Conference Call 2Q26 – Eztec

Introduction

Pedro Lourenço:

Good morning, ladies and gentlemen. Welcome to Eztec's second quarter 2026 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, Corporate Finance and IR Manager of the Company, and joining us for the presentation are Mr. Silvio Ernesto Zarzur, President and Member of the Board of Directors of the Company; Mr. Flávio Ernesto Zarzur, Chairman of the Board of Directors and Vice-President of the Company; Samir El-Tayar, Vice-President of the Board of Directors; Marcos Ernesto Zarzur, member of our Board of Directors; Marcelo Ernesto Zarzur, Director of the Company; and Emílio Fugazza, Chief Financial Officer and Investor Relations Officer.

Please note that this event is being recorded and all participants are in listen-only mode during the Company's presentation. We will then begin the Q&A session, at which point further instructions will be provided.

Should any participant need assistance during this conference call, please request help from the Eztec IR support team via our chat. In case of connection failure, please use the same link or ID available on our website ri.eztec.com.br to return to the presentation. Also on our website, you can find the presentation slides in our Downloads Center.

Information is available in Brazilian Reais (R$), under BR GAAP and IFRS applicable to real estate development entities 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 outlook, such as projections, operational and financial targets, represent the beliefs and assumptions of the Company's management, as well as information 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 operational factors may affect Eztec's future performance and lead to results that differ materially from those expressed in such statements.

Now, to get started, I would like to hand over to Mr. Emílio Fugazza, who will begin our presentation. Please, Emílio, go ahead.

Earnings Presentation

Mr. Emílio Fugazza:

Thank you, Pedro. Good morning, everyone. It is a great pleasure, as always, to be here at the second quarter 2026 earnings presentation.

We will begin right away by discussing our quarter in terms of launch performance, where we reached R$ 773 million in launches. Note, in the red bars, the largest launch volume for a second quarter of the year, as well as the largest launch volume for a first half in the Company's history of operations.

This indicates, then, that we are in a new, important moment, where R$ 1.7 billion launched in the first half alone represents more than 50% of the midpoint of the Guidance already reached. That Guidance is R$ 2.5 billion to R$ 3.5 billion, disclosed to the market at the beginning of the year.

These launches are delivered through Reserva São Caetano Bosque, where we completed the launch of the Bosque phase, which is 40% sold, and which is also a development that already has accounting recognition carried out now in the second quarter and is already part of our revenue.

Next, the launch of the third phase of the São Caetano project, which is Gran Resort Reserva São Caetano. This phase, launched at R$ 457 million in PSV, is 45% sold. This phase has not yet been recognized in the accounting figures and will most likely be recognized now in the third quarter of 2026.

We also launched a development in the city of Osasco, very close to the entrance of Bradesco, in Cidade de Deus, which we call Azzure Resort Life, its first phase with R$ 200 million in PSV, already 58% sold, also not recognized in the accounting this quarter, but very soon, whether in the third or fourth quarter, it will be part of our results.

For the third quarter, we already have some launches getting started. For example, Cidade Parque Guarapiranga, in partnership with CURY. These are already the second and third phases of the project. A project launched with great success in February. This phase has 1,600 units, R$ 264 million in PSV %Eztec. We have already started sales.

Also for Gran Resort Reserva São Caetano, the second phase of this Gran Resort, R$ 243 million. We will begin sales soon. Yesterday we started sales of the second phase of Azzure Resort Life. It is more than R$ 218 million in PSV in the city of Osasco.

And finally, we should launch the second phase of the POP Osasco project. This is a project located on the Rodoanel, in the city of Osasco, along the Rodoanel. Second phase, %Eztec stake, of R$ 117 million. We will have this launch soon.

Still on operational matters, it was also a very productive quarter from the standpoint of deliveries, totaling R$ 775 million in deliveries, with the clear standout obviously being Lindenberg Ibirapuera, a development with absolutely spectacular features and design along Avenida 23 de Maio, in the Paraíso neighborhood, very close to Parque Ibirapuera, with more than 85% of its units sold.

So all the projects delivered by the Company during 2026 stand at a little over 80% sold and total R$ 951 million in PSV. With these deliveries, we conclude the deliveries for the year; we will resume our development deliveries as of the first quarter of 2027.

This closes the operational section with net sales, net sales this quarter reaching R$ 578 million, a very relevant figure.

If I look at it in terms of SoS, the Company's SoS has been increasing since the second quarter of 2025, when it reached 39%. Today our SoS is very close to 43%, indicating that the Company is making more launches, and these launches are being converted into launch sales, where we already have 12-month net sales growth pointing to nearly R$ 2.4 billion.

That said, it is important that we now move directly to the financials. The financials show us net revenue for the quarter of R$ 377 million.

I would like to remind you that, up until 2025, many deliveries meant that construction work was in its final stage of progress, so, therefore, quarterly revenue recognition was very consistent, very intense. We are now in another phase, launching a lot, selling a lot, and this is gradually being converted into construction work.

