

Operator: Good evening, everyone, and welcome to PicPay's 2nd Quarter 2026 earnings conference call. Joining the call today are Eduardo Chedid, Chief Executive Officer, André Cazotto, Chief Financial and Investor Relations Officer, and Danilo Caffaro, Vice President of Consumer Banking. Please note that this presentation may contain forward-looking statements and non-GAAP financial measures. Please refer to the disclaimer on the screen and to the earnings materials available on the Investor Relations section of PicPay's website for additional information. This call is being recorded, and a replay will be available on the company's website shortly after the conclusion of the call. At this time, I would like to turn the call over to Eduardo Chedid, Chief Executive Officer of PicPay.

Eduardo Chedid | PICPAY: Thank you, operator, and welcome, everyone. This is our third earnings call as a public company, and I'm proud to share another quarter of strong execution across our platform. Before we get into the results, I want to say a few words about our CFO transition. As we announced in early August, André Cazotto has succeeded Rodrigo Couto as our Chief Financial Officer. This transition is the result of a planned succession process, and I'm confident in the strength and continuity of our leadership team. Rodrigo played a key role in a critical phase of PicPay's evolution, strengthening our finance organization, leading our Sarbanes-Oxley preparation, and being instrumental in our successful IPO in January. He has been a tremendous partner, and I'm glad he will continue working with us as Special Advisor through year-end. Cazotto brings over 20 years of experience in payments and financial services, and has been with PicPay since 2021, leading the capital markets workstream for our NASDAQ listing, investor relations, and M&A. He has deep institutional knowledge and strong relationships with our financial stakeholders. Cazotto, I'm confident you are the right person for this role. Welcome and best of luck as we enter this new chapter together.

André Cazotto | PICPAY: Thank you, Eduardo. It's a privilege to step into this role at such an exciting moment for the company. I have spent the past few weeks working closely with Rodrigo and our teams to ensure a seamless transition. What stands out to me is the strength of our financial foundation and the discipline with which this business operates. I'm excited to lead the next phase of PicPay's financial journey.

Eduardo Chedid | PICPAY: Thank you, Cazotto. Let's jump into the second quarter results now. I'm proud of what we delivered in the second quarter. This slide tells the story in one picture: we beat guidance on virtually every metric. Credit portfolio came in at R\$ 31.9 billion, 3% above the high end of guidance, cost of risk came in at 3.9% aligned within our guidance range. Revenues reached R\$ 3.7 billion, 3.6% above guidance, and net interest income was R\$ 2 billion, 5.4% above our guidance range. But the real story is in the profitability. Gross profit came in at R\$ 1.25 billion, that's 8.4% above guidance, driven by the operating leverage. And adjusted net income reached R\$ 283 million, 15.5% above guidance, reflecting strong top line momentum and continued cost discipline. That's the story, we delivered on our commitments across the board, with particularly strong beats on the profitability metrics that matter most.

Let me start with our operating metrics, which are scaling with consistency. Total accounts reached 70.4 million, up 10% year over year and 3% sequentially. Quarterly active clients grew to 45.4 million, reflecting sustained engagement across our base. Consolidated TPV came in at R\$ 167.6 billion, 27% above the prior year and 7% higher sequentially. Wallet and banking TPV reached R\$ 142.6 billion, up 19% year over year and 6% quarter over quarter. Total cash in was R\$ 136.4 billion, growing 17% versus a year ago and 9% sequentially. On average, more than R\$ 45 billion per month. Deposits grew to R\$ 35.8 billion, up 45% year over year and 10% higher than last quarter. This is a strong signal of increasing trust and principality in our franchise. And active insurance policies reached 11.1 million, 63% ahead of last year and 9% above Q1, as our insurance vertical continues to scale rapidly. Across every metric, consistent sequential growth on top of already strong comparables.

Turning to financials, and this is where the monetization engine really shows its power. Total revenues reached R\$ 4.1 billion, a 67% increase year over year and 17% higher than last quarter. That's the top line growing fast. But let me highlight what's underneath. Excluding derivatives and hedge accounting, managerial revenues were R\$ 3.7 billion, up 59% year over year and 17% sequentially. That acceleration is driven by secured and partially secured credit origination, deeper card engagement, and a richer fee-based product mix. ARPAC grew to R\$ 92.0 per active client, 52% above where we were a year ago and 14% ahead of Q1. Excluding hedge accounting, ARPAC was R\$ 83.3, showing that even on a like-for-like basis, we're monetizing each client significantly more.

Gross profit came in at R\$ 1.25 billion, up 48% year over year and 14% higher sequentially. The gap between revenue growth at 67% and cost growth at a fraction of that is the operating leverage this model was built for. And that leverage shows up clearly in our unit economics. Cost to serve was R\$ 21.3 per active client, up 13% year over year, but only 5% sequentially. It's worth noting that this figure includes R\$ 0.7 per client of opportunistic investments in marketing campaigns for seasonal events that we brought forward from the third quarter. Excluding this anticipation, cost to serve would have been R\$ 20.6, representing only a 1% sequential increase. Let me put that in perspective. Revenue per client expanded 67% year over year, while cost to serve grew just 13%. For every real we invest in serving our clients, we're generating over R\$ 4.0 in revenue. That's the leverage embedded in this model.

Adjusted earnings before taxes reached R\$ 291 million, up 174% year over year and 17% sequentially. This reflects a business that is scaling efficiently and translating top-line growth into bottom-line results. Adjusted net income was R\$ 283 million, up 135% year over year and 67% above last quarter. The sequential jump from R\$ 169 million to R\$ 283 million reflects strong top-line momentum, continued cost discipline, and the positive tax benefit from Brazil's Lei do Bem incentive program for technology companies.

