



PagSeguro Digital Ltd. (NYSE: PAYS)

Q4 2025

Earnings Call Transcript

March 4, 2026





Earnings Call Transcript | Q4 2025 Results

Operator: Good evening! My name is Sophia, and I will be your conference operator today. Welcome to PagSeguro Digital earnings call for the fourth quarter of 2025. The slide presentation for today's webcast is available on PagSeguro Digital's Investor Relations website at investors.pagbank.com.

Please refer to the forward-looking statement and reconciliation disclosure in this presentation and in the Company's earnings release appendix.

All participants will be in listen-only mode. To ask a live question after the presentation, please use the "raise hand" button to join the queue. Once you are announced, a request to activate your microphone will appear on your screen. Today's conference is being recorded and will be available on the company's IR website after the event is concluded. Now, I turn the call over to Daniel Spencer Pioner, Head of IR.

Daniel Pioner: Good evening, everyone, and welcome to PagBank's earnings conference call for the fourth quarter of 2025. I'm Daniel Spencer Pioner, PagBank's Head of Investor Relations and I want to thank you for taking the time to join our webcast. I am here with Ricardo Dutra, our Principal Executive Officer, Carlos Mauad, our CEO, and Gustavo Sechin, our CFO. After the presentation we will have a live Q&A session. Please note that during Q&A, we will take only one question per analyst to ensure the best use of our time. Now, I would like to hand it over to Dutra. Please, Dutra.

Slide 04: Ricardo Dutra: Hello everyone and thank you for joining our full year and fourth quarter 2025 earnings call. In Q4, we continued to expand our credit and banking businesses, along with the reacceleration of acquiring volumes. As a result, we are pleased to report a robust performance, demonstrating our resilience sustained by disciplined execution and value creation, focused on our long-term ambition

Going to slide 4, we can see the key operational and financial highlights for the full year 2025. Compared to last year, our revenues reached R\$ 13,4Bi, 16% growth, driven by an impressive 51% growth in Banking revenues and 9% in payments revenues. Net income was up 4% year over year. Later on the presentation we will see the main impact on net income was due to the increase in financial expenses, linked with the basic interest rate of Brazil, SELIC, which grew, from an average of ~10,8% per year in 2024 to almost 14,5% per year in 2025.

Going to the value-creation for shareholders section, our EPS reached R\$ 7.99, growing 21% year over year. Buybacks and Total dividends distributed in 2025 reached R\$ 2,1Billions, leading to a 15% total shareholder yield.

Slide 05: On the slide 5, we can see the highlights of the fourth quarter. Our TPV grew 10% Quarter over quarter, marking an inflection point with sequential improvement in volumes. Our Expanded credit portfolio reached R\$ 50Billions. It is important to highlight the portion of the credit portfolio composed by loans, credit card and working capital grew 33% yoy, with NPLs 90 approximately half of the industry average. These trends reinforce the underlying strength of our ecosystem and our ongoing commitment to expanding access to financial services in a responsible and sustainable way. On the funding efficiency initiative, our deposits reached R\$ 40Billions, growing 13% YoY.

Moving on to financial highlights, our Total Net Revenue excluding interchange and card scheme fees increased +12% year-over-year, reaching 3.5 billion reais.



Our Non-GAAP Net Income was 678 million reais, 7.4% higher year-over-year, leading to annualized Return on Average Equity of 18.4%, improving 100 basis points year-over-year.

Slide 06: Now on slide 6, I am pleased to announce we successfully delivered our 2025 guidance, despite strong headwinds such as macro volatility and sharp increase in Brazilian interest rates in 2025. Gross profit grew +6.9% for the year, within our expected range of 5% to 7%.

GAAP Diluted EPS increased +18.2% in 2025, above the guided range of 13% to 15%, using the same share count as of December 2024. When we consider the benefit of buyback execution reducing shares outstanding, EPS increased more than 20% year-over-year.

Capital Expenditures, reached R\$ 2.3 billion in 2025, landing at the upper end of our R\$ 2.2 to R\$ 2.3 billion range.

Overall, the full delivery of 2025 guidance makes us confident about 2026 perspectives and reinforces our strong track record, as shown in the following slide.

Slide 07: Moving to slide 7, I want to briefly focus on our consistent track record in creating shareholder value.