So, obviously, if we are heading toward R$ 3 billion in launches, we will gradually move toward this volume of revenue as well, as the construction work itself generates this volume of POC.

Revenue for the second quarter was R$ 377 million, revenue that leads us to gross profit of R$ 150 million, with a 40% margin. It is important to highlight the recognition, then, as I already mentioned, of the Bosque phase of São Caetano, as well as construction cost savings, as we already mentioned in our earnings release, savings on the delivered projects.

So, when I look at all the projects delivered in 2026, I capture cost savings realized on those projects. So the Company continues consistently, very much in line with what we have been demonstrating as the Company's REF margin.

The Company's REF margin is a margin of approximately 38%, and this 38% REF margin can be impacted positively or negatively by variations, mainly in terms of non-recurring events or occasional pushes on the sale of ready inventory.

Financial results, as always, have been an extremely important strength for the Company; the 12-month accumulated financial result already stands at R$ 208 million versus R$ 143 million a year ago, with R$ 67 million impacting the second quarter of 2026.

If you look at the lines, at the line breakdown we made, that the IR team made in the release, you will notice that a large part of this increase is due to our direct receivables portfolio, a portfolio that began the year at R$ 615 million and stands today at R$ 756 million. But here I draw your attention not only to the growth of nearly R$ 150 million, therefore approximately 25% within a half-year, but I draw your attention to the R$ 98 million paid.

This means it is practically 30% of the portfolio being paid down, if I were to annualize this figure, which shows how healthy this portfolio is and how important it is as a sales tool. Whether for performing properties, obviously, which is a situation with a direct impact on the portfolio, but also for properties under construction or properties at launch stage, from clients who choose to stay with Eztec.

Today we have 1,819 financed units, with an average rate between 10% and 11%, indexed half to IGP and half to IPCA. All of this leads us to net income of R$ 110 million.

If we look at it, over the last three quarters net income has been quite in line, with a net margin very close to 30%. The 12-month net income is R$ 531 million, which leads us, on a consolidated basis, to an ROE of approximately 10.4%.

This ROE will move forward, obviously it will move forward; as we have greater revenue recognition from our construction work, we will see this ROE heading to where it should, in fact, behave. Dividends, two slides to the end.

Dividends: our Board of Directors approved the distribution of 25% of this result, representing approximately R$ 26 million, nine cents per share, with the record date being August 13th, therefore the ex-dividend date on August 14th, for payment already at the end of August.

The Company's capital structure indicates, from the standpoint of cash and debt, an absolutely balanced situation. We have the same volume of cash relative to the volume of debt, with, obviously, the Holding carrying net cash of around R$ 400 million.

This net debt, then, is at the SPEs, specifically on account of Esther Towers itself, where we have R$ 669 million in project finance debt, but carried at a cost of around less than 70% of the CDI. So something quite balanced in the Company's overall indebtedness.

That said, I will hand over for opening comments to our Company President, Silvio Ernesto Zarzur, and then we will open the session for questions and answers. Silvio, please.

Mr. Silvio Ernesto Zarzur

I would like to thank everyone here in the audience, say good morning to you all, and make a point about the Company's moment and the type of product we are experiencing.

These launches we made have very low revenue recognition due to the cost of the land. The cost of the land in these products is low and construction is still getting started. So, really, when we imagine reaching around R$ 3 billion in this range of launches for the year, closer to that figure, at some point this revenue will reach the company and we will see this ROE move forward.

And the real scenario, also the scenario as a whole, I think we are operating relatively well within the scenario we have, because with these high interest rates and with the increase in construction costs due to the war, etc. That really hurt our results. But within the current scenario, we will be able to improve this ROE significantly over the next 12 months. It is natural, given the progress (...) It is just a matter of building the buildings, continuing to sell, and we will get there. And it is within the plan we had drawn up here, and in the medium term, to bring this company to a higher ROE.

I think that is it, I think the operation is running smoothly, the company has its accounts in order, we have full control of the Company, we are navigating it calmly in a scenario that is not so calm.

So we are steady in a scenario that is not so positive for our sector. That is it. I think we are doing very well.

Q&A Session

Pedro Lourenço:

Thank you for the presentation, gentlemen. We will now open the Q&A session. We will begin with questions from the sell-side analysts who cover the Company, following the previously established order shown on screen.

Please make sure your representative has the Raise Hand feature active. And, to the extent time allows, we will also take questions submitted via chat. If we are unable to answer within the allotted time, please send your question to our IR contact available on our website. That way, our Investor Relations team will be able to assist.

Our first question comes from Mr. Piero Trotta, from Banco Citi. Mr. Piero, please go ahead.

Piero Trotta, Citi Bank

Good morning, everyone, thank you for the call. I have two questions.