I want to spend a moment on this slide because it captures a planned structural shift in PicPay's revenue mix. Total revenue of R\$ 4.1 billion is broken down as follows: 29% from unsecured credit, 24% from secured and partially secured products, 24% from fees and commissions, and 23% from float and hedge accounting. The key number: 71% of our revenues are now driven by no or lower credit risk streams, float, hedge accounting fees, commissions, and secured and partially secured credit. That's up from 63% just 12 months ago. Let me say that again: we are growing total revenue 67% year over year while simultaneously building a fundamentally more resilient business. A more diversified revenue mix combined with a higher share of collateralized credit revenues allows us to balance growth across more mature collateralized portfolios while using intentional risk as a lever. Growing through small and progressive limits on cards, buy now pay later on loans, and selectively expanding into slightly higher risk clusters within private payroll loans. All of this while maintaining the same risk appetite and targeted risk-adjusted returns.

Looking at the three revenue engines individually over the last five quarters, the trajectory from R\$ 391 million to R\$ 1 billion in 12 months tells the story of our payroll loan franchise reaching meaningful scale. Unsecured credit revenues came in at R\$ 1.2 billion, up 40% year over year and 11% above last quarter, growing at a strong, deliberate but measured pace. Non-credit revenues hit R\$ 1.9 billion, up 57% year over year and 19% higher sequentially. This is fees, commissions, float, hedge accounting, insurance, and acquiring. All capital light, all compounding, quarter after quarter. Three engines, three growth vectors, and each one getting stronger.

On returns, let me walk you through the two charts on this slide. First, adjusted net income, R\$ 283 million, up 135% year over year and 67% sequentially. This represents a significant acceleration in profitability as we scaled the business. Second, adjusted ROE was 20.2%, up from 15.5% in the previous quarter. Both metrics benefited from the positive impact of Lei do Bem, our R&D tax incentive program, which contributed to the strong quarterly performance.

Moving to credit, PicPay Card TPV was R\$ 19.5 billion, up 40% year over year and 12% sequentially. Card engagement continues to deepen as our maturing vintages drive higher spend per user. Consumer loan origination reached R\$ 4.8 billion, up 78% year over year and 7% above last quarter. Total credit portfolio reached R\$ 31.9 billion, up 99% from a year ago and 14% higher sequentially. The consumer book represents 93% of the total, with SMBs and others comprising the remaining 7%.

In our audiences and ecosystem business unit, we've built a portfolio that lets our users solve most of their daily needs within PicPay, which creates opportunities to cross-sell our financial products and increase customer lifetime value. From shopping and food delivery to travel, entertainment, telecom and urban mobility, we cover the key journeys of everyday life. One standout example is iGaming. In just one year, we built a high-margin business with over 2.7 million clients across lucky numbers, national lotteries and themed World Cup Games, all integrated into our ecosystem. This broader everyday ecosystem increases our relevance, deepens engagement, and strengthens the financial relationship with our customers.

In our small- and medium-business segment, we're seeing real momentum across the board. New small and medium business accounts reached 85,000 per month in the first half of 2026, up from 27,000 in the first half of 2025, a threefold acceleration. Supply chain finance is scaling fast. Origination hit R\$ 1.05 billion in the quarter, from R\$ 40 million in the last quarter of last year and R\$ 693 million just a quarter ago. The trajectory is clear, and the unit economics are attractive. We're also rolling out Tap on Phone to individual consumers, turning 70 million PicPay users into potential merchants. It's a distribution play that uniquely positions us in the payment value chain. And we just launched our marketing AI agents. SMBs can now create self-serve ads, and our platform identifies the most relevant customers within the merchant's geographic footprint and delivers the ads to them. First week results: 10,000 opt-ins, 1,500 campaigns, and 1.7 million individuals reached. AI powering SMBs to boost sales through our base of more than 70 million customers. Danilo, please tell us more about our highlights on consumer finance products.

Danilo Caffaro | PICPAY: Thanks Eduardo. I'm pleased to share an update on our progress and priorities. Our focus remains simple. Serve customers well, build products people value, and grow with discipline. Our day-to-day banking business continues to evolve, reflecting growing customer trust and deeper engagement across payments, credit, and everyday benefits, supported by disciplined execution, thoughtful risk management, and a strong customer experience. Our investment platform now offers more than 280 products, including investment funds and fixed income. We also launched a brokerage platform that allows customers to buy and sell stocks through our app. We are gradually rolling out the Epic segment to existing customers. The offer reached 23% penetration of the eligible base this quarter. Epic credit cards

account for 14% of total card TPV, and 80% of the user base is actively using benefits such as Amazon Prime, Einstein Telemedicine, and Sem Parar toll tags.

In Brazil, convenience matters. Whether paying a bill using telemedicine or passing through a toll, the experience should be quick and reliable. AI agents are also becoming central to our strategy. We are the first Brazilian bank with an official plug-in in both the Claude and OpenAI ecosystems. We are also rolling out second-generation WhatsApp and in-app agents with more tools, memory, internet access, and sequential multi-step execution. This reinforces our app-less strategy, solving broken journeys wherever our users need us, with contextual and relevant products and services.

Turning to credit, we continue to gain market share by increasing our share of wallet across the products used by our customers. We reached 6.4% in private payroll loans, 2.8% in personal loans, 1.6% in card TPV, and 1.2% in the credit card portfolio. We still believe we have significant room to grow. Moving to portfolio growth, our credit portfolio grew R\$ 3.9 billion in the second quarter. 86% of that growth came from lower-risk loans and mature credit cards. New cards also almost doubled their contribution to portfolio expansion compared with last quarter, reflecting our progressive limits approach and the maturation of newer card cohorts.

Moving to underwriting strategy and cohort performance, we continue to execute our underwriting strategy across two complementary objectives, performance optimization and growth optimization. Progressive limits are becoming a larger share of the portfolio as the cohorts mature. NPL creation in the credit card portfolio is trending better than in the same period last year across both strategies and remains relatively stable versus recent quarters, even after considering seasonality. Cohort performance across both strategies has remained relatively stable in recent quarters, reflecting the resilience of our models and our active risk management approach.