Since our IPO in 2018, GAAP diluted EPS has grown at a compound annual rate of nearly 16% , despite global disruptions and macro volatility during this timeframe. Throughout this journey, we have advanced in key strategic milestones, which broadened our addressable market, strengthened profitability, and built a solid foundation for sustainable earnings growth. These efforts have increased the visibility and recurrence of our results, enhancing predictability and reinforces the resilience of our business model in generating long-term value. Now, I will pass the word to Carlos Mauad.

Carlos Mauad: Thank you, Dutra. Good evening, everyone. In this section, we'll take a look at the operational and commercial performance of our units in this past quarter.

Slide 09: Let me start on slide 09, where we highlight our main growth opportunities. As we've highlighted in recent quarters, as we tap into new verticals there is still substantial room for expansion across our platform. In many areas of our banking business, our market share remains below 1%, which reinforces our conviction that we are only at the beginning of what we can build, whether through deeper cross-sell, a stronger and more efficient deposits franchise, or a broader more diversified credit portfolio, all managed with discipline and a long-term view.

Slide 10: On the next slide, we highlight our customer-centric approach demonstrated by the increasing transactionality and engagement of our ecosystem.

The evolution of our cash-in metric, which represents inflows not related to acquiring, remains one of the most important indicators of client activity on our platform. In the fourth quarter of 2025, cash-in reached R\$ 91 billion, an increase of 11% compared to the same period last year on a per-client basis, the figure rose to R\$ 5.3 thousand, up 10% year over year. As a reminder, Cash-In is mainly composed of PIX transactions received, showing how PIX has become an important and profitable component of our business.

We are also seeing an increase in our platform usage, as measured through the amount of bill payments, PIX transactions, and the penetration of investment and insurance products, signaling deeper relationships and



improved monetization as clients increasingly rely on us for a wider portion of their financial needs. These trends underscore the strength of our ecosystem and the growing intensity of customer engagement across our base.

Slide 11: On slide 11, let me turn to our credit performance.

We can see credit as a strategic driver of engagement across both our banking and payments businesses, enabling deeper transactional activity and unlocking meaningful cross-selling opportunities. In the fourth quarter, our total credit portfolio reached R\$4.6 billion, a 33% year-over-year increase.

Since the second half of 2024, we have been gradually accelerating underwriting for unsecured products, with a particular focus on working capital. This progress reflects ongoing improvements in our risk assessment and collection capabilities, increasingly supported by AI. While origination typically slows in the fourth quarter due to seasonal patterns, working-capital originations were still 26% higher than in Q3 2025, showing a healthy and consistent traction.

When we include financial operations linked to merchant pre-payment, supported by our instant-settlement feature, our expanded credit portfolio now approaches R\$ 50 billion, up 3% over the last twelve months, despite lower volumes.

Turning to asset quality, as shown on the bottom right of the slide, our NPL 90 ratio remains well below market average, due to our disciplined approach to risk and product mix. The modest increase we observe is a natural consequence of the greater mix of unsecured products in the portfolio.

Slide 12: On the next slide, we present the continued strength of our deposit base and the progress we are making in improving our funding efficiency.

During the quarter, total deposits reached R\$ 40.7 billion growing +13% year over year, a resilient performance despite the macro environment. Deposits are the cores of our funding structure, and this quarter we saw a meaningful shift toward on-platform deposits, which reached 94% of the total, reinforcing strong client engagement and the growing relevance of our digital channels.

Importantly, this was the seventh consecutive quarter of reduction in our funding cost as a percentage of CDI. This trend highlights the effectiveness of our strategy to broaden and diversify our funding mix with cost efficiency as it contributes to the resilience of our liability structure and supports the expansion of our credit portfolio.

Finally, as shown on the right side of the slide, our Loan-to-Funding ratio improved from 113% last year to 111% this quarter, as we continue to grow credit with caution and prioritize a well-balanced structure.

With that, I will hand it over to Gustavo, who will walk you through the financial highlights of the quarter of 2025. Gustavo, please.

Gustavo Sechin: Thanks, Mauad! Hello, everyone, and thank you for joining us today. Let's focus now on our consolidated financial results.