The first is about revenue recognition. We saw that over the last five, six quarters there was some volatility, which we understand is due to the vintages that occurred, that were delivered. And then we see that this was the third quarter in a row with quarter-over-quarter growth in this line. And so I would like to understand what your expectation would be for growth in this line in the second half, right? Can it hold at these 17% presented in this second quarter versus the first quarter of 2026? Or could we expect an acceleration, right? We know there are some variables in this, such as ready inventory sales, fulfillment of the suspensive clause, but some color would help us a lot on this topic for the second half.

And the second question is about cash generation, which slowed down a bit, and one of the reasons was the greater allocation of R$ 115 million to the formation of new direct receivables portfolios. So, to understand a bit what happened this quarter, whether the banks were a bit more restrictive in the mortgage transfer of these clients or whether there was some other reason that led to this slightly larger portfolio formation. Those are the two points, everyone. Thank you.

Mr. Emílio Fugazza

Piero, good morning. It is a pleasure to receive your question here, Piero. Let us begin with revenue. I will address the revenue question with you.

The first important thing to mention on revenue, as I said during the call, is what is happening: we are within an operational growth that is quite strong. This operational growth in launches is gradually being converted into sales. And sales, obviously, take a few quarters to be converted into revenue, in fact, due to the progress of construction work.

And when construction begins, it begins with very small services from the standpoint of cash consumption. What we see there, earthworks, foundations, etc., consumes very few resources and, therefore, generates very little POC.

The truth is that we understand there will be an acceleration, both in the third and in the fourth quarter, that will give an increase, I would say to you, that is natural for us to get closer to what we are seeing in the Company's quarterly sales volume.

So, if you look at what we saw in net sales at the Company over the last four quarters, you will see something more or less on the order of R$ 500 million. So it is absolutely natural to tell you that I need to find net revenue on the order of R$ 500 million. And this should happen naturally starting in the coming quarters. So we are heading in that direction.

Piero, now I will leave it to Silvio to address the question of direct receivables and cash generation.

Mr. Silvio Ernesto Zarzur

Look, it is like this: direct receivables are a very important sales instrument for us. And this is demonstrated by their growth, because the client who cannot go to the bank finances with us and stays in the portfolio for a while. We have a study showing that, on average, they end up staying less than five years, right?

If you take the portfolio as a whole, even though we sell this portfolio, I don't know, at fifteen years, twenty years of average term of the financing we provide, in the end, on average, they stay five years. So, it is good for us, right? Healthy, healthy, right? This fact that it is decreasing to help with the payment ratifies the strong payment performance of this portfolio, and it is a very powerful sales instrument.

They use this as a bridge, either to obtain financing, or to obtain the funds to buy. So, I think this direct receivables portfolio is spectacular. But that is it.

So, they use it as a bridge, sometimes to sell a property, to wait to receive some money they have, and it has worked very well and helped us to sell. I do not think the banks are making financing more difficult than before. We do not have that.

Mr. Emílio Fugazza

Piero, did we answer your question?

Piero Trotta, Citi Bank

You did, yes. It was super clear. Thank you very much, everyone. Good morning.

Mr. Emílio Fugazza

Thank you, Piero. Good morning.

Pedro Lourenço

Thank you, Piero. Our next question comes from Mr. Jorel Guilloty, from Goldman Sachs. Mr. Jorel, please go ahead.

Jorel Guilloty, Goldman Sachs

Good morning, everyone, thank you for taking my question.

I would like to focus on the launch Guidance. So you kept the same launch Guidance, which goes from 2.5 billion to 3.5 billion. So I would like to understand what you would have to see to move to either end of that Guidance, that is, whether it has to do with interest rates, whether it has to do with inventory sales now, so just to understand how you arrived at the two ends.

And the second question is about what remains to be launched this year. I would like to understand about the land. Is the land basically swaps or is it land that you have already bought with cash? So that would be it. Thank you.

Mr. Silvio Ernesto Zarzur

Jorel, good morning. Thank you for the question, right, Jorel? All of our land is paid for in cash. And our projects, from an operational standpoint, are all very much, so to speak, ready to be launched. What do I mean by operational? Approved, with the sales stand almost ready, with, so to speak, all the legal aspects. And the operational side to launch these developments that we have through the end of the year is very much on track.

In the end, what could eventually bring some difference for us is sales, which are going well. I do not have absolute certainty. We have elections ahead, we have a scenario still troubled by the war, every hour it was one thing there, oil goes up, it impacts several things here in the Brazilian economy; so I think we are more, let us say, at the mercy of general economic factors than of anything else in order to be able to meet this guidance we are talking about.

From the company's operational standpoint everything is on track; now, if the economy remains more or less as it is, we should manage it. If there is a very large discrepancy there, I cannot affirm it. I think that is it, the point of attention is the general economy.