In private payroll loans, we resumed increasing originations in growth clusters after regaining confidence in the product's operational maturity and implementing new features since the fourth quarter of 2025. This is increasing the growth strategy mix. Newer cohorts reflect the deliberate incremental risk assumed to accelerate growth, while remaining within our approved risk appetite and targeted risk-adjusted returns. Although we see no relevant early signs of credit deterioration within the same risk groups, we expect portfolio indicators to reflect additional intentional risk-taking in private payroll loans and cohort aging and maturation in the coming quarters. These indicators include 90-plus NPL, stage 3, and cost of risk as a percentage of the total portfolio. As new originations become a smaller share of the outstanding portfolio, their dilution effect on these metrics will naturally decrease. Cazotto will provide further detail on these dynamics in the next session.

Now, a deeper dive into our private payroll loans operation. We reached a portfolio of R\$ 7.2 billion this quarter, with more than 3.6 million contracts and well-diversified employer risk. Expected marginal ROEs remain attractive, supported by risk-adjusted pricing and credit-related revenues. We are also seeing better ARPAC and cross-selling indicators for these clients, supporting other revenue streams. We remain confident in our ability to scale this operation with healthy ROEs and risk-adjusted returns. Now I will pass it to André Cazotto, our CFO, to cover our financial results.

André Cazotto | PICPAY: Thank you, Danilo. Now let me go over the evolution of our delinquency metrics and explain the dynamics behind these curves. On the left-hand side, we show our early NPL, defined as loans between 15 and 90 days past due. After reaching 8.4% in the first quarter, early NPL improved to 7.5% in the second quarter. A quarter-over-quarter reduction driven by a favorable seasonal effect in the period combined with improving performance in more recent vintages.

On the right-hand side, NPL over 90 days increased to 9.8% in the quarter, while stage 3 reached 12.9%. These two metrics need to be interpreted together. NPL over 90 days is fully captured within stage 3, meaning the loans driving that metric are already classified as credit impaired and provisioned accordingly. Stage 3 is the broader classification, as it also encompasses other credit impaired exposures that may not be more than 90 days past due, but have already been identified as deteriorated. In other words, there is no additional credit risk sitting outside stage 3. It's all already recognized and provisioned within that bucket.

The increase in these later-stage metrics is primarily driven by portfolio aging. As our products and vintages mature, a larger portion of the book naturally migrates into later stages of delinquency. A mechanical and expected dynamic in a rapidly growing portfolio, not a sign of deterioration. It's also worth noting that these metrics will continue to be influenced by our deliberate strategy of intentional risk taking in private payroll loans. A conscious portfolio decision, where we are comfortable assuming higher delinquency in exchange for meaningfully better risk-adjusted returns over the life of the product. As the portfolio continues to season and this strategy matures, we expect both NPL over 90 days and stage 3 to gradually converge toward a more stable level. It's also important to highlight that the stage 3 portfolio is already more than 75% provisioned, reflecting a robust level of coverage against expected losses and reinforcing the adequacy of our provisioning framework.

Moving to the next page, this slide breaks down the key drivers behind the sequential movement in both NPL over 90 days and stage 3 from the first quarter of '26 to the second quarter of '26. Starting with the NPL over 90 days, which moved from 8.9% to 9.8%, a net increase of 93 basis points. The primary driver was portfolio aging, which contributed 318 basis points, reflecting the natural seasoning of earlier vintages flowing to later delinquency stages. This was partially offset by the Desenrola program, which contributed a 117 basis points improvement. Seasonality added 50 basis points, consistent with typical patterns for the period. It's also worth noting that a lower pace of new originations, relative to prior years, generated a smaller dilution effect on the metric, meaning the denominator grew less rapidly, contributing to the upward pressure on the ratio. Product mix and other factors contributed modest offsets of 34 basis points and 7 basis points, respectively.

For stage 3, which moved from 12.7% to 12.9%, a net increase of only 27 basis points, the drivers are broadly similar, but with one important distinction. Aging contributed 184 basis points, a materially lower impact than the 318 basis points observed in NPL over 90. This is not a coincidence. Stage 3 is a pre-NPL metric, capturing credit deterioration earlier in the cycle. As a result, the aging dynamic that is still feeding NPL over 90 days has already been partially absorbed in stage 3 in prior quarters, resulting in a lower incremental aging effect. Seasonality added 41 basis points, while the Desenrola program offset 46 basis points. Origination offset 117 basis points, and product mix and others provided additional offsets of 26 and 9 basis points, respectively. Taken together, these waterfall charts reinforce our earlier message. The NPL dynamics we are observing are mainly driven by vintage maturation, seasonality, and our deliberate strategy of intentional risk taking in private payroll loans, and not by a deterioration in the underlying quality of our portfolio.

Moving to the next slide, on the left-hand side, stage 2 plus stage 3 formation continued to improve, declining to 4.9% in the second quarter compared to 5.1% in the previous two quarters. On the right-hand side, stage 3 formation declined to 3.6% in the second quarter, from 3.9% in the previous quarter. This improvement was mainly driven by the impact of the Desenrola renegotiation program. Most of the loans renegotiated under the program were still on our balance sheet, as they were less than 360 days past due. The renegotiated exposure totaled approximately R\$ 520 million on a gross basis. Considering an average discount of approximately 50%, the outstanding balance was reduced by around R\$ 260 million. This reduction directly lowered the balance contributing to stage 3 formation, and was therefore the main factor behind the improvement in the ratio to 3.65%. Excluding the impact of Desenrola, stage 3 formation would have been around 4%, broadly in line with the previous quarters. This underlying level also reflects the natural aging of the portfolio, as our products and vintages continue to mature.