Slide 14: In this first slide, as a consequence of the increasing transactionality and engagement total revenue and income net of interchange and card scheme fees reached R\$ 3.5 billion in the fourth quarter, up 12% year over year. This performance captures the expansion of the banking business and also the repricing measures we began implementing in payments at the end of 2024, which have been essential to offset higher financial costs



and to reinforce the sustainability of our revenue base. It's very important to highlight that revenue growth has once again outpaced TPV, showing that our repricing strategy effectively supported profitability. Disciplined execution drove resilient results in 2025, positioning us to sustain solid performance into 2026 despite macro uncertainty.

Banking revenue reached R\$ 757 million, growing 47% year over year, driven by the expansion of our credit portfolio, higher engagement, and stronger monetization, supported by deposit growth and increased fee generation, particularly from card usage and account-related services. As a result, Banking gross profit grew 54% year over year with a 72% margin of revenues.

The combination of stronger banking results and our repricing efforts helped partially offset the impact of higher interest rates throughout the year. Consolidated Gross profit reached R\$ 2.1 billion for the quarter, an increase of 8,7% year over year when we exclude the negative effect of R\$54 million of Buyback and dividend distributions.

Slide 15: Turning to the next slide, Q4 delivered operating leverage, reflecting continued efficiency gains across the platform.

Our disciplined approach to managing expenses and deliver operating leverage remains a key pillar of our strategy, and it played an important role in helping us navigate the impacts of higher financial costs this period, allowing us to balance sustainable growth with continued profitability.

On the cost side, financial costs increased 39% year-over-year, driven mainly by the higher interest-rate environment and the effects of recent capital-structure adjustments, as highlighted earlier. On the other hand, sequentially, financial costs reduced 1% due to the progress we've made in diversifying our funding structure and reducing funding costs.

At the same time, total losses declined 8%, reflecting improvements in our KYC and onboarding processes, which led to fewer chargebacks. This benefit was partially offset by the natural increase in expected credit losses as we continue to accelerate our credit operation.

Operating expenses decreased 2% year over year, clearly showing our commitment to efficient cost management. This reduction reflects lower personnel expenses and more disciplined marketing investments. As a result, operating leverage improved significantly by 320 basis points compared to the same period last year.

Slide 16: Moving on to slide next slide.

We reported non-GAAP net income of R\$ 678 million in the quarter, representing 7% year-over-year growth and an increase of 16% on our EPS diluted.

On the right side of the slide, you can see our return on average equity improving by 100 basis points year over year, reaching 18.4% compared to 17.3% in the fourth quarter of 2024. Even with a conservative capital structure, we have consistently managed to deliver solid returns, and it becomes clear the positive impact in this metric as we progress in improving our capital structure as shown in the next slide.

Slide 17: Now, moving on to the next slide, let's focus on the initiatives that drive shareholder value and improve our capital structure.



In order to achieve our Basel index target level of 18% to 22% in the next coming years, we have used not only dividends but also buyback as an additional tool to enhance shareholder value, as it can be adjusted to market conditions and liquidity.

In our point of view, dividends offer stability and predictability while buybacks provide tactical flexibility, and it is important to use both tools to improve our capital structure.

Throughout 2025, we maintained consistent momentum in our buyback program, repurchasing over **27 million** shares. In February 15 million common shares held in treasury were cancelled.

Furthermore, we paid R\$617 million in cash dividends during 2025 and in 2026, last month, roughly R\$200 million out of the R\$ 1.4 billion dividends announced for the year, were already paid. The remaining balance will be distributed in three tranches over the course of 2026. This schedule reinforces the consistency of our capital-return framework and our focus on predictable value creation. Let me now address our CET1 and the impacts from the new regulatory tax framework.

Due to new tax framework approved last year, a new 10% withholding tax on intragroup dividends is effective in Brazil. Dividends declared by the end of December, 2025 will remain exempt from this tax, provided they are effectively paid by 2028. This transition rule gave companies the ability to optimize internal capital flows ahead of the new framework, and we are managing this process in a disciplined manner.

As a result, in the fourth quarter of 2025, we declared dividends in certain subsidiaries reducing the equity component of our regulatory capital at the entity level, while the consolidated capital base remained stable.

