sachs:

Good morning, everyone. Thank you for giving me the opportunity to ask questions here.

I would like to explore the topic of launches a little further. In recent quarters, we have seen medium-income projects performing very strongly. So, I would like to understand what you are seeing in terms of the mix of launches for the coming years, between medium, high, and low income, and whether this stronger performance of the medium income segment is still changing anything in your strategy. That's it. Thank you.

Silvio Ernesto Zarzur:

Thanks for the question. I'll just say that Eztec is a mid-income company. Our history, our tradition, where we came from, where we have operated overtime, with success, is mid-income. So, the fact that we are very focused on it and are doing well in it is natural for us. Let's talk about our core business. We have, for example, in the upper middle range, I'll call it high, something like 30,000, okay, high is

30,000 per square meter. But I'm going to stay below that. In the upper-middle range, we really have, let's say, a relevant land bank. But this relevant land bank of ours has, as I have always said, a strategic advantage in the purchase we made, in the way we brought these developments into the company, which gives us a chance for a very good margin. So, I'll put it this way, I'm already talking about the upper-middle range, something like 15, I don't know, 17%, working in that range. We have a robust land bank, purchased on advantageous terms, and we should be putting it to use over the years. That's it.

But basically, we will continue to operate very strongly in the middle-income sector, which is where we have traditionally done very well. In fact, we will operate in both sectors, middle-income and upper-middle-income. We will work between 10,000 and 20,000, and almost all of our launches will fall within this range. That's basically it.

Emilio Fugazza:

Igor, did we answer your question?

Igor Machado, Goldman Sachs:

Very clear. Thank you, everyone. Good morning.

Itaú BBA

Pedro Lourenço:

Our next question comes from Mr. Elvis from Banco Itaú BBA. Mr. Elvis, please go ahead.

Elvis Credendio, Itaú BBA:

Good morning, everyone. I have two topics to discuss with you.

First, regarding cash generation. You had 1.6 billion in deliveries in the third quarter and another 700 million in the fourth. I imagine that the transfer takes some time to happen, but in this period, you already had good cash generation. So, I would like to understand how much of that 1.6 billion was actually transferred or not, and from the sales pipeline, of those deliveries that were made in the third quarter, plus the deliveries in the fourth, do you think that it can be booked or not? And how would leverage and cash generation evolve over the next few quarters?

The second topic is about Esther Towers. When we look at it, there hasn't been much progress on the construction. I wanted to understand what you are expecting in terms of the deadline for completion of the first and second towers, and what CAPEX remains to be done, if there is still a lot to be done, and how the leasing processes are going, if suddenly there are guys who could take naming rights in the tower or not. That's it, thank you.

Emilio Fugazza:

Hi, Elvis, thanks for the question. It's a pleasure to have you here.

Let me start here with the transfer and fiduciary sale. Elvis, here's the thing: we have all these financed projects here, they are projects financed by Itaú. The delivery we are making has been a successful one. We have achieved a good volume of transfers, which means that these customers are able to obtain large-scale personal real estate financing from the financing bank itself. Our estimate of what will remain in these clients' portfolios, because for now it is an estimate, is approximately 20%. And why is that? Why is it an estimate? Because these deliveries were made by the end of the quarter. So, I mean, the fourth quarter started in October, it started just now. And the transfer work is still being done.

Financing debt and production are declining, so we are moving towards a situation of cash generation, obviously, exclusively because debts are declining, and probably in the first quarter I will begin to reap the fruits of physical cash generation itself, in nominal terms. So, I think those are the numbers you wanted: 80% real estate financing, 20% AF, and the cash generation itself, much more likely within the first quarter.

Now, to talk about Esther Towers, the question is about how Esther Towers is doing, leasing, naming rights, I'll pass it on to Flávio.

Flávio Ernesto Zarzur:

The building has been progressing well. We should have the occupancy permit by March. In the meantime, we will be working towards obtaining the occupancy permit for one tower in March, and we should be making progress, as we are making progress with contacts to anchor this tower in its use. Basically, that's it. There are several potential clients, and we are open to all possibilities. We have been exploring and working on this.