Now, let me walk you through the portfolio classification by stage and our coverage levels. Stage 3 remained stable at approximately 13% of the total credit portfolio in the second quarter. In terms of coverage, we continue to see comfortable levels, with coverage for stage 2 plus stage 3 at 62.7%, and stage 3 coverage at 74.1%. Stage 3 coverage decreased from 77% in the first quarter to 74.1% in the second quarter. This reduction was primarily related to the Desenrola renegotiation program. Loans renegotiated under Desenrola benefit from an FGO guarantee, the Operations Guarantee Fund, covering 50% of the outstanding exposure. This guarantee increases the expected recovery on these loans and consequently reduces the LGD applied to those exposures. Since a lower LGD results in lower provisional requirements, the inclusion of these loans mechanically reduced the overall stage 3 coverage ratio. Therefore, the reduction from 77% to 74% does not reflect a deterioration in portfolio quality, a change in our provisioning standards or a change in our risk appetite. It's primarily a mix effect resulting from the lower LGD of the Desenrola portfolio, supported by the FGO guarantee. As this effect normalizes, we expect stage 3 coverage to move back toward the high 70% range in the coming quarters.

On credit risk management, our 3 key metrics- loss absorption, cost of risk, and portfolio coverage- collectively paint a picture of a well-controlled and increasingly well-provisioned book. Our loss absorption ratio reached 56.5% in the second quarter, comfortably within our internal guidelines of 40% to 60%. Moving to quarterly cost of risk, which came in at 3.9% in the second quarter, within the 3.7% and 3.9% guidance range we provided at the beginning of the quarter. The sequential increase from 3.7% in the first quarter was primarily driven by the natural aging of our private payroll loan portfolio. As earlier vintages continue to season and flow through the provisioning cycle, this is a mechanical and expected dynamic given the rapid growth of this product over the past several quarters. This increase was partially offset by a R\$ 59 million positive impact from the Desenrola program, which represented approximately 5% of our total cost of credit in the quarter.

Finally, on credit loss allowance expenses and total coverage, CLA expenses reached R\$ 1.2 billion in the second quarter, up from R\$ 974 million in the first quarter, consistent with the pace of portfolio expansion. More importantly, total portfolio coverage held stable at 13.9%, unchanged from the prior quarter, reinforcing the adequacy of our provisioning levels as the book continues to scale. The combination of stable coverage and growing absolute provision balances reflects a disciplined and consistent approach to credit risk management.

Moving to the next slide, on operating leverage, the trend speaks for itself. Net revenues reached R\$ 4.1 billion in the second quarter, up 17% quarter over quarter, and 67% year over year compared to R\$ 2.5 billion we reported in the second quarter of last year. Over the same period, adjusted operating expenses, which exclude stock-based expenses, grew to R\$ 955 million, increasing at a fraction of the pace of the revenue growth. The result is a continued and consistent improvement in our adjusted efficiency ratio, which declined to 44.8% in the second quarter, down from 46.9% in Q1, a 210 basis point sequential improvement. A key driver of this dynamic is AI. Its impact on our operations is already tangible and measurable. Our headcount has been flat since October 2025. And the projected 10% increase we had originally anticipated for 2026 will not materialize. Productivity gains are translating directly into margin expansion rather than incremental hiring. We expect AI to be a major and accelerating driver of our operational leverage going forward, making the efficiency trajectory you see on this slide not a ceiling but a floor.

Moving to financial margin expansion, net interest income reached R\$ 2 billion, up 18% quarter over quarter and 65% year over year. Our net interest margin came at 19.4%, growing from the 18.7% reported in the first quarter. Margin from credit products reached R\$ 2.1 billion, growing 18% sequentially and 81% year over year. This metric captures the full economic contribution of our credit operations, including revenues from products directly tied to the credit origination, such as credit card interchange and credit insurance, while excluding cash remuneration and derivative revenues, providing a cleaner view of the true margin generated by our lending activity. Net interest margin from credit products came in at 27.8%, growing from the 27.2% reported in Q1. Equally important is the margin from credit products after losses, which reached R\$ 980 million in the second quarter, up 14% quarter over quarter and 68% year over year. The net interest margin after losses held stable at 12.1%.

Moving to funding on the next slide, our funding base grew 10% quarter over quarter, reaching R\$ 35.8 billion in the second quarter, up 45% year over year from R\$ 24.8 billion in the second quarter of '25. The modest sequential increase in the cost of funding from 94% to 96.2% of CDI is largely explained by the issuance of our new FIDC in May 2026. A securitized structure backed by our FGTS portfolio through which we raised R\$ 1.2 billion. More recently, in July and August, we executed additional capital markets transactions, raising funds through promissory notes and debt security issuances, consistent with our strategy of continuously diversifying our funding sources. These transactions further strengthened our balance sheet and enhanced our capacity to sustain the rapid growth of our credit portfolio in a disciplined and cost-efficient manner. We will continue to mobilize multiple funding channels, spanning digital platform deposits, third-party platforms, credit investment funds and capital markets instruments, actively seeking the most efficient funding alternatives available to support our growth ambitions.

On the capital side, we maintain a solid capital position with a total capital ratio of 17.6% and a common equity tier 1 ratio of 15.6% in the second quarter. It's worth highlighting that approximately R\$ 450 million, equivalent to roughly 1.7 percentage points of our total capital and common equity tier 1 ratio, remains held at our holding company in the Netherlands and has not been injected into the operating entity. With the acquisition of Kover now closed, we expect a capital consumption of approximately 150 basis points in Q3. Even after absorbing this impact, we remain comfortably above our internal capital appetite thresholds. And we expect to close the year with a total capital ratio of approximately 14% and a common equity tier 1 ratio in the 12% to 12.5% range. Levels that provide meaningful headroom above regulatory requirements and fully support our growth ambitions.