Our BIS ratio decreased temporarily this quarter, placing our BIS below our intended target of 18-22%. It is important to highlight that this effect is purely accounting-driven and does not impact on our cash position nor our ability to support growth. The reallocation of excess capital is consistent with our long-term capital-efficiency strategy.

As we look ahead, the actions we took in 2025 position us well for the next phase of disciplined and sustainable growth, and strengthens our ability to navigate 2026 with confidence.

Bearing that in mind, let's move to the next slide, where we outline our 2026 guidance and walk through the key drivers that will shape our performance expectations for the year. This includes the operational priorities, credit initiatives, and efficiency opportunities that support our trajectory and reinforce the foundations for long-term value creation.

Slide 18: Starting this year, we are evolving the way we communicate with the market by aligning our annual guidance with our long-term ambition for 2029. This shift reflects the confidence we have in the structural levers of our business and the visibility we've built into our key growth drivers.

In this context, our full-year guidance will focus on four pillars: the expansion of our credit portfolio, the acceleration of gross profit, the continued progress toward delivering Non-GAAP diluted EPS and Capital Expenditure, all in line with our long-term path.

We expect our 2026 credit portfolio growth to be in the range of 25% to 35%, supported by the expansion of underwriting in our core credit products, including working capital.



Gross Profit growth outlook is expected to be in the range of 6% to 9%, reflecting an increased contribution from our banking segment in a still-pressured financial cost scenario.

Diluted Non-GAAP EPS is expected to be in the range of 9% to 13%, consistent with our long-term profitability roadmap and the operational efficiencies we are driving across the company.

Finally, Capital expenditure is expected to be in the range of R\$ 1.8 billion and R\$2.0 billion, reflecting our focus on efficiency and disciplined approach.

With that, I'll invite Mauad for the closing remarks.

Slide 20: Carlos Mauad: Thank you, Gustavo.

Before we conclude, let's move to the next slide for a few final thoughts.

First, we can see credit growth accelerate, supported by disciplined underwriting and healthy asset quality. The continued momentum in our unsecured working-capital solutions, driven primarily by our own active client base, reinforces both the relevance of our products and the quality of our risk management approach.

Secondly, acquiring volumes have been recovering steadily since mid-third quarter, marking a clear inflection point. This recovery is now consolidating into a strong foundation for positive trends as we move into 2026, reflecting healthier client activity and the effectiveness of our commercial initiatives.

And finally, improved funding efficiency and consistent cost control have played an important role in protecting margins. These efforts allowed us to sustain net income growth even in a still-challenging interest-rate environment.

Together, these elements demonstrated our ability to execute with discipline, navigate external pressures, and continue advancing our long-term objectives. As a reminder, our 2029 strategic targets include:

- (i) R\$ 25 billion in Credit Portfolio, with a balanced mix of secured and unsecured products, emphasizing working-capital loans and AI-enabled solutions such as private-payroll and PIX-based finance;
- (ii) Above 10% Gross Profit CAGR, driven by stronger Banking contribution, cross-sell opportunities, and efficiency gains; and
- (iii) Above 16% EPS CAGR, as we continue converting growth and operational improvements into consistent shareholder returns.

These targets reflect our confidence in the scalability of our platform and the strength of our execution.

Operator: Thank you all for the presentation. We will now begin the Q&A session for investors and analysts.

Mario Pierry, Bank of America: Good evening. Thank you for taking my question. I wanted to focus on your gross profit guidance of 6% to 9%. Trying to understand, because this looks conservative to us because, as you mentioned, your TPV growth accelerated quarter-over-quarter to 10%. However, you are guiding for 6% to 9%. And then when we think about your financial expenses in 2026, they should be coming down as rates come down.



So I am trying to understand, are you expecting a slowdown revenue growth? Or what kind of Selic rates do you have embedded on your forecast? And maybe that's the reason why gross profit is growing single digits.

And again, this number is below your medium-term outlook of at least 10% growth. I am trying to understand what gives you confidence that this growth can accelerate going forward. I understand that you are introducing more banking products and you are accelerating the credit product, but I just wanted to understand a little bit better the single-digit growth in gross profit. Thank you.

Gustavo Sechin: Mario, thank you for your question. You are right that we are posting for this year lower gross profit when we compare it to our long-term ambition. But you are going to remember that when we released our long-term ambition, and also given to the macro uncertainty that we are still facing, we should assume that the performance in 2026 should be a little bit below the long-term ambition.

