

Operator:

Good morning, ladies and gentlemen, and welcome to Cyrela Brazil Realty S.A. earnings conference call regarding the Company's 1Q26 results. Joining us today are Raphael Horn, CEO; and Miguel Mickelberg, CFO and Investor Relations Officer.

Please note that this conference call is being recorded and simultaneously translated. Translation is available by clicking the 'interpretation' button. For participants listening in English, there is an option to mute the original audio in Portuguese by clicking 'mute original audio'. Additionally, for those who wish to access the presentation in English, it is available on the Company's Investor Relations website, ri.cyrela.com.br.

During the Company's presentation, all participants will be in listen-only mode. Afterwards, we will begin the Q&A session. To submit a question, please click the Q&A icon and type your name and company. Once your name is called out, a request to enable your microphone will appear on your screen, and you should then activate your microphone to ask a question.

We would like to remind you that any statements made during this conference call regarding Cyrela's business outlook, operating and financial targets constitute forward-looking statements by the Company's management and may or may not materialize. Investors should understand that political, macroeconomic and other operating factors may affect the Company's future performance and could cause actual results to differ materially from those expressed in such forward-looking statements.

To begin the first Q26 earnings conference call, I would like to turn the floor to Mr. Miguel Mickelberg, CFO and IRO. Mr. Mickelberg, you may begin, sir.

Miguel Mickelberg:

Good morning, everyone, and thank you very much for joining our call. We began 2026 in a business environment that continues to require caution, discipline and adaptability. The macroeconomic environment remains challenging with interest rates still at elevated levels in Brazil, while the external environment continues to be marked by uncertainty and geopolitical tensions that may generate additional impacts on supply chain and construction costs over the coming quarters. In this context, Cyrela maintained its strategy focused on selective launches, commercial discipline and rigorous capital allocation.

From an operational standpoint, we delivered consistent performance in the 1Q. Launches totaled R\$1.7 billion, considering the Company's percentage ownership and excluding swaps and showed strong customer acceptance with an SOS of 45%.

Presales reached R\$2.2 billion in the quarter, excluding swaps and considering the Company's percentage of ownership, slightly above the level recorded in the same period last year. I would also like to highlight the positive performance of finished inventory sales, which contributed to cash generation during the period and reinforces the quality of our portfolio.

On the financial side, our results once again demonstrated the strength of the Company's business model. We posted net revenue of R\$2 billion, gross margin of 32.9% and net income of R\$197 million in the quarter. Adjusted ROE for the last 12 months closed the period at 21.2%, remaining at healthy levels and reflecting our ability to generate value for the shareholders.

Cash generation totaled R\$134 million in the quarter, supported by healthy sales dynamics and disciplined financial management, which contributed to reducing the net debt to adjusted equity ratio of 19.6%.

We will continue to closely monitor the developments in the macroeconomic environment and the potential implications for the sector, while maintaining a disciplined approach in selecting new projects and a conservative stance toward capital management. Cyrela will continue to focus on developing differentiated and unique projects, delivering excellence throughout the customer journey and pursuing sustainable results throughout the cycle. We would like to thank our employees, clients, partners, shareholders and other stakeholders for their trust and continued support.

Let's now look at the operating performance. On slide 4, we will talk about Cyrela's launches. The launches totaled R\$1.7 billion in the total Cyrela share. It is a 48% dip year-on-year and 47% decrease quarter-on-quarter.

On slide 5, we have our In the Park Cidade Jardim project that is in Rio de Janeiro. The sales performed really well in the first month after the launch.

On slide 6, we talk about the sales and presales. We had R\$2.2 billion in the quarter. It's a 2% rise year-on-year and a 9% decrease quarter-on-quarter.

On the following slide, we see the sales speed. Our SOS in the past 12 months amounted to 45.8%, slightly higher than the reference from the previous year, and we can see the launch vintages or periods to the right, and we see that we launched in the 1Q26, already sold 45%.