Finally, on the next slide, we're now providing guidance for the third quarter of 2026. As with our previous guidance, these figures reflect PicPay's standalone operations and exclude any contribution from Kover. We expect our total credit portfolio to reach approximately R\$ 34.7 billion. Quarterly cost of risk is expected to remain within the 3.9% to 4.1% range. On the revenue side, managerial revenues are expected at approximately R\$ 4 billion and net interest income should reach approximately R\$ 2.1 billion. Gross profit is guided at approximately R\$ 1.3 billion. On profitability, we expect a strong pretax earnings expansion. IFRS earnings before taxes is guided at approximately R\$ 360 million, 34% higher sequentially and adjusted EBT at approximately R\$ 378 million, up 30% from the second quarter of 2026. At the net income level, however, it's important to provide context on the sequential dynamics. IFRS net income is expected at approximately R\$ 255 million, down 5% sequentially and adjusted net income at approximately R\$ 265 million, 6% below the second quarter. This decline is not driven by any operational deterioration, quite the opposite. In the second quarter, we benefited from a significant positive impact from the Lei do Bem. A recurring tax incentive that this year was heavily concentrated in the second quarter, materially reducing our effective tax rate in the period. In Q3, our effective tax rate will normalize back to levels consistent with the first quarter of the year. With that, I will now hand the call back to Eduardo Chedid for his closing remarks.

Eduardo Chedid | PICPAY: Thanks, Cazotto. Before my closing remarks, I want to highlight a milestone that deserves attention on its own. After obtaining approval from the insurance regulator, the antitrust authority, and the Central Bank, the acquisition of Kover was finalized on August 3rd. This is not just an M&A transaction. It's a strategic acceleration of our insurance ambitions. Kover brings a full-service insurtech platform with over 100 products, a senior executive team with over 20 years of track record in insurance,

and established distribution channels that complement our own. The economics are compelling, and we expect a meaningful incremental contribution to PicPay's bottom line from August to December 2026.

But what really excites me even more is the strategic fit and opportunities in the coming years. For the insurance products that Kover sells through other channels, we'll now capture the full economics and be able to develop more customized products for our client base. Furthermore, around 70% of Kover's business is done with high-quality partner distributors, and we expect that channel to keep delivering. With Kover, we now have the product development speed, the underwriting expertise, and the distribution reach to turn insurance into an even more meaningful recurring earnings stream. We're maintaining Kover's independence and strengthening its partnerships. This is just the beginning of a new phase, and it's already marked by a change of brand. Kover is now Kev.

Let me leave you with six points that summarize where we stand. First, the macro outlook. While delinquency remains elevated, recent trends point to stabilization; the economic scenario continues to offer important support for credit quality. The labor market remains highly resilient, with unemployment near historic lows and more than 103 million people employed. Real wage income reached approximately R\$ 380 billion as of June, up 3.6% year over year. Notably, net formal job creation was concentrated in income brackets earning up to two times the minimum wage, with more than 160,000 new positions generated in that segment. While economic activity is showing gradual deceleration as expected under contractionary monetary policy, growth remains positive. Our scenario does not contemplate an abrupt employment deterioration, but rather a progressive normalization with resilient income and moderate expansion, which reduces the risk of a systemic deterioration in households' repayment capacity and positions PicPay well for the quarters ahead.

Second, asset quality. Our portfolio remains resilient by design, supported by greater exposure to secured and partially secured products, disciplined underwriting and robust risk management following our credit fundamentals of a balanced portfolio, loss absorption ratios between 40% and 60% and ROEs above 30%. The increase in NPL over 90 days reflects portfolio aging and intentional risk-taking in payrolls, not deterioration. Early delinquency improved to 7.5%. Coverage ratios are robust, and the underlying quality of our origination remains strong. All of this while maintaining the same risk appetite and targeted risk-adjusted returns.

Third, private payroll loans. This product is scaling with attractive economics. We have reached more than 3.6 million contracts since inception with very healthy marginal ROEs and stable over 30-day NPL metrics on both the standard and the growth portfolios. That is supporting profitable growth in partially secured lending. Fourth, non-credit revenue. It's up 57% year over year, underscoring the strength of our broader platform monetization beyond credit-related revenue streams. Fifth, small and medium businesses. This segment is gaining scale, relevance, and customer traction with increasing potential to contribute meaningfully to future growth. And sixth, Kover. The acquisition accelerates our insurance ambitions, creating opportunities to develop products and expand penetration, capture additional economics within our customer base and also through distribution partners. It should unlock a meaningful and recurrent contribution to earnings growth.

Finally, we beat guidance on all major metrics this quarter. We are confident in our ability to deliver sustainable, profitable growth and create long-term value for our shareholders. We will move with urgency but never at the expense of quality or trust. Thank you, and we'll now open the line for questions. Operator?

Operator: We're going to start the question-and-answer session for investors and analysts. If you wish to ask a question, please click on raise hand. If your question has already been answered, you can leave the queue by clicking on put hand down. To send your question by text, just click on Q&A button. The first question comes from Mario Pierry from Bank of America.

Mario Pierry | Bank of America: Hey, guys. Good evening. Thank you for taking my question. Cazotto, congratulations on the new role. Let me ask you two questions. First one, on Desenrola. I think you made it clear, right? The 117 basis points benefit to NPL and about a 5% reduction in the cost of credit. So that's about R\$ 59 million. Are there any other benefits from Desenrola? My understanding is that the program was extended, right? So should we expect further benefits in the third quarter from that renegotiation program? And then I'll ask the second question later. All right.

André Cazotto | PICPAY: Thanks, Mario. Thanks for your question. Let me try to reinforce the messages that we just shared in our conference call. So yes, in terms of cost of risk, the Desenrola generated a positive impact of approximately R\$ 59 million, which is equivalent to around 5% of our total cost of credit in that quarter. On the NPL over 90 days, the program reduced the ratio by approximately 117 basis points, partially offsetting the impact from the portfolio aging and the seasonality. Desenrola also helped the stage 3 formation, just like we said in the conference call; approximately R\$ 520 million of loans were renegotiated on a gross basis, applying an average discount of 50%, basically reducing the outstanding balance by around R\$ 260 million, directly lowering the balance contributing to stage 3 formation. So as a result, the ratio declined from 3.9% to 3.65%. Excluding the Desenrola, stage 3 formation, let's say that the ratio would

be close to 4%, broadly in line with previous quarters. For Q3, yes, we are expecting some additional positive impact from Desenrola, but more limited. I think that we have a much higher impact in the second quarter.