And also, it's important to consider, as we ramp up the credit business, it also consumes higher provisions and also reduce the gross profit, and also reduce the EPS in the first year of our long-term ambition trend. But we are totally confident that we are on track to deliver the long-term ambition in all lines; credit as we posted, the EPS CAGR, and also the gross profit CAGR.

When we talk about the Selic rate, that's very important when we talk about the financial cost. What we expect for 2026, despite that we will face cuts in the interest rate along the year, the average Selic probably is going to be quite close to the 2005 Selic rate. And at the same time, we also assume that and included that in our 2026 guidance.

Mario Pierry: Okay. And Gustavo, let me follow up, when we look at your EPS growing faster than gross profit, then you are implying, I think, efficiency gains here. If you can just explore a little bit where these efficiency gains are coming from? And just to be sure, the EPS of 9% to 13% does not imply a reduction in the share count, correct?

Gustavo Sechin: Yes, you are right. We are not assuming the same share base for the EPS guidance. And also, we are considering continue to generate operational leverage through our operation. We understand that we have different initiatives that we are working on. Some of them we put in place. And all of those initiatives will deliver a continuous operation leverage.

Guilherme Grespan, JPMorgan: Good evening. Thank you for opening for questions. Just one clarification before I jump into my question. The EPS guidance, should I read it as same share count, meaning EPS is the same as earnings growth or should I dilute it with the buyback of the year? This is just a clarification.

And then my question is actually on the TPV recovery. It was a nice quarter. Just want to get your views and update on what is the diagnosis you have on why you are missing clients and potentially having churn, and what you sold so far? And looking ahead, if it still has any bottleneck that you feel that you need to fix? Basically, this whole diagnosis. What is happening, what you already did and what's still to be done in early 2026? Thank you so much.

Gustavo Sechin: Thank you for your question. Just to make it clear, we are not considering the buyback in our EPS. So if we continue, and we intend to continue working on our buyback program, it will be dilutive for the EPS.

Carlos Mauad: Thank you for your question here. Regarding the TPV recovery, we did have some operational enhancements on the 2H25. We deployed our new logistics operations by August. We are reviewing everything related to the set of terminals that we have with our customers. The banking platform is gaining quality and a new set of products. So everything that we are doing here under the operational perspective is helping us to keep up with the customer database and to recovery TPV.

Remembering that on the last call that we had with you here, we mentioned that the low part of the curve in terms of TPV was in August, and we keep seeing the recovery month after month. And on the beginning of this year here, we keep seeing the same movement that we saw throughout the 2H of the year.

Ricardo Dutra: And just to complement here, remember, of course, TPV is one of the metrics that we follow here. but TPV per se is not the main metric. We look at the revenues that we have been growing year-over-year. We reached 16% revenue growth. If you consider the financial services companies in Brazil, including fintechs and banks, it's one of the largest growth in the year. So what we are trying to do here is to optimize the growth of TPV combined with revenues and combined with gross profit.

Guilherme Grespan: That's clear. Indeed, the gross profit had a rebound, right? It went from 2% year-over-year to 7%, 8%. Thank you so much.

Arnon Shirazi, Citi: Good evening. I have 2 brief questions. The first one is related to the NPL increase compared to 3Q. We saw 30 bps deterioration. What's behind that?

And my second one is related to the CAPEX guidance for 2026. It is expected to be below 2025 in R\$400 million. What's behind that? Thanks.

Gustavo Sechin: Arnon, our CAPEX guidance for this year includes a reduction, or savings around R\$4 million when compared to last year. And basically because we are implementing some initiatives, as I said in the first question of Mario, not related only the OPEX, but also related to the CAPEX that we intend to deploy through the year, and it will reduce both the demand for POS, and also the demand for technology investments that we have in plan.

Ricardo Dutra: Arnon, can you repeat the first part of the question, because it cut a little bit of connection here? First part of the question, please.

Arnon Shirazi: No problem at all. We saw a 30 bps deterioration in NPLs in this 4Q. What's behind that trend?

Carlos Mauad: I am just going to make sure if I understood it right. You were asking about the NPL 30 bps that we saw quarter-over-quarter, right?

Arnon Shirazi: Yes.