Let's look at our inventory. We had R\$11.3 billion in the PSV inventory, and we can see the breakdown in the charts. To the right, we see the breakdown in different regions. We see that 71% of our inventory is in Sao Paulo, 14% in Rio de Janeiro and 7% in the south of the country.

On slide 9, we see the finished inventory. We ended the quarter at R\$1.7 billion. It is an 8% dip quarter-on-quarter. And we see that 44% of these finished units are in Sao Paulo, 22% of them are in Rio de Janeiro and 19% in the South of the country.

On slide 10, we look at the deliveries. We had R\$830 million in the 1Q. It's a 50% rise year-on-year and 64% down quarter-on-quarter.

Let's look at our financial results now. On slide 12, we can see our revenue. We had R\$2 billion in the 1Q. That's a 4% rise year-on-year, and it's a 37% decrease quarter-on-quarter. To the right, we can see our gross profit and our gross margin. It's very similar to the comparable periods, so 32.9% in the 1Q compared to 32.5% in the 1Q25 and 32.3% in the 4Q25.

As for net income and profitability, in the chart to the left, we see our net income and net margin. We had R\$297 million in the 1Q26. It's a 9% decrease year-on-year and a 56% decrease quarter-on-quarter. Our net margin was 14.7%. To the right, we see our return on equity in the last 12 months. We closed the period at 21.2% comparing to 22.3% in the 4Q25. And in the 1Q25, we had 20.9%.

Slide 14. Let's now talk about our liquidity and debt. Our net debt was R\$8.6 billion, that's stable in comparison to the 4Q25. The leverage dipped from 21.6% to 19.6% comparing to the 4Q25. And to the right, we can see the breakdown of our debt, and 87% of the debt is long term. And we can see the average rates for the whole of the debt breakdown.

And our cash generation to wrap up. We had R\$134 million in the 1Q26 comparing to R\$71 million in the 1Q25 and a cash burn of R\$38 million in the 4Q25.

This is the end of the presentation, and Raphael and I will be available for the Q&A session now.

Fanny Oreng, Santander:

Thank you for taking my question. I have got 2 actually, and they are related to each other. The first one has to do with the initiatives that you have to reduce your inventory levels. We see there is some discount in the unit pricing. But what other initiatives do you have considering real estate agents? And what trends do you expect to see concerning our inventory? Is there any concern that you actually have anything that requires more efforts? That's my first question.

And the second question has to do with selling expenses. Selling expenses were considerably higher than we had expected. We know that some of that has to do with the decommissioning of some showrooms. But where and when can we expect some stability in selling expenses looking forward? I do not know if there were bonuses paid to the realtors, but I think it's important that we should understand what we can expect in this line item. These are my 2 questions. Thank you very much for taking them.

Raphael Horn:

We are selling finished units better than we did last year. There was no major discount. We are quite pragmatic. We have 50 products ready, and we are pragmatic. If the price is not correct, we adjust it, but we do not see any major discounts.

It's not an easy scenario, but we can navigate it quite well. So we may have made adjustments to the odd product, but other than that, it's business as usual. We had R\$50 million in discount in R\$5 billion. That's nothing, right? There's no actual price reduction.

As for selling expenses, Miguel is going to be discussing it better, but we look at the selling expenses per product and how much we are spending. And we are really as expected. We are really doing as expected. The balance is timeless for present, past and future. So there are some numbers that are correct, of course, but it's not a number that would be concerning in anyway.

We are not concerned about this line item. It's as expected, but Miguel will further detail it out.

Miguel Mickelberg:

Fanny, as for the selling expenses, last year, we had about R\$280 million with the sales booths, and the accounting effect was R\$139 million. So we had almost R\$47 million added to our cost in the sales booths.

But in this quarter, we had a different effect, the opposite effect. As we decommissioned these sales booths, we had R\$94 million in the accounting reference, but the actual expense was R\$60 million. So 75% of the increase we had in fixed costs, or in fixed items has already been given back in this 1Q. We do not expect any substantial increase in this year in the SG&A as a whole, and let's talk about that.