Mario Pierry | Bank of America: Okay, I think that's clear. Now, one thing that surprised us on the results was the funding cost. It came a little bit higher than what we had in our models. When we look at your deposits, right, they're growing slower than your loans. And you talked about, right, you are issuing other sources of funding. Can you just talk a little bit about the ability to continue to grow deposits from your existing clients?

André Cazotto | PICPAY: Thanks for your question. Yes, I think we're very comfortable with the level of deposits that we're capturing on our platform. We are expanding our capabilities. Like we said in the conference call, slightly increasing our cost of funding from 94% to 96.2% is primarily driven by the issuance of our FIDC. That's basically backed by our FGTS portfolio. We're also accessing other funding capabilities in capital markets. We are increasing, let's say, the feasibility of our customer base, so our platform is gaining more transactionality. We continue to grow the cash-in around 20% year over year. So more and more, we are converting more cash into deposits. So we feel very comfortable in keeping growing our deposit franchise going forward. We're expecting to keep, let's say, the funding cost around 95% of CDI in the coming quarters. So we do believe that we can continue to grow, access new lines of funding and still deliver a very healthy cost of funding in our operations.

Mario Pierry | Bank of America: That's very clear. Thank you.

Operator: Our next question comes from Dan Dolev from Mizuho.

Dan Dolev | Mizuho: Guys, can you hear me?

PicPay: Yes, we can.

Dan Dolev | Mizuho: Hey, great results. Congrats, Cazotto, on the new role. Very much looking forward to you in this role. I have a question on AI. You showed a lot of very exciting products on the agentic side for AI. Can you maybe, Cazotto or Eduardo, can you comment a little bit about those products? We found it very interesting. Thank you.

Eduardo Chedid | PICPAY: Hi, this is Eduardo. I could comment, but I think that I'll pass that to Danilo. He is actually heading the AI initiatives here. We'll be able to give you a more, let's say, deeper understanding of all the dimensions we're going through.

Danilo Caffaro | PICPAY: Well, first of all, our AI strategy is actually tackling two different pillars. The first one is customer-facing products. The second one, a little bit, is around our AI operational capabilities. For the agents that we mentioned throughout the presentation, it was focused on the first one, the customer-facing products. That's the ones that we have the goal to actually empower our customers anywhere they need it. We mentioned the agents for consumers that are actually on our second generation, and they're actually able to not only answer questions but actually execute tasks, like pay bills, send PIX transactions, and manage savings, negotiations, and so on. All of that, of course, we have the user's confirmation in every transaction, but it's actually more than 72 skills that we are releasing to our customers. The agents actually can execute multiple sequential tasks for the customer, right? And then also, it lives now in multiple channels, not only on our app but also on WhatsApp. And as we mentioned, we were the first Brazilian bank to actually have it available on both. And so that's for the consumer.

We also mentioned around small and medium business agents, marketing agents that are actually able to create, distribute, and convey for our small and medium business clients to our customer base based on the location of the business. That's the one that we just launched, and we shared some of the first week's results. But we also have the agentic agents for our internal operational capabilities. So, at the beginning of the year, we actually developed our own proprietary platform, our AI harness, around some of what we think is the key in order to extract value from the AI agents. So, we built a platform that has our model routing, caching, a lot of governance layers. And because of that, we were actually able to reduce our token costs by 70% from the beginning of the year to now. And that actually enables us to maintain access to the best frontier models without scaling total token costs because of that. And we're using it in different areas. So, we're using it in credit. So, we're just rolling out our proprietary foundational model for personal loans underwriting. That's a model that we expect to have something around a 15% to 20% benefit from the previous work. We also have agents and people using our internal platform for product development. So, the AI is supporting coding, designing, and QA testing. And nowadays, approximately 90% of our employees are actively using our AI platform, most of them using it daily. We have, from the beginning of the year, around 30% of employees that are contributing with deployments, real deployments for PicPay products. And most of them, such as myself, wouldn't be able to contribute without the AI, right? Because we're not actually coders, but now that's possible. So, we're having more and more people contributing with real products. And the number of employees actually doubled from the beginning of the year because of

that for the team. And we're doing some very good stuff in Gen AI as well, and we'll be able to benefit from that, and also leverage our operational efficiency.

Dan Dolev | Mizuho: Great. Well, amazing stuff. And congrats again, really strong results.

Operator: Our next question is from Gustavo Schroden with Citi.

Gustavo Schroden | CITI: Hi, good evening, guys. And congratulations on another quarter of solid results, and congratulations, Cazotto, on the new role. Let me concentrate the first question that I have on the private payroll loans. You've continued to grow this product at a very strong pace. Even though it is considered a secured product, we've seen delinquency trends worsening, and in some cohorts, the NPL ratio is starting to get closer to what we see in unsecured personal loans, according to the Central Bank data, right? So, I mean, how are you thinking about the risk-reward balance in this private payroll today? And are you considering being more selective or adjusting your risk appetite in this product going forward? So, and why do you think that the consolidated data from the Central Bank is pointing to this faster deterioration in this product? So this is my first question, and then I do my second question later. Thank you.

Eduardo Chedid | PICPAY: Hi Gustavo, Eduardo here. First of all, I think that we haven't seen any deterioration at the same risk profiles. What we have seen in our case, and it's there in the presentation, is that we're actually opening intentionally to riskier profiles, which, on average, you will see the NPLs going up, but not a deterioration on the same risk profiles. If we look forward, and I'd say that this is the kind of philosophy we've been adopting for all products, every gain that we are actually getting from our new models, we're actually not, let's say, deploying that into further growth, but basically maintaining origination, but with the gains of the models so that asset quality remains, let's say, in control. If you look at the Central Bank data, I think it also is a reflection of, if you look at the previous product, it only catered for very large companies. Now, this is a product that's mainly due to the new way of doing it. People are actually extending that to also smaller companies, and that's a benefit of the centralized system. So, as you are actually getting more companies and more employees of those smaller companies, it's very hard to compare the previous product with what you have now going on.