Carlos Mauad: We have I would say, 2 main effects here. First, it is the new regulation here where we keep accruing interest revenues until 90 days that makes the balances to go up. So that's an artificial movement due to the regulatory milestone. And plus, there is the unsecured products that we are deploying that pushes the NPL 90 a little bit up.



Remembering that we have pretty much half of the industry in terms of NPL, and that's leaving us a lot of room to keep pushing up our credit outstanding.

Arnon Shirazi: Great. Thank you. If I may, just a follow-up on CAPEX. You mentioned that you will reduce demand for POS. What is driving that? Is it going to be tap on phone or anything else? Why would it reduce the demand? Thank you.

Carlos Mauad: So here, there are many factors that we are working on under the product perspective and under the logistics perspective that help us out to optimize the terminal CAPEX. So we are developing here a reverse logistics to make sure that every time we have to replace a terminal, we get the terminal that carries a kind of problem to remanufacture that and to reinstate that on our logistic network.

And on top of it, we also have the tap on phone that helps out, especially on the terminals that are simpler to create this CAPEX saving over time. So here, when you see a number which is below what we have on 2025, there is no customer impact. In fact, we are going to keep pushing forward the customer database throughout 2026.

Kaio Prato, UBS: Good evening. First, before my question, if I can just clarify, so the EPS, the non-GAAP growth that you mentioned is basically today considered the same as the net income? And also, you basically sent us like the guidance on the non-GAAP. I would just like to understand if you are assuming same level of share-based compensation for 2026 or if we can see any acceleration. And then I can follow up with my question, please.

Gustavo Sechin: Yes, we are considering the net income non-GAAP as the base for calculation for the EPS. And also, as I said, we are going to consider the number of shares that we will find in each period that we are going to calculate.

So that's very important to consider because in both case, as we have been balancing buybacks and dividend, we understand that it is better to track the EPS trend, and also it eliminates the long-term plan that we have here in the Company. So we reduced that variable for the calculation of the EPS.

When I said the share-based compensation, okay? Just to make it clear. So when we use the net income non-GAAP, it eliminates, for the EPS calculation, the share-based remuneration.

Kaio Prato: Yes. But just wondering, if there is any potential acceleration on the share base, just to understand, what would be the gap?

Gustavo Sechin: We could assume the same levels. We do not have any plan to accelerate that.

Kaio Prato: Great. And my main question would be on your engagement metrics. I think all of them were quite good this quarter. So encouraging trends across the board. And my question is, especially in the banking, if you can break down this metric between pure individuals and actually pure merchants. So just wondering about the performance of each of them.

And in your strategy, I would like to understand how relevant can be individuals actually only going forward? Any metric that you can share in terms of engagement, especially on pure individuals would be good. And if you can link that in terms of the expectation on the breakdown of your portfolio by the end of 2026. You already sent the guidance in terms of growth, but it would be interesting to see how could be the breakdown of that in terms of working capital for merchants and also individuals. Thank you.

Carlos Mauad: We are not guiding exactly those numbers like between individuals and entrepreneurs here. But I can assure you that both are growing, both are gaining engagement. And remembering that for the kind of customers that we have, especially on the payment side, the individual, the SMB is pretty much the same set of products, the same set of needs that those customers has.

But again, when we take a look at the product evolution here, we have initiatives on both sides on payments, on credit products for small enterprises and for individuals also as the private payroll loan already started to pilot inside the Company.

So sorry that I could not answer completely your question, but again, it is something that is growing on both sides.

Tito Labarta, Goldman Sachs: Good evening. Thank you for taking my question. Just a follow-up, I guess, more on the capital return. Gustavo you mentioned, I guess you are assuming a similar share count. We know you have the dividend, which is around 8% yield and you completed 70% of the buyback. So if you complete the other 30%, that's maybe another 2% of shares. But should we assume any additional buyback? Are you thinking about capital return beyond that? Is that it for 2026, and then we should start thinking about further buybacks or dividends more in 2027? Or is there a potential for additional buybacks perhaps in 2026?

Gustavo Sechin: As you mentioned, we have been working on the buyback at the same time that we have been working on dividends. And we intend to use both tools, and try to balance both tools because that's important to give us some flexibility in terms of when we use buyback, and also dividends, they bring some stability in terms of return.