Silvio Ernesto Zarzur:

We expect to rent out part of the tower in the first half of next year. We have a lot of demand, we have this expectation, it is not set in stone, it is not certain, but we have this expectation. We have nothing planned, but we expect to be able to rent out part of the tower. So that's it.

Pedro Lourenço:

Elvis, have we answered your question?

Elvis Credendio, Itaú BBA:

You have answered yes. If you could just go back to Esther's Remaining CAPEX topic, that would help me here. Thank you.

Marcelo Ernesto Zarzur:

We are already finishing the facade of the second tower, which we will not deliver, and the first tower is practically complete. Only the ground floor of the second tower remains to be finished, which is the lobby of the second tower, to really complete the second tower as well. We will obtain the occupancy permit between May and June of next year for one tower, and the CAPEX is around 120 million to get these two towers to that point to complete and obtain the occupancy permits and have the building inhabited. We are in high demand for tenants there, strong tenants, but none have closed the deal yet. However, many large companies are looking at the tower to rent.

Emílio Fugazza:

Elvis, did we answer your question?

Elvis Credendio, Itaú BBA:

Yes, excellent. Thank you very much, everyone. Good morning, have a good weekend.

Safra

Pedro Lourenço:

Our next question comes from Mr. Rafael Rehder, from Safra. Mr. Rafael, please go ahead.

Rafael Rehder, Banco Safra:

Good morning, thank you, everyone, for your time.

I had a question. I wanted to talk more about the topic of finished inventory, which, with the volume of deliveries you had in the quarter, I think has started to become a little more representative. Now it's a little more than 30% of total inventory. I wanted to understand more about your side, the strategies you are using to offload this inventory, and if you could give us an idea of how their sales started now in this fourth quarter. Thank you.

Silvio Ernesto Zarzur:

I'll mention two points about inventory. The first is that when you're delivering the building and transferring it to customers, where fiduciary alienation is not the moment when you're promoting sales very strongly, this causes some disruption in the transfer of these apartments, so we prefer not to do it. So, an important part of this inventory, which you see, was not actually made available to the company for sale. So, when you have delivery, in fact, you will have the opportunity to market them more effectively, after about four or five months after it was delivered to us in the releases. And there is the fact that we are launching a lot.

As we are launching a lot, we are also encountering some difficulties in terms of sales, but we are taking measures that will allow us to have these sales happening more strongly starting this quarter. We are receiving a lot of merchandise releases to be able to sell, and we are taking every measure you can imagine, and we understand that we will have quick liquidity in this. Based on our experience, there is not much to say, there are several sales strategies that we will adopt to achieve a little more liquidity. I believe that we will be very successful on this front now. That is well pointed out.

Emilio Fugazza:

Rafael, did we answer your question?

Rafael Rehder, Banco Safra:

No, perfect, you have. Thank you, everyone. Good morning.

Santander

Pedro Lourenço:

Our next question comes from Banco Santander, from Ms. Fanny Oreng. Ms. Fanny, please go ahead.

Fanny Oreng, Santander:

Hello, good morning, everyone. Thank you, Pedro. I have a question.

It is quite striking how well your new launches are performing. And these launches, as you say, are more geared towards middle-income consumers, and even though they are more competitive in terms of price, I think their performance is quite striking, given the current situation of middle-income consumers. So, I think that next year we will see a scenario of possible acceleration, in fact, the beginning of interest rate cuts and apparently a Central Bank that is a little faster in terms of cutting interest rates than we expected a while ago. So, along these lines, I would like to understand what we can expect from your launch pipeline for next year. Does it make sense for us to expect growth in the volume of launches compared to what you will deliver this year?

I know you don't give guidance, but it would be great if we could talk about this.

Marcelo Ernesto Zarzur:

Hi, Fanny, how are you?

Let me put it this way, of course we get excited when we see prospects for interest rate cuts, right? And of course, when interest rates fall, our sales increase. We are prepared, we have projects for this, to grow. We have everything ready. What depends is, as you said, really, is these interest rate cuts.

Now, as for the price, it's very reasonable and fits our customers' budgets very well, so much so that we've greatly increased sales of our latest launches, where we've sold around 50% very quickly. So, the price is right today, and if it really falls, we are sure that we will improve sales even more next year, because we have many more products to launch.