André Cazotto | PICPAY: Gustavo, if I can just, sorry, just to compliment here on this deliberate strategy of taking incremental risk in very specific and selected customer segments, it's very important to highlight that our risk framework remains unchanged. So, we continue to target the loss absorption ratio between 40% and 60%, and our ROEs are above 30%. So, that's very important to highlight.

Gustavo Schroden | CITI: Okay, cool. Thank you, guys. There's a follow-up here, two follow-ups on this private payroll. Have you seen an improvement in the operational issues that we saw a few months ago, and if you can share with us what the cost of risk level is that we have in this product?

Eduardo Chedid | PICPAY: Gustavo, on the operational issues, I'd say that we went through three stages. So, the first stage, where we had huge operational issues, in the beginning, we were seeing FPDs around 17%. Then, we went through a cycle, a second momentum, basically where we diminished originations very much so that we could see the operational issues being solved. Some of them were solved by the centralized system. Some of them were solved by workarounds that we've implemented ourselves. At the same time, I think we're in the third or fourth different concept, fourth evolution of the concession model, which also helped us basically get to the third phase, which is expanding the product. If you're mentioning any, let's say, large gains from last quarter to this one, I wouldn't say that. If you look at guarantees, as well as the automatic payroll relinkage, we're still not underwriting as if they were meaningful. And so, that means that we still think that those were not meaningful enough so that we could take that into consideration. And in terms of the cost of risk, it's basically in line with other, let's say, public peers that published this number recently. So, we can say that around mid-two, I think, on an annual basis.

Gustavo Schroden | CITI: Well, thank you, guys. It's still on asset quality, just to finalize here. What are your expectations for the trajectory of NPLs, sorry, 90 days NPLs and stage 3 over the next quarter? So, should we expect some further normalization as the portfolio matures? Or do you believe current levels are already broadly representative of the underlying credit performance?

André Cazotto | PICPAY: Let's say that we are still expecting NPLs to continue to be impacted by the aging effect, right? So, we are expecting, by the end of this year, the NPLs over 90 days to be more around, let's say, low teens. So, basically, converging to something similar to what we have on our stage 3 over the total credit portfolio. Remember that stage 3 is a pre-NPL metric, and it's pretty much absorbing, let's say, all the credit impaired that we have in the model. So, basically, we believe that this could converge to a level similar to what we have currently on stage 3 over the total credit portfolio by the end of this year. But again, we are not seeing deterioration. It's basically the portfolio aging, the growth that we have on probably the second company prepared to operate private payroll loans in Brazil. So, naturally, that portfolio continues to age and impact this metric going forward.

Gustavo Schroden | CITI: Okay. Got you. Thank you, guys.

Operator: Our next question is from Ricardo Buchpiguel from BTG.

Ricardo Buchpiguel | BTG Pactual: Hi, everyone. Thanks for the opportunity to ask questions. I have just one follow-up here on private payroll. With the increasing concerns about the macro environment, higher unemployment has become an important risk. We have been discussing with some investors on private payroll, in particular, because it has a higher duration. So, could you comment on what level of unemployment would make you more concerned about the profitability of the product? What would be a level where the profitability would be closer to break-even in your view, depending on the rise in unemployment? Thank you.

Eduardo Chedid | PICPAY: Okay. Thanks for the question. I think that I'm going to answer, I would say, not as you are expecting, but trying to get to the same answer, right? So, if you look at our credit approach, it's primarily based on the loss absorption indicator, right? So, for private payroll loans, in order for those vintages to break even, we could withstand an increase of up to 70% in the product's delinquency rate. So, meaning that my expected losses could actually grow 70% and I will still be on a break-even condition. Now, talking about unemployment. And if you look at that, market consensus and Focus projections currently actually expect unemployment to remain pretty stable and quite healthy. And basically, growing from 5.4% to around 6% through 2027, which kind of reinforces our view of a structural floor under household income rather than any sudden labor market deterioration. Even if we look at the most pessimistic scenarios in the Focus survey, unemployment will peak at levels back around what we saw through 2024, something between 6.5% and 7.2%, meaning that even under stress scenarios, we're talking about historical levels that didn't mean a heavy deterioration on credit or household repayment. Obviously, we keep dynamically looking at those projections. And as I told you, we're currently using gains from our concession model more to actually keep the levels of originations than to actually grow originations. So, that's how we feel about it.

Ricardo Buchpiguel | BTG Pactual: That's super clear. And if I may do a second question, if you could comment on what your expectation is for the bottom line in 2026, now that you will be consolidating COVER, any sense on how much COVER could eventually contribute in the second half of the year would be very helpful for us here. Thank you.

André Cazotto | PICPAY: Okay, let's talk about the Kover acquisition, right? And Kover now is called Kev. So, Kev will be consolidated from August 3rd. Our expectation is something between R\$ 80 million and R\$ 100 million in net income contribution for the August-December period. So, that's basically what we're sharing on Kover for those five months of the remainder of the year. And, well, we also shared third quarter guidance. So, that's about what we can share right now.

Ricardo Buchpiguel | BTG Pactual: That's clear. Thank you very much.

Operator: Our next question is from Dan Perlin from RBC.

Dan Perlin | RBC Capital Markets: Hey guys, good evening. And thanks for taking my question. I just had a little bit of a follow-up on the ARPAC. It remains very strong here again. And your monetization rate continues to improve. I wonder if you could just kind of revisit the strategy, like the go-forward strategy, and maybe how some of that dovetails into the product roadmap and mix shifts that you're seeing in the business. Clearly, it's moving in the right direction. But I'm just making sure I understand the more or less the same story moving forward.