It was 15% of our revenue in 2025. And this year, we understand that SG&A should grow a bit more than inflation. And of course, the revenue will depend on the sales. But as we said in

our past call, we understand that it should have a positive trend. So SG&A over revenue should be close to 15%, which is what we had last year as well.

And as Raphael mentioned, to us, it's much more important to understand that each product is following the budget is spending what we planned so that we can preserve the margins and the returns on each project, and we have been able to maintain that.

Fanny Oreng:

Thank you. May I ask a follow-up question from Raphael's answer? I understand that the price impact is minor. But is there any initiative to engage more realtors to bring them into the inventory sales? Because you are talking about the finished units, but there's also some of the inventory that was launched last year. So how do the realtors feel about working more with these other units?

Raphael Horn:

Fanny, are you thinking about opening a real estate agency? Are you talking about engaging your real estate agents, right? I am sorry. That was a joke.

But we have a very strong seller. When you work with third-party agencies, they are there with you at the launch. And after the launch, they will be working with the next developer. So the easy low-hanging fruit are the ones that are there during the launch and then what comes after is not going to be a focus from the real estate agents. And that's why we created a seller 34 years ago so that we wouldn't be a victim of this process.

So how can we focus on inventory? We have a very strong seller. It's stronger and stronger. The more difficult the market is, the more the seller is a safe haven for the good realtors in the market. A harder market as we have at the moment.

The difference of having the seller and working with the seller is even more important. And that's why we can always sell our inventory well. We can have our realtors working for launches and for ready finished units. They cannot work only with launches. They have to work with the launches, of course, but also with the finished units.

And as you want to have your own real estate agency, any developer has to have a very strong house. And with a strong house, you can have the realtor always focusing on what the developer needs and not only the low-hanging fruit.

Fanny Oreng:

Thank you, Raphael. I may try and get a job with you.

Raphael Horn:

We always need good employees, right?

Pedro Lobato, Bradesco BBI:

Good morning. Thank you for taking my questions. Talking about prices, Miguel mentioned that the launches are as expected. But can you try and talk a little bit more about the pressure you have been feeling, the impacts we see on the quarter, if you have a more conservative stance and what you expect when it comes to costs?

And my second question is, when you think about PSV for the year, can you also give more details about the 3 brands, please?

Miguel Mickelberg:

I will start talking about the launches. We do not give guidance, and we do not give you a breakdown by brand much because there's a lot of uncertainty, but we do not expect growth in the amount of launches. Vivaz should grow a bit. But on the whole, we should probably be slightly lower than what we had in 2025.

As for the cost scenario, we see price increases in many of the inputs. Our engineering team, considering everything they have already identified either price increases that have taken place or that are about to take place, we expect there should be about 7% to 9% difference in the year.

And how does this impact Cyrela? The fact that we focus on the mid, high end as well as on the low-end market creates a natural hedge for us. The receivables that are adjusted by INCC. So excluding all of the Vivaz receivables basically, we have net receivables that are R\$10.8 billion at the end of the 1Q. And we have construction costs that are going to be exposed to the INCC, the National Construction Cost Index that are about R\$8.2 billion. So we have R\$2.6 billion overhead, let's call it. So in the short run, a higher INCC can be positive for our results. If you look at Cyrela's gross margin in the past 10 to 15 years, 2021 was the year where we had the highest gross margin because the INCC index was very high. So we had 35% in 2021.

Of course, there are 2 effects that we need to be mindful of. In the mid- to high end, in the medium term, you can only sustain these margins if you can readjust inventory prices. And this is uncertain. Depending on the INCC levels, we will see how much we can transfer on and how the market behaves.

And on the low-end segment, we do not have the INCC index protection, so we could lose margins in the short run. And in the low-end market, we expect a 6% inflation a year, and we have a 2% flat allowance on top of the launches.