Mr. Flávio Ernesto Zarzur

Good morning, everyone. Just to add to Silvio, since Jorel gave an opening: we have been trying and have been seeking to buy land on a longer time frame, which is precisely so that... It is not a swap, but it has less impact on cash flow. So, at the core, we are trying to buy land on a longer time frame.

Second, we operate in a middle-income range, mainly our middle-income range. And here I understand, both wearing the board hat and wearing the management hat, that our driver is sales volume, as he put it, and we keep an eye on that.

And whenever we start, we are also looking there. One day someone said the CDI was coming down to 12; the CDI holds up for N reasons, from political reasons to external reasons, war and rising oil. In this whole scenario, I think we are performing extremely well, given the sector we work in, the range we work in, and considering that things did not turn out exactly as we would have liked, which was a CDI at the end of this year close to 12.

Mr. Emílio Fugazza

Jorel, looking at the numbers, when you mention the guidance question, in any case, what we showed in the presentation already adds R$ 900 million now in the third quarter. So, we had already launched 1.7 and, with 900, we already move to 2.6, which already surpasses the minimum floor of the Guidance.

So, only three projects will be missing for us to get very close to or to the top of the Guidance. So, the Company moves with operational calm toward meeting the Guidance. Jorel, did we answer your questions?

Jorel Guilloty, Goldman Sachs

Yes, thank you.

Mr. Emílio Fugazza

Thank you, Mr. Jorel. Good morning.

Pedro Lourenço

Thank you, Mr. Jorel. Our next question comes from Mr. Elvis Credendio, from Banco Itaú BBA. Mr. Elvis, please go ahead.

Elvis Credendio, Itaú BBA

Good morning, everyone. I have two topics here that I would like to address.

The first, on cash generation, linking it here with the portfolio question. If you could recap this whole movement of deliveries since the second half of last year, which was quite strong, and which in fact is still to be transferred. When we look at the performing accounts receivable less what is in the portfolio, it comes to more or less around R$ 300 million. I want to understand how much you expect to collect through mortgage transfers going forward and how this could help cash generation going forward.

The second topic is about Esther Towers. I am not sure how much you can comment here and give us an update on the leasing process, but from the news in the media we have seen some potential leases that would be relevant.

I would like to understand what stage these negotiations are actually at. More initial, more advanced, and how the negotiations in terms of rent per square meter compare with your expectations. That is it. Thank you.

Mr. Emílio Fugazza

Thank you, Elvis, thank you for the question, good morning. I will start by addressing the cash generation question.

Well, we are in a situation where the deliveries occurred, so we still have, as you well mentioned, some performing balances. In my opinion, these performing balances end up representing half of them in cash generation directly, on account of mortgage transfers or payoffs. And half of them will end up remaining in our performing portfolio.

The sales of performing properties that we have obtained at the Company have been more or less like this as well, half and half, between transfer and remaining in our portfolio. We believe that 2026 is the year in which this trajectory you saw, between net cash and net debt at very close values, will remain. So, the balance between cash and debt through the end of the year.

So, there will not be, let us say, expressive cash generation, on account of the fact that the delivery vintages have, in fact, ended, and this will depend on the volume of sales of performing inventory. Regarding Esther Towers, I hand over here to Marcelo, our vice-president, to make the comments.

Mr. Marcelo Ernesto Zarzur

We are keeping all our efforts active for the leasing of Esther Towers. We are excited because the leasing market has started to move again. So that is what we have to say for now.

Mr. Emílio Fugazza

A development that is going very well. We are already with this development in its final stage. This is very important to mention. A final stage that means that, between this year and next year, we will have the completion certificate for the towers. Elvis, did we answer your questions?

Elvis Credendio, Itaú BBA

You did, yes. Thank you, everyone. Good morning and have a good weekend.

Mr. Emílio Fugazza

Thank you very much, Elvis. Good morning to you as well.

Pedro Lourenço

Thank you, Elvis. Our next question comes from Mr. Marcelo Motta from JP Morgan. Mr. Marcelo, please go ahead.

Marcelo Motta, J.P. Morgan

Hey, good morning. Thank you for taking the question. Two as well.

First, there in the income statement, when we look at that line of other operating income and expenses, it ended up coming in at minus R$ 11 million; last quarter it had been R$ 4 million positive. Anyway, there is always some volatility in this line, but just to understand whether there is anything very relevant that passed through this quarter, to understand what that could be.

And the other question, if you could comment a bit on the construction cost savings, whether you think this, well, can still persist over the coming quarters. You mentioned that there are no more deliveries, so I imagine you also end up not having that effect to run through the delivery of the project, but, within what you have under construction and progressing in POC, whether you note there any conservatism in the budget that has been generating construction cost savings or not. Thank you, everyone.

Mr. Emílio Fugazza

Marcelo, thank you for the question. I will start here with the income statement question, other income and other expenses. Marcelo, this line is always a very volatile line. This line encompasses two or three things, and these two or three things are the following.