Silvio Ernesto Zarzur:

I just want to mention that these developments we have launched and achieved sales success with are developments of 700 units and 600 units. So, when you have a development of this size with the speed of sales we are achieving, this already implies acceptance of both the merchandise and the prices we are charging. But I want to remind you that we are selling this well below the competition's price. It is a structural issue that allows us to do this. And this structure is present in the company, and I think that gives us peace of mind, as Marcelo is considering, to continue launching. What would be an impediment would be something extra that everyone is dealing with, but apart from that, we understand that we will do well next year. That's it.

Emilio Fugazza:

Fanny, were we able to address your question and answer it?

Fanny Oreng, Santander:

Yes, you have. Just a follow-up here, do you also feel, you mentioned that you are selling low competition, but do you also feel weaker competition today? Is competition the same as it has always been in terms of launch volume?

Silvio Ernesto Zarzur:

No, Fanny, I don't think so.

I think we have many well-structured, large companies operating properly. Some with competitive advantages as well. I mean, we're not the only ones in the entire market with a competitive advantage; there are other companies that also have it. These companies, which have a competitive advantage like us, have stood out in the world in what they do. What I mean is that a medium-sized company today, in the market we have, has no space. So, the market is improving and selecting itself. And when you talk about middle income, there are other players that are not the ones here in the South Zone, here in Pinheiros, in the Jardins region, there are other players and the game is different, and there is perhaps less competition than there is here in our market, here in the South Zone, but there is competition from structured companies. I can't say that we are dealing with companies that are as fragile as those on the other side.

Fanny Oreng, Santander:

Great, thank you very much.

XP

Pedro Lourenço:

Our next question comes from Mr. Ruan Argenton, from Banco XP Investimento. Mr. Ruan, please go ahead.

Ruan Argenton, XP Investimentos:

Hi, everyone. Good morning. There are two topics I would like to address here. First, Emílio mentioned a few ROE triggers in his presentation. I think one of them is the sale of land and SPEs, which I believe has been happening in recent quarters. I would like to understand a little bit how you see the scenarios for future moves of this type, if you still think there is land to be divested, something that perhaps does not make sense for you in the pipeline, if there is some potential volume going forward, if there is some recurrence.

And then, my second question is more about the metropolitan region. I think you commented a lot in the presentation that there are quite a few relevant launches in São Caetano in the next quarter, and we also see that some other players have also started some launches there and have performed very well, just as you have performed. I would like to understand a little bit how you are seeing this avenue of exploration in the metropolitan region and a little bit of what you have available to develop in these regions, whether it is more of a middle-income standard or if it even fits a little bit with your low-income segment. Thank you.

Silvio Ernesto Zarzur:

Let's put it this way, this story of immobilization, of selling SPE, is also a bit of a strategy. We have, for example, it's a bit of a strategy, so there will be some recurrence. I don't know for how long, but it depends on us getting the deals right. We may be acting as intermediaries or playing a game here and managing to arbitrate in some deals and, with that, bring results to the company. So, in some land deals, we arbitrate, we buy, we sell a stake, we keep a part, and that can also bring relevant results for the company.

So, that's how it is in the metropolitan area. We are spread out, we have a lot in Osasco, we have a lot in São Caetano, we have other land in the metropolitan area

of São Paulo, in São Paulo itself, not in the metropolitan area, but in the capital, which is geared toward middle-income earners. So we also have that kind of thing. We have some important partnerships, relevant to my home, my life, that we will work on through partnerships, but this will have a significant impact on the balance sheet over the next few years. But I understand that competition in the metropolitan area is a little less, but it is not easy to operate there. So, I don't think it's an easy place to operate in the metropolitan area, and that's our specialty. That's it. And when you talk about the metropolitan area, it's medium to low income, which doesn't reach my home, my life, and that's where we're operating on a larger scale.

Emilio Fugazza:

Ruan, did we answer your question?

Ruan Argenton, XP Investimentos:

That's great, thank you very much, everyone, good morning.

Bradesco BBI

Pedro Lourenço:

Our next question comes from Ms. Carla Graça from Bank of America. Ms. Carla, please go ahead.

Let's move on to the next one, Ms. Carla, you are no longer in the chat for Mr. Herman Lee from Bradesco Bank. Mr. Herman?