So we have the third buyback program that was launched last May. It remains open. We have been executing that since then, approximately 80% of this buyback programs have been executed, and we are probably going to deploy the rest of this program in the upcoming months.

At the same time, it's very important to remember that we have released the R\$1.4 billion in terms of dividend that is going to be paid along this year in 3 more tranches. And just to remember, last February, we paid the first one of R\$200 million.

Daniel Vaz, Safra: Thanks for the opportunity of making questions. Looking at your credit portfolio guidance nearly at midpoint of 30% year-over-year, this implies, I think we have already covered that in your strategic update, that the 2027 to 2029 window would be essentially a regime in changing pace, right? So it would not be a continuation of the current trajectory.

So I wanted to understand further on your confidence and the macro assumptions you embed in that back-end acceleration. So what terminal Selic rate are you using? And maybe how much of that growth is a function of the rate cycle rather than structurally achievable market share gains? So that would be my question, and maybe I will do a follow-up later. Thank you.

Carlos Mauad: Thank you for your question. We are looking pretty much at the same level as focus for the Selic, at between 12.5% and 13%. But again, there are many other matters that explain a lower growth on the first year of our long-term guidance here. There is the product evolution that we are deploying as we speak here with you. So there is a lot of products that are going to our value prop throughout the year. So there are some learnings,

there is the credit strategy to be deployed. And there is the macro environment also that it is a little tougher. So we expect that 2027, 2028 to be softer and have a better credit environment so we can evolve.

So it is a mix between the macro environment, the product evolution and the credit strategy to make sure that we have the right pace and the right credit performance to push the portfolio up to R\$25 billion.

Ricardo Dutra: And just to complement, remember that the credit portfolio is based on different cohorts, and then we start making these cohorts in 2025, 2026 and there is a stack up. So it's not a linear growth. That's why when we gave the strategic update in September 2025, we said that 2026 would not grow on average the necessary pace to reach the R\$25 billion.

So that's why we are giving this guidance, 25 to 35. Of course, it could be higher than that. But remember that effect that we have with the cohorts, that can stack up. And also, I would like also to remember that today, we are operating with NPLs that are half of the industry average, which gave us comfort and room to grow and to accelerate in a sustainable way, not one step forward, two steps back. We are going to do it in a sustainable way.

And again, there's this mathematical or mechanical movement, the cohort is going to stack up and then it's going to grow, but not in a linear way in 2027, 2028.

Daniel Vaz: Thank you for the answer. And maybe a follow-up: basically, we are saying that the target is contingent on a constructive macro scenario. I guess everything you said on your perspective of better models, stronger underwriting, product development, but still contingent on the constructive macro, right? If anything changes on the fiscal side on the trajectory of the interest rates, we would probably be looking at the revision for this number. Am I correct?

Gustavo Sechin: You are right. It includes that market uncertainty. Our guidance, it includes that kind of market uncertainty that we are facing and there is room for acceleration. So as the macro brings more opportunities to grow, we are going to do that. So it's included.

Ricardo Dutra: Just to complement, it's too far to plan when you think about 2 years ahead. Remember, we were in a scenario last week, and last Saturday, we had a new war in the world in Middle East, with oil prices going up and down. So there are many variables.

What we are trying to send the message here is that regardless of this macroeconomic movements, we are going to try to grow in a sustainable way. Of course, there's going to be cycles, credit cycles, but we are confident with the guidance for 2026, and we are confident with the long-term ambition, that R\$25 billion in 2029.

Thiago Paura, BTG: Thanks for the opportunity. Good evening. Just a follow-up on the volumes, and maybe a double-click here. on the dynamics that you are seeing. Given the change that you have been kind of releasing recently in the TPV disclosure, just to get a sense from you regarding the mix behind incremental volumes growth. So basically more recently, and what to expect going forward regarding the main drivers for TPV growth? Is it being more driven by nano merchants, more SMBs, larger accounts? Just to get a sense on this kind of client profile on the payment side. Thank you.

Carlos Mauad: Thank you for your question. Just answering straightforward, the focus of the Company is still SMBs. So we are talking about small and medium enterprise. The nano merchant, it is part of our strategy on the tap on phone, on the organic inflow that we have here in terms of customers, and we put our efforts, our

capabilities, our marketing investment for SMBs, which is still the growth frontier of the Company. So nothing different than that. We are going to keep pushing small and medium enterprises.