So this inflation forecast, as well as this allowance, they are a cushion. But of course, with a higher inflation rate, you could see an impact on the Vivaz segment gross margin. But other than that, we should see an increase in the mid-high end. And of course, the selling prices should keep up with the INCC values, so that we can sustain our margin structure.

Elvis Credendio, Itaú BBA:

I have got 2 questions. The first has to do with sales. Can you talk a little bit about the rhythm, the pace you have at the start of the 2Q for finished units as well as for launches? And if you can give us some color on the segment as a whole?

And my second question has to do with the revenue. We saw some volatility in the past quarters there. As of the 2Q, do you expect some more stability? And looking at the pace of sales you see, do you expect to see an increase in revenue, maybe a high single-digit increase? Can you share any expectations you may have on that front? Thank you.

Raphael Horn:

Our perception is that 2026 is very similar to 2025. This is a game for professional players. It's challenging. It's not for the faint hearted. It's not for amateurs. This is for professional players. But for professionals, the market is fine. So we are not concerned. The market is absorbing

what we are doing. Of course, it's not the same levels we had in 2022 or 2023. We were in Switzerland back then, and now we are in an okay market.

But Fanny wanted to found her own real estate agency. If you want to have your own high end developer, I think I would tell you this is a hard moment for you to get started into this business. But for a professional in this business, you can still make quite a bit of money.

Of course, the situation can get worse. It could get worse in a year. We could have 18% base interest, you could have a recession in the country. But from 2018 to 2024, this was one period. Now 2025, 2026, this is a new period that has started. But I would say that in 2018, 2019, the amateur had a chance at this game. But people often say in Brazil that Brazil is not meant for the faint hearted, is not meant for amateurs. And I really say that 2025, 2026, that is true.

Miguel Mickelberg:

I gave you some data in our last discussion last quarter, and I would like to repeat them now. Because of our accelerated growth in the past years, we see that the sales that are going to be recognized through consolidation, they have been systematically higher than our revenue in general. And what is recognized through consolidation goes straight into the revenue later. So in 2024, we had R\$10 billion in consolidation and R\$7 billion in revenue. In 2025, we had R\$10.5 billion and R\$9.4 billion in revenue. So another R\$1 billion in this gap.

In the 1Q, we see this effect again. So through consolidation, we had R\$2.4 billion and the revenue was R\$2 billion. So we have R\$370 million growth in this future revenue. And with that, the revenue to be recognized net of taxes closed the quarter at R\$11.7 billion. And in the 1Q25, it was R\$9.4 billion.

So this substantial and growing revenue to be recognized creates a very good dynamic for our revenues in the future. We have R\$5 billion from milling, and we have 3 boxes. We have milling, we have new sales, and we have new launches. These are the 3 pillars. As I said in the previous quarter, we continue to see this first line item growing R\$0.5 billion or R\$1 billion this year. And our sales are on the level that we expected them to be. We are meeting our targets.

And if we continue like that, we will have similar sales levels or maybe even slightly higher than we had in 2025. And should that happen, then we will certainly have an increase in revenue because the base of the POC, that is POC coming from the milling, so the POC will grow and make sure that the revenue is higher if we continue with these sales levels.

So we do believe there will be an increase in revenue. Hard to say if it's going to be high single digit or maybe even higher than that, but we do expect something along these lines.

Elvis Credendio:

That's crystal clear. Thank you. I will open my real estate developer when the market is doing better. I will leave it to the professionals for now.

Alejandra Obregon, Morgan Stanley:

Good morning. Thank you for taking my question. Mine is related to construction execution and perhaps your construction cycle times. I just wondering if you can talk about how recent cost dynamics, labor constraints. Even your greater exposure to Minha Casa Minha Vida have changed how projects flow through the percent of completion curve. More specifically, if you are seeing any compression or elongation of your construction cycle times? And how has that

translated into quarterly completion and revenue recognition pattern changes as of late?
Thank you.