Herman Lee, Bradesco BBI:

Good morning, everyone. Thank you for the opportunity to speak.

There is just one topic we would like to address, which is the pace of discussion of the works. I would like to know if everything is going according to plan and if there are any projects that are experiencing significant delays. Thank you. Marcelo Ernesto Zarzur: Hi Herman, how are you? No, no construction project has suffered any significant delays. There have been delays of one or two months, but these are within the grace period, so there are no fines or anything. Customers are extremely satisfied with the deliveries, the quality of the projects is very good, and going forward, they will be more punctual and delivered with even higher quality. So, no,

there are no problems with the delivery of the projects or the project deadlines. I would say that engineering has returned to the production pace it had before the pandemic.

Silvio Ernesto Zarzur:

And I want to say something, look, I'm saying here that we sell below the competition's prices. We made a comparison chart, and our merchandise is really delivered with high quality. So, when we look at it, even though we sell a little cheaper, our quality is well within expectations. When someone buys something, they look at the brochure and they go there, they put the brochure in front of what they are receiving, they may have the impression that they bought a photograph of what they had and expected to receive. You deliver it to the person, both inside the apartment and in the common areas, this is, well, I think it's very important to have your name.

I think that our name, over time, in all the phases we work in, has also helped us in sales, because we really deliver the goods very well. I have to speak very highly of what was promised to the customer. They are satisfied with the purchase, which I think is very important.

Marcelo Ernesto Zarzur:

I'll say one more thing, our name, together with our customers, is synonymous with quality, punctuality, and security. So, that's what we're doing, we've gone back to doing it, and we're performing very well with our customers.

Silvio Ernesto Zarzur:

Let's talk about it, not to say it's luxurious, but it's done right, properly, well done within what we agreed upon in the deal. What we promise, we deliver, that's it.

Flávio Ernesto Zarzur:

And there's an additional point to that, which you can see. Since there will be some stock left over after delivery, when the guy goes to compare the finished goods, our apartment has a unique feature, an added convenience for us to put it in later, when the customer receives the keys.

Emílio Fugazza:

Herman, did we answer your question?

Herman Lee, Bradesco BBI:

Very clear, everyone. Thank you very much and have a good weekend.

Final Considerations

Pedro Lourenço:

Since there are no further questions and we have reached the end of our scheduled time, I will now give the floor to our directors for their closing remarks.

Silvio Ernesto Zarzur:

We are calm, the company is calm, the company is sailing smoothly, let's say, harmoniously, we are well positioned, we have taken this approach, the company is more mature, we are moving towards greater professionalization, we are changing the level of internal controls a little, we are moving away from a company, I'll put it this way, because we have always had a lot of control, we always have, but we are improving this. So, we are improving controls, we are perhaps taking on the position of a larger company, an organizational aspect, rather than just being a balancing factor. So, we are taking on an internal, administrative, and organizational position that provides a basis for us to grow even more.

We are in a position greater than our balance sheet in this aspect of being a corporation, of having governance, of having things. We are making a lot of progress with this, and I think that's important. That's what I wanted to talk about.

Marcelo Ernesto Zarzur:

I wanted to say something else, just to conclude, I think it's a position that has always been ours. The issue of solidity in our country is very important, and when we choose to work in the middle-income segment, which is where we started, we need to have, and we take care of this, both my brothers and Emílio, to maintain this solidity, because we never know what lies ahead. So, the possibility of us having to transfer the client, in fact, this transfer is not exactly that, it could be a transfer, it could be a loan, even though we have great partners, such as Itaú, Caixa Econômica, Bradesco, Santander, that's fine. But we never know what lies ahead. So, we're not going to lose that value and that essence, so that we can operate for

a long time, so that we can maintain the permanence that we have here as an idea. That's it.

Emilio Fugazza:

Gentlemen, thank you. Pedro, please give your closing remarks.

Pedro Lourenço:

Thank you all for participating.

The Eztec earnings conference call is now closed.

Be sure to check out the other materials available on our website at ri.eztec.com.br. If you have any questions or need further information, please do not hesitate to contact us at the IR department. We are fully available to assist you and answer any remaining questions.

We appreciate everyone's participation and wish you a great day and a great weekend. Thank you

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