One of them is goodwill. When we form partnerships, for example, and we buy certain partnerships, you eventually have goodwill, and there comes a moment when you have to amortize that goodwill. For example, over the course of a few years we will amortize goodwill on the acquisition of CAL's shares itself. So our stake in CAL, of the construction company Adolpho Lindenberg, of 47%, will mean an amortization of goodwill over time, and this amortization is a bit volatile.

Notwithstanding CAL, we have other SPEs where this happens. That is one factor. Notwithstanding this factor, we also have the settlements.

And adjustments that are made between partners, for more or less operational work within the SPEs. As we are growing our operation, the volatility of this line will naturally grow a bit.

This line was negative this quarter, but concretely we do not have major reasons for it to continue being negative in the other quarters, because, as a rule, Eztec is the Company that performs the work in the SPEs. And when it performs this work, there is often, in any case, some positive adjustment for us, and that is why, historically, this line tends to be positive, Marcelo.

In terms of construction cost savings, I will hand over the floor to Marcelo for him to comment.

Mr. Marcelo Ernesto Zarzur

Marcelo, most of Eztec's construction work is at the beginning. There are some finishing up, but they are at the beginning. The construction work is very well controlled, very well managed.

Now, to speak of construction cost savings right now is difficult, even more so with the market we are going through, with the United States, Iran, I don't know what, and this affects prices a lot. The construction work is under control, there will not be an overrun, but savings are difficult, obviously, to promise relevant savings.

Mr. Emílio Fugazza

Marcelo, did we answer your question?

Marcelo Motta, J.P. Morgan

Yes, super clear. Thank you, Emílio. Thank you, Marcelo.

Pedro Lourenço

Thank you, Marcelo. Our next question is from Mr. Rafael Rehder, from Banco Safra. Rafael, please go ahead.

Rafael Rehder, Banco Safra

Good morning, I think it worked now, sorry. I would like to touch a bit more on the topic of the competitive environment in São Paulo, but when you look at the competitors, are you already seeing the developers also giving discounts? Or has the market held prices, at least so far?

And the other point, even looking at your land bank, we still see a... quite large position in the metropolitan region of São Paulo. And it is exactly the launches you have been making over the last few years that have had very good performance. And also to understand with you, looking ahead at the launches, whether you expect to continue focusing more on the metropolitan region or whether you will launch more in the main neighborhoods in São Paulo.

Mr. Silvio Ernesto Zarzur

Rafael, just to talk about competition: the São Paulo real estate market is the main market in the southern hemisphere, so it is a very competitive market; at this moment, in particular, it is more competitive than usual. There is a lot of competition, a lot of dispute, you have to set the commercial price, you are not going to set the price based on your cost; your cost will meet your selling price, which is what you will be able to sell at.

There is some discount, naturally; I do not think that is so important for now, our margin has not been affected by it, but we keep all our prices competitive, generally below the market. All the neighborhoods of São Paulo really are heavily supplied, and it is a mechanic we have worked with this way our whole lives and are used to.

That said, it is part of the company's strategy to make this migration from the São Paulo region to the metropolitan region. We understand that competition in the metropolitan region, for various reasons, is a bit lower. It is not much lower, but it is a bit lower. It works very well within the company's strategy. We are used to operating these large developments in these regions.

For example, at the moment, we are the largest developer in São Caetano; we have been the largest developer in Santo André, we have been the largest developer in Guarulhos, we have been the largest developer in Osasco. So, consistently, we are represented in these cities and we have important brand recognition and have been using that. So we will remain, yes, in Greater São Paulo, one of the company's main focuses.

And when you make the company's business plan, cash consumption, etc., when launching in Greater São Paulo you consume much less cash than you invested in the land. It is much cheaper relative to the merchandise. So the money you invest is smaller, it is much harder to operate, because you have to have very strong engineering, a heavyweight sales company, which we have. It is much harder to operate, but you invest less money and use more bank financing. So, does it work well for us? Yes, we will continue.

You should see a continuation of our activity in Greater São Paulo, which does not remove our activity in São Paulo. Our land bank in São Paulo is very large, and we are present there in various locations and will continue; but Greater São Paulo should advance somewhat in percentage points of our total launched PSV.

Mr. Emílio Fugazza

Rafael, did we answer your question?

Rafael Rehder, Banco Safra

Yeah, no, perfect, everyone, super clear. Thank you, all right? Have a good weekend.

Mr. Emílio Fugazza

Thank you, Rafael. Good morning to you as well, have a good weekend.

Pedro Lourenço

Thank you, Rafael. Our next question comes from Mr. Luis Assis, from Banco Santander. Luis, please go ahead.

Luis Assis, Santander

Hi, everyone. Good morning.

Here I would like to explore a bit more of this increase in the metropolitan region. You are doing more phases now of the same project in São Caetano, in Osasco, and I would like to understand how you are seeing demand, just to understand whether we should perhaps be a bit concerned about saturation, even cannibalization, from this concentration of launches in these regions.