Miguel Mickelberg:

Good morning, Alejandra, and thank you very much for your question. I think we have basically one structural change to our construction cycle, and that is actually in the Cyrela brand, the high end brand. We have been doing taller buildings. And because of the zoning laws, we have been adding more mixed-use areas to the projects. And those areas, they create transitions in the construction cycle, which tend to elongate the construction cycle.

So in the Cyrela brand in the past, from launch until delivery, the cycle would last more or less 36 months. Today, I would say our average for this segment would be closer to 48 months. But on the Vivaz brand, on the Minha Casa Minha Vida segment, we have not seen a significant change to our construction cycle. I would actually say they actually are even probably a bit shorter than in the past because we have been starting construction now in the low-income segment after 4 or 6 months after launch.

So the cycle today tends to last more or less 30 months, from 30 to 36 months for this segment, which is similar to what we have been doing 5 years ago. So the main change actually happens at the Cyrela brand because of taller buildings and longer construction cycles.

Ygor Altero, XP:

Good morning. I have got 2 questions as well. When it comes to launches, with the new INCC scenario, you could decrease your sales speed, and also cash generation was quite good this quarter. So I would like to understand that better, why that was so. And in the scenario where Miguel said there may not be any increases in launches, can we have any expectation of a better cash generation in the course of the year?

Miguel Mickelberg:

Ygor, as Raphael joked, I do not know if you want to open a real estate agency or a real estate developer. But well, so far, we have been doing well when it comes to launches. We have launches in April and May for Cyrela. As Raphael said, we understand this year is going to be similar to last year. We are going to meet our targets in sales.

As for cash generation, this was a good quarter, R\$134 million in cash generation. The 2 main impacts were, one, the increase in the payments in the inventory sales. We had an increase in finished unit sales that has a positive impact on the cash for the quarter. And another factor was the very small expense on land bank. These 2 lines are very volatile in the course of the year. So we see some volatility in cash generation.

So, so far in the 2Q, we have had a substantial cash burn. So even though we may launch a similar or slightly lower amount in this year, it does not necessarily mean we are going to have a lower cash generation in the year.

Our sales cycle has been about 4 years from the launch to delivery. So it takes time until a decrease in launches or stability translate into cash. I would say about 2 years, maybe 3 after you stopped growing. So this is not something that's going to be happening this year nor next year. This year, we estimate a cash generation that's going to be up to R\$200 million.

Olavo Fleming, Safra:

Good morning, and thank you for taking my questions. I have also got 2 questions. The first has to do with the inventory. It's a follow-up question. You already mentioned you have had some minor adjustments in some projects. But considering a worse macroeconomic backdrop, would you increase the discounts in these and give more discounts in other products?

And also, I want to get a whiff on the sales for in construction and ready finished units. In Minha Casa Minha Vida, we see the mid-high end players saying that they also want to have launches in the low end. Has that had any impact on your land bank negotiations? Or do you see the same players as always? Thank you.

Raphael Horn:

Again, we are not giving discounts. We are doing well in our targets. We are 100% meeting our budget for this year for both finished units and units under construction as well. So what we predicted at the start of the year is what's coming true. So far, it's business as usual.

Minha Casa Minha Vida, that gets to the more traditional players. It's not the other players from other segments that have come down to Minha Casa Minha Vida. And it takes time for you to actually be able to have this transition to Minha Casa Minha Vida. It's not an easy transition. Going from heavyweight to lightweight, you have to lose a lot of weight. It's not easy.

Tainan Costa, UBS:

Good morning. Going back to the launches for this year, Miguel already said that Vivaz could have an increase in PSV. What is the biggest you expect this to be considering the structure that you have? So what is the main bottleneck in growth that you see in Vivaz at least? And is there any expectation to accelerate sales this year? That's my first question.

The second question has to do with financial expenses. It was a bit more than we had expected. Anything specific you would like to talk about once you have sustained the same level of debt? Is there any trigger that impacted the debt costs?