Ricardo Dutra: Thiago, if I can add, I would like to highlight, I think that we have a unique combination in terms of product and service for MSMB. So we have a very seamless digital experience, we have a full digital bank here with all set of products and service, and it generates multiple revenue streams that we will deliver to our customers and, at the same time, we will continue to grow our operation.

And right now, on top of that, we have been working on the credit avenue of growth. So those opportunities give us the confidence that we are going to be on track to deliver our results.

Thiago Paura: Great. And if I may, just a follow-up on the EPS guidance because several questions are coming from clients. Just to double check that. So given the share count by the end of the year will be lower than they are now, mechanically, even if net income grows like zero, or it remains flat, that would imply something like this high single-digit EPS growth that is embedded in the guidance. Is that the idea behind? Just to double check that.

Carlos Mauad: Mathematically speaking, yes, you are right, but you can assume that the net income will still be growing.

Neha Agarwala, HSBC: Just a clarification on the volume growth that you mentioned. So we saw good growth in 4Q, but how should we think about the sustainability of this growth? Some of your competitors might also be putting in more effort to retain clients. So how do you see the competition in 2026, and what efforts would be required for you to ensure that you retain the customers, especially given the fact that you have a lot of operational efficiency focus and you want to control the costs? So if you could talk about that.

And second one is just on the effective tax rate. We had a bit of volatility in 4Q, and you explained about the change in tax rate. If you could elaborate a bit on that and tell us what kind of level should we expect going forward in 2026, 2027, roughly any range, that would be very helpful. Thank you.

Gustavo Sechin: Thank you for your question, Neha. Here, in terms of TPV growth, if I understood right the first part of your question, we are not going to guide volumes throughout the year. But again, I will reinforce the same trend that we saw in the 2H25 and we see on the 1Q of this year here.

So we are very confident on our customer acquisition strategy. And also, we are quite confident on the way that we are engaging our customers to control churn over time. Of course, the competitiveness arena is quite hot, as you know, but we have a very powerful set of products here to keep up growing or recovering TPV throughout the year.

Ricardo Dutra: And Neha, just to complement, the competition is the same that we have been seeing in the last years. When you have an interest rate of the country with 15% per year, everyone needs to be rational. We do not see anyone trying to buy market share. Everyone is trying to look for profitability.

And I know you mentioned about the cost control that we are doing, but all the cost control we are looking for and that we are reaching at this time, it does not affect the customer service, our go-to-market and things like that. We are looking for efficiency. We are using artificial intelligence in many fronts in such a way that we can have lower cost without any problem or any impact in service for our clients or the way that they go to the market.



Just to be clear here, we are going to keep accelerating the way we have been doing in the past years and have more efficiency in this go-to-market and all the back office and logistics and so on.

Gustavo Sechin: Neha, good to see you. Talking about the tax, I think that the main message is that, structurally, tax rate should increase over time, especially because the increase of the banking revenue pool. But for this year, we should post a tax around mid-teens for the full year.

Ricardo Dutra: Neha, just to complement, I just want to reinforce here that we have a very powerful ecosystem. I know you already know, but it's worth to mention that we have this digital bank account that we have been working on since 2019 or 2018 that makes the difference when you go to the market.

We see some other players that believe in other synergies, and now they are talking about banking, but they are too much behind us, I would say. So we have this powerful combination of the digital account that serves SMBs, and all the power that we have in the payments that was the origin of the Company.

But just to be clear here, we are using all the advantages that we have in this go-to-market. And it's worth to mention in 4Q, we grew 10% quarter-over-quarter, while the market grew 5%. So we grew the double of the market in 4Q compared to 3Q.

Neha Agarwala: That's very helpful. Probably I missed and you mentioned previously, but what is the Selic assumption you have for 2026, as well as for the long-term guidance that you posted?

Carlos Mauad: For this year, we are including 12.5% for the year-end, which will give us an average Selic quite similar with 2025. For the long-term guidance, we assume some reduction, but in this period, they will be above 10% in 2027 and also in 2008.

Operator: This concludes today's presentation. You may now disconnect, and have a nice evening.

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