I think another point is to try to understand what could make you, perhaps, exceed the Guidance or stay at that level. Emílio commented that you should already, in this third quarter, be above the bottom of the Guidance. I would like to understand whether, depending, for example, on the election result, you might not launch in the fourth quarter, or whether nothing changes, whether you are super comfortable with any scenario going forward.

Mr. Marcelo Ernesto Zarzur

Hi, Luis, how are you? Luis, we have a lot of experience in the metropolitan region. The land we have is on the edge of São Caetano, it is very well positioned in Osasco. So, demand there is not just from the city, it is from the region.

So, in São Caetano there are many buyers from São Paulo, São Bernardo, Santo André. So, it is not just the city of São Caetano, it is not just the city of Osasco. Our development in Osasco is 20 minutes from Parque Villa-Lobos. 20 minutes with traffic; without traffic it is much less.

So, many people from the city of São Paulo migrate to these regions. São Caetano has a fantastic HDI. They say it is among the highest in Brazil. So, that way, the migration is natural and we do not believe that demand is only from the city, but rather from the surroundings of the cities.

Mr. Silvio Ernesto Zarzur

More than believe, we already know, from the experience we already had from other developments and from the location. I will talk about who is buying the developments: there is a relevant portion from São Paulo.

And I think another interesting thing, so to speak: Greater São Paulo, this is a demographic matter, Greater São Paulo is growing much more than São Paulo. So, when you take the growth of the city of São Paulo, it is denser. The growth of Greater São Paulo is more rigorous, even because of resources, etc. That is what Marcelo said. The person buys a larger and cheaper apartment; the cost of living to hire any service in Greater São Paulo is lower.

So, this establishes a permanent migration from São Paulo to Greater São Paulo. And, as we said, competition is lower.

I have more confidence in the liquidity of what we have in Greater São Paulo, to give you an idea, than in São Paulo overall. When you look at São Paulo overall and look at where we are positioned in Greater São Paulo, I think Greater São Paulo has more stability in liquidity.

Mr. Flávio Ernesto Zarzur

First, so to speak, the election question: we do not have a rooting interest, it is not for one side or the other, that will not change for us. We do, yes, get a bit apprehensive, October and November, about what will come in terms of economic policy ahead. So, we always have an unknown and that can be decisive for us.

And remember that there is always a tailwind or a headwind. If there is an economic policy of greater discipline that leads to some easing of the interest rate, it will be a tailwind. And we have not seen that in recent years, but even so it reinforces that we are very comfortable with the progress.

Mr. Silvio Ernesto Zarzur

Now, it is obvious: you asked whether we will launch in any scenario. No, we will not launch in any scenario. If the scenario, as I said, if the general economic scenario has a deterioration, we will go more slowly. So that is natural.

But what is laid out is that, if it holds as it is, we are on track to meet the guidance. And this holds as it is.

Mr. Emílio Fugazza

Luis, did we answer your question?

Luis Assis, Santander

Great, thank you very much, everyone. Have a great weekend.

Mr. Emílio Fugazza

Thank you, Luis. Have a good weekend as well.

Pedro Lourenço

Thank you, Luis. Our next question comes from Mr. Ygor Altero, from Banco XP. Mr. Ygor, please go ahead.

Ygor Altero, XP Investimentos

Hi, everyone, good morning. Thank you for the question. On our side, I would like to first start by touching on the topic of bank restrictions.

We have seen that Caixa tightened the credit tap a bit more, both in June and in July, apparently, for the economic segment. I would like to understand whether you saw, in fact, this greater restriction, whether it impacted your sales, whether you saw it more in the low-income segment or in other segments that were also affected.

And also to ask how you are seeing this question with the private banks; whether you are seeing the private banks also a bit more in this scenario of somewhat higher delinquency, repossession of properties, whether you are seeing a somewhat more restrictive environment there from the private banks. That is it, thank you.

Mr. Emílio Fugazza

Good morning, thank you for the question. I will start with the question about Caixa Econômica.

At Caixa Econômica, look, today it has an importance for us mainly in the mortgage transfer of ready properties, when the client opts for Caixa Econômica Federal. But, in fact, we have seen, let us say, the majority of clients going to private banks. So Caixa, with credit for ready properties, at the level at which we operate, is not relevant to the Company. What is relevant is Itaú, Bradesco, those are relevant banks.

We have not felt a change, no significant change. We have even seen, over these last few months, a stability in rates. The mortgage transfer rate for real estate credit has not worsened. But, obviously, for us the direct receivables portfolio continues to be a very important strength, for all the factors Silvio mentioned.

So, from a good mortgage transfer standpoint, our portfolio plays a role in which, in fact, this bottleneck that Caixa may eventually be experiencing at this moment, our portfolio plays that role to carry out the transfer for us. Silvio, would you like to comment on anything?