Raphael Horn:

Vivaz is an independent company, and the mid-high end is an independent company. The mid-high wants to have the best volume and Vivaz wants to have the best volume as much profitable as possible, as much profit as profitable as possible. We cannot launch R\$2 billion in 2026. You cannot have a company much bigger than what we already have. So the Company has been growing without absurd growth rates because our challenge is to make sure that we can grow deliver the margins and the SOS that we expect.

So we are not going to be reducing high end to increase the low end. They are independent. So these are 2 completely independent companies and one won't cave in to the other. their map won't be impacting Vivaz or vice versa. It's not cannibalizing each other.

So we can grow and the bottleneck is ourselves. It's our ability to have a team that can deliver. There are players that are more experienced, more seasoned than we are, and they have more business maturity and they can have a much higher launch amount a year with they have more salespeople. They have more engineers. They have engineers with more experienced in Minha Casa Minha Vida.

So we are moving at our pace. We do not look to the other players. We are playing golf here. We are playing against ourselves. And we are really playing as we find healthy. We are not going to have our profitability at risk.

Miguel Mickelberg:

Tainan, I will talk about the financial expenses. When you look at the line items, you see that the debt level at the end of the 4Q25 and the 1Q26, the levels are quite similar. But there is an interaction here that is important.

In December last year, we issued a debt of R\$600 million, and we paid R\$1 billion in dividends. This impacted about 15 days in 90 days of the last quarter of 2025, but it impacted this 1Q26 in full. So this leads to an increase in financial expenses and a reduction in the financial results in the earnings as per the dividend payment we made at the end of the year last year. Other than that, the rest is as expected.

Gustavo Fabris, BTG:

Good morning. I have got 2 questions. I would like to understand your land bank appetite in the mid-high end market. How have you been also feeling the market when it comes to competition and pricing in this context? That's my first question.

The second question has to do with monetizing the stakes in JVs. How much could this impact the P&L in the course of the year? Thank you.

Miguel Mickelberg:

Good morning, Gustavo. Thank you for your questions. Let me start talking about the land bank. Ever since 2025, the market has been more challenging, as Raphael said. And due to that, we are always going to be adjusting our expectations as well as our activities. So we are raising the bar, and we have been looking to have a bit of a buffer in the land bank. So we have been saying no to more land lots than in the past.

We do not see any problem when it comes to availability. We see a lot of land lots in our committee, but we have been saying no to more land lots than in the past, when the market was, I am not going to say easier, but less difficult at least. So yes, we have been adjusting our stance and our actions.

As for the JV stake monetization, we do not have any set budget for that. When we decide to sell, we look at the stock prices, and we decide what makes more sense, looking at them individually. And with the decreases in the stock prices that we have been seeing since February, a substantial part of our JVs, including Cyrela itself, is 30%, 35% lower than what we had in February.

We are in no hurry to sell, so we could really have no share, no stock being sold in the JV. We will take decisions if we understand that the pricing is better for our sales. But at this point, we are not interested in selling any of them.

Jorel Guilloty, Goldman Sachs:

I have got 2 questions. I would like to understand what you expect in land lots considering POC for the coming launches. We had smaller land lots this quarter that impacted the POC. The value of the land lot is lower in comparison to the PSV of the project or it's being paid in installments. Is this something that was a one-off? Or should we expect to see more of that?

And ROE was 21% in the past quarters, but it was 11% in this quarter. You said in the past that ROE above 20% was not a target, but it was achievable. What is your expectation now for the ROE in the long run? And is the 20% reference still an achievable target?

Miguel Mickelberg:

Thank you for your questions, Jorel. The initial recognizing level of our POCs in our projects. When we recognize a launch, we have basically no expenses when it comes to launches. So the recognition is really focused on the land lot. And we have had no structural change neither in the low end nor in the mid to high end market.