Mr. Silvio Ernesto Zarzur

He talked about mortgage transfers, but there is also credit for production, in which we are very well positioned there. We closed, I think, a very large package, Emílio, of financing, practically guaranteeing the next six months for the Company.

And I think, so to speak, credit is not easy, it really is not easy. But, for us, it is going well, because of the partnership we have, because of the way Emílio carries out his duties; our credit for production is guaranteed for the next six months, which is quite... I call it reassuring, satisfying.

Mr. Marcelo Ernesto Zarzur

Eztec has it, it is not for everyone.

Mr. Flávio Ernesto Zarzur

And Caixa with our partners has also been working well.

Mr. Emílio Fugazza

Ygor, did we answer your question?

Ygor Altero, XP Investimentos

It is clear, gentlemen. Thank you and good morning.

Mr. Emílio Fugazza

Thank you, Ygor. Good morning, have a good weekend.

Pedro Lourenço

Thank you, Ygor. Our next question comes from Mr. Pedro Lobato, from Banco Bradesco. Mr. Pedro, please go ahead.

Pedro Lobato, Bradesco BBI

Good morning, everyone, thank you for the space. There are two questions.

We have seen over the last few quarters this effort by the Company to monetize some plots of land, mainly outside the city of São Paulo. So I would like to understand with you whether you have mapped any potential PSV to be sold from these plots. In Praia Grande there have already been two. Anyway, just so we have a sense of the magnitude of this.

And the second question is about G&A, which picked up in this first half in line with the Company's launch growth. I would like to understand when you consider this level of G&A normalizes or whether it should continue growing well above inflation in the coming quarters.

Mr. Marcelo Ernesto Zarzur

Pedro, how are you? Pedro, that sale in Praia Grande is old land that we bought way back; we believed in it at the time and we no longer believe in it, which is why we sold it.

We are not selling the land to monetize; it is because we invested in a market we no longer believe in, so we sold it. So, we are not monetizing land. But always looking at the opportunity: if something very good comes up, we sell, but that is not the case.

Mr. Silvio Ernesto Zarzur

No, I just want to complement this land matter. It is part of the Company's business as a whole to arbitrage something in land value.

So, if you look back over time, you can take, I don't know, the last 10 years, almost every year we made some move, I will say, opportunistic, that adds a few million to our result. This is part of our commercial character and of how we are used to operating in the real estate market.

So these, I will say, these non-recurring facts are recurring within the company. So, first, just to make this point: sometimes we buy land and already do an arbitrage, we have a bit of that profile.

It is like this, we are moving calmly, very calmly, to professionalize the Company. And we saw fit here to hire some important executives. And we understand that they are sufficient.

So I understand, together with my brothers, that the company's executive roster is complete. So you should not expect, in the medium term, an increase in this G&A, that had to happen, we already did it, we already hired those positions we needed; and you should not see, I really mean it, over the next two years, a relevant increase in G&A expense that is not something organic, etc.

Mr. Emílio Fugazza

I think it is just to mention here to Pedro that what we saw are normal factors for the Company. As it occurs, as Silvio mentioned, and as the Company moves within a more robust operational cycle, it is natural for there to be some level of profit sharing that at a given moment passes through this result, and that is what happened in this second quarter of 2026. That is it, Pedro. Did we answer your question?

Pedro Lobato, Bradesco BBI

It is great, everyone. Thank you very much. Have a good weekend.

Mr. Emílio Fugazza

Thank you, Pedro. Have a good weekend as well.

Pedro Lourenço

Thank you, Pedro. Our next question comes from Mr. Gustavo Fabris, from Banco BTG Pactual. Mr. Gustavo, please go ahead.

Gustavo Fabris, BTG Pactual

Hi, everyone, good morning. Now yes. Two quick points here on my side.

First, I think it is even a follow-up here to the previous question. You have commented on other occasions, but just to revisit here, what is your assumption for land and SPE sales in terms of contribution to results from these lines, thinking about the rest of the year. That would be the question.

And the second, I think you even mentioned this in the release, that you changed the cancellation disclosure a bit this quarter. And my question is more whether there was any change in the trend, even in the number of unrealized sales that you ended up not breaking out this quarter, more to get a qualitative view, whether you eventually saw any worsening or improvement in this client withdrawal index this quarter. Thank you.

Mr. Emílio Fugazza

Hi, Gustavo, good morning. It is a pleasure to receive your questions. Let us begin with the question of land or SPE sales.

What happens is that these are always very opportunistic situations. There is a guidance, an expectation regarding this. This often happens, it is negotiated over 12 months and simply does not bear fruit in the end; so we do not have expectations, this is in fact a non-recurring event.

But what I just want to point out to you is that this is done with extreme care, to the point of being something that in fact generates a result, or that we do not have a belief that we could, at Eztec itself, make a better result out of it. So this sale happens. So it is an expectation.

From the standpoint of cancellations, I will begin by telling you the following: it bothered me that we would consider a withdrawal or an unrealized sale as a cancellation.

But it happens that, from the standpoint of today's flow, of how things occur in the sales process, to give you an idea, seven years ago a sale occurred with two checkbooks on the table. When the clients filled out those checks, we recorded the contract. It was booked after, in fact, the deposit of the down payment.

These days it is not like that. These days we have PIX. These days we have bank slips. But, for all of this to happen, there needs to be a contract. And often the client simply does not... does not confirm that sale and, with that, we have to withdraw that contract. It is something absolutely operational and it is not a cancellation, in fact.

When I look at cancellations, I see a trend that is, in fact, a bit lower than the historical trend we have had.

And this bit lower has a lot to do with the aspect that the client has a sense of loss, in fact. The 50% loss does happen, in fact. Properties have been appreciating, but, above all... What happens, Gustavo? I was commenting on this just yesterday.

Look, buying a property off-plan means a client financing at INCC; they finance at 6%. It is much more expensive to finance a ready property today, at IGP plus something, or at a bank financing rate today that is on the order of 11% to 12%. So the client, in fact, today prefers the off-plan purchase, and they do everything to keep that purchase until the end and resolve their financial situation at the end.

So we have not, answering your question, we have not seen a cancellation situation that is different for the worse. We have seen it different for the better over the last two years. I will hand over to Silvio.

Mr. Silvio Ernesto Zarzur

And Emílio is talking about real cancellations, because there are cancellations that, as Emílio is also saying, are the false ones, because it is part of the sales strategy for you to press and put the client's check in as soon as possible. So, when we record the person's contract, often with the sale not yet certain. Why? Because the chance we have of making the sale is an aggressive sales strategy. And we operate very well this way.

This distorts negatively the number of cancellations we have. I think this measure that Emílio is taking, of modifying the presentation, will give you more clarity about what is happening and not convey data that, in fact, ends up a bit confusing for you to understand.

Mr. Emílio Fugazza

Gustavo, did we answer your question?

Gustavo Fabris, BTG Pactual

Perfect, everyone. Thank you.

Mr. Emílio Fugazza

Thank you very much, Gustavo. Have a good weekend.

Pedro Lourenço

Thank you, Gustavo. There are no more questions from our sell-side analysts. So, before moving to the close, I would also like to announce to our investors that, recently, the Company made a broad move of improvements in its corporate governance, making available, including, materials that are at the CVM and on our website.

Recently we had the publication of the Brazilian Governance Report and we were able to capture, to note, that the Company today ranks among the developers with the best corporate governance in Brazil. This is news that greatly pleases us and that, I believe, also pleases our investors and those who follow the durability of Eztec's results.

For this reason, I invite everyone to get to know and access the documents available on our IR website. Now yes, I would like to hand over the floor to Silvio and Flávio to make our closing remarks.

Mr. Flávio Ernesto Zarzur

Well, it is like this. Here, as Pedro said, we are now well positioned. It is not that it is news that we were at this level of governance. It was already a way we always did things, and that we showed, did formally, and that we informally already did. So, we are very comfortable with this, it does not bring us any discomfort at all.

One thing I want to reinforce to everyone is this: we are very confident in the company's performance, we are very confident that we are on the correct path, which is the most important of all, which we always have as our value and culture. We are driving, but we get home, we put our head on the pillow, we sleep, because we do not have any very unbalanced mismatch. And the difficulties we will have going forward, we correct to put on the right course, we adjust the route.

So, I am very comfortable with the performance Silvio is delivering here; I help him here in management, Marcelo, my brothers, Marcos, who is often not so close, but he is also alongside us, my brothers-in-law, Samir, who is our partner of more than 50 years. We are here every day, we are all keeping an eye on it. We will get there and we will reach the better point.

All the executives are also long-standing. There are some long-standing ones and those who joined came to add. So, let us move forward. I wish everyone a good weekend. And, if anyone has anything to add, please.

Mr. Silvio Ernesto Zarzur

Just one thing: to thank you for the audience. And, for them being at your disposal to answer questions, if you consult me here, so just to thank you all for your attendance, all right? Thank you, Paulo.

Mr. Marcos Ernesto Zarzur

I will just give a little closing here, on behalf of the board, to say that, even though we are on the board, we are all close and following along very closely. The Company, I think, is to be congratulated on the results, we already see many good results ahead, and the Company is being very well run.

As a shareholder, I see myself as very satisfied, and it is as my father always said: the shareholder first. Thank you, everyone.

Mr. Emílio Fugazza

Thank you, everyone. Good morning, thank you for your attendance.

Pedro Lourenço

Thank you, everyone. Before closing, I would like to wish a great Father's Day to all who follow us, to all who are here in this conference call. Great weekend, have a good weekend, everyone.