An effect you may be seeing is that in this quarter, the low-end share was higher and the land lot has a smaller share of our PSV than in the high end. With the exception of a few outliers, the high end projects have about 36% recognition at first and the low end initial recognition is about 23%. So there are impacts such as the swap percentage and other factors, but we do not see any impact on how much the land lot have been representing of our PSV. There can be more of a mix effect.

As for our ROE, we understand that 20% is sustainable. This is what we expect to see and what we continue to aim at. But of course, it depends on the market. It depends on the performance of our coming launches as well. But for now, we continue to see the 20% reference as sustainable.

André Mazini, Citi:

Good morning. I have got 2 questions as well. When we think about the inflation and the impact in construction works, what is your forecast for inflation? Maybe if you break it down by Living, Vivaz and the Cyrela brand, if it's bigger in any of these 3.

And when you think about the sales booths, the expenses, are they there before, during or after the launch? And how does that relate to the POC? So basically, the timing of the sales booths costs and the launch, how are they related to each other? Thank you.

Miguel Mickelberg:

Thank you, Mazini. Starting with the inflation forecast, we only project inflation in the Vivaz segment, and it's 6% a year. In Cyrela and Living, we do not forecast inflation because the sales are adjusted by the INCC, I mean, all of the pending payments are adjusted by INCC and the receivables, whenever you look at them, it's going to be much higher than the cost of construction works impacting the project. So the customer has paid for 30% of the sold PSV when you have 15% of the construction work done.

So we do not project inflation because what we project is that the inventory is going to follow the inflation and that the receivables are corrected by inflation. So every month, we correct the INCC inventory and the pending receivables are corrected automatically by INCC. So this is Cyrela and Living.

Now in Vivaz, we have the inflation forecast because of the segment. Because with the transfers still in the blueprint, that's how it goes.

As for the sales booths, we normally start the expenses about 3 months prior to launch, and all of these expenses are going to be capitalized. They go into our assets, and it's depreciated in about 12 months. It's normally the life of the sales booth. And we amortize the amount of the sales booth in the expenses. And when you close it earlier, then you have all of the pending balance for the sales booths.

I am not sure if that was clear, but if it's not, let me know. But the POC impact on the sales booths is as explained.

Marcelo Motta, JPMorgan:

Good morning. I have got 2 questions actually. On gross and net revenue, when we look at the revenue deductions, it's quite volatile on a quarter-on-quarter comparison, but we see that this quarter was a bit higher, about 6%. If you compare it to 2025, it was closer to 4% on average, but the 1Q had been 7%. We are just trying to understand if there's anything different in this quarter, and what we can expect for the year.

And on the interest rates for the costs, this also went up this quarter in comparison to what we used to see in historical reference. Should this go back to lower levels? What can we expect there? These are my 2 questions. Thank you.

Miguel Mickelberg:

Good morning, Motta. Thank you for your questions. As for revenue deductions, what normally fluctuates or changes is that when you have swaps, then you have no tax levied on the swap. So if you have less or fewer swaps in a quarter, then you have a higher or lower impact on the revenue, but there's nothing abnormal there.

And as for the interest rates, The interest should stay on this higher level for now because on the margin, we have been taking more loans. So in the 3Q, we had R\$2.8 billion payable and we have R\$3.1 billion. This is basically what we have now. But again, there is an intra-quarter dynamic involved. And the capitalized interest is higher now than in the 4Q, and we expect the amount now, there could be some increase still, but we expect it to be about this level, yes.

Operator:

This is the end of the Q&A session. We now turn the floor over to Mr. Miguel Mickelberg for his final remarks.

Miguel Mickelberg:

I would like to thank all of our shareholders, all of our clients and customers and all of our staff, all of our employees, most of all. Thank you all.

We stand strong, and we will talk to you in the next quarter. Have a great weekend.

Operator:

This is the end of Cyrela's earnings call. Should you have any questions, please send your questions to our RI team on our RI e-mail. Thank you very much for joining the call, and have a good day.

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