Eduardo Chedid | PICPAY: So, it is still basically driven by more penetration of our products. And mainly that, instead of being new clients, we are heavily concentrated on cross-selling those products, mainly, let's say, credit and insurance products, into our user base. This is what's primarily driving growth in ARPAC. At the same time, you can see that our cost to serve is growing at a much lower pace. ARPAC is growing at 52% while you have cost to serve growing at a 13% rate year over year. And most of that growth in cost to serve is mainly driven by the adoption of new products. So, I'm just trying to give you other proof points that this is what's actually driving all of that ARPAC growth. If you look at more mature cohorts, you will also see ARPAC more than doubling if you compare to the average ARPAC, which just reinforces the thesis that cross-selling more of those products, especially credit products, will be the key driver for further increasing ARPAC ahead.

Dan Perlin | RBC Capital Markets: Great. And then just real quickly on Kover, I heard you on the contribution from August to December in terms of net income. Is there a revenue number that you're also attributing to that that we can just make sure we're level-setting appropriately in the model? Thank you.

André Cazotto | PICPAY: Dan, we're not, we don't have that figure right now, but we can share it later.

Dan Perlin | RBC Capital Markets: Okay, understood. Thank you.

Operator: Our next question is from Neha Agarwala from HSBC.

Neha Agarwala | HSBC: Hi, thank you for taking my question. I actually have three quick questions. First one on the operating expenses, there was a bit of a jump in Q2. I believe there were some extra marketing expenses that you undertook in Q2, and your guidance implies a sequential decline in Q3. Could you just share a bit more color on the trend for OPEX growth that we should expect going forward and what the one-offs were in Q2? My second question is on risk-adjusted margins. So on the reported numbers, it went down 20 basis points. But if you adjust for the Desenrola benefit, it probably is around 11.3% in risk-adjusted margins. What should we, what trajectory should we assume in the coming quarters? And where should this adjusted margin stabilize for you? And my third question is on the write-off policy. Could you remind us of your write-off policies, and has there been any change lately to that? Thank you.

André Cazotto | PICPAY: So Neha, thanks for your question. Let me start from the last one. Our write-off policies remained unchanged at 360 days for both credit cards and personal loans. On the risk-adjusted margin, we're expecting stabilization for Q3 compared to what we did in the second quarter, around 12.1%. And in terms of efficiency, we had the anticipation of R\$ 30 million in marketing expenses this quarter. We decided to anticipate because of the World Cup. We took a decision to accelerate some initiatives on marketing for very specific products like the iGaming platform that we have and other initiatives that we saw the opportunity to accelerate. So we should expect some, let's say, better benefit from lower marketing expenses compared to the second quarter in Q3. In terms of the overall efficiency, we are in a very healthy trend. As you can see in the quarter, our efficiency ratio reached around 44%, and coming down more than 200 basis points sequentially, we're expecting that trend to continue going forward. We are seeing AI accelerating our operating leverage opportunities. Headcount is pretty much flat since October 2025. If you remember, we were expecting to grow headcount by around 10% this year. It's not happening because of AI and all the initiatives that we have. So we believe that we can deliver our efficiency ratio around low 40s, high 30s, by the end of this year. Contemplating many initiatives that we have, including AI opportunities. On the, let's say, personnel expenses, but also on tech expenses as well.

Neha Agarwala | HSBC: Perfect. I just have a quick follow-up there. On the risk-adjusted margins, you mentioned you should expect it to be around 12.1%. So if you exclude the Desenrola benefit from my calculations, it's around 11.3%. So you expect a rebound in Q3 and for it to stay around the 12% range. Is that right?

André Cazotto | PICPAY: Correct. We're expecting in Q3 risk adjusted margins to remain the same, let's say, pretty much flattish sequentially. We do have some impact from Desenrola in Q3 as well, but, like we said, it's a bit more limited than in the second quarter. But yeah, we are expecting this ratio to be around 12.1%, pretty much in line with the previous quarter.

Neha Agarwala | HSBC: And what would be the drivers for that? Because based on your guidance cost of risk will continue to inch up quarter on quarter. So what would be, and deposit costs will probably be around the same level, not much improvement based on your comments earlier. So what would be driving the improvement or stability in NIMs, excluding the Desenrola impact?

André Cazotto | PICPAY: Yeah, basically a mix effect. We are, like we said, growing slightly lower on more, let's say, segments that we are okay in terms of capturing incremental risk. So we do have this risk-adjusted strategy in the business. Funding costs should be slightly lower compared to this quarter. So we did 96.2% of CDI in the quarter; we're expecting probably Q3 to be more in the range of 94%, 95%. So it's another, let's say, improvement that we can see on this risk-adjusted margin.

Neha Agarwala | HSBC: Okay, perfect. Thank you so much for the answers.

Operator: Our next question is from Craig Maurer from FT Partners.

Craig Maurer | FT Partners: Hey guys, thanks. Again, congratulations, André. I just wanted to ask, with the growth you're seeing in payroll loans, what are the attachments you're seeing in other products once you've made those loans- credit cards, other offerings? Thanks.

Eduardo Chedid | PICPAY: Hi, this is Eduardo here. First of all, if you look at our, let's say, the average ARPAC on clients with that product, it's 8.9 times higher than that of the average client in PicPay. And that's driven by both the product itself, but also, let's say the attachments, as you said, that he basically gets. And if you look at the cross-selling, it's 30% higher than what we have for average customers. And that includes many different products. But on average, 30% higher than our average client. So it's also, let's say, it boosts not only ARPAC, but also adoption of other products.

Craig Maurer | FT Partners: Thank you.

Operator: I would like to remind you that to ask a question, you need to click on raise hand. The question and answer session is over. We would like to hand the floor back to Mr. Eduardo Chedid for the company's final remarks.

Eduardo Chedid | PICPAY: So guys, thanks again for being with us in our third call. We remain confident here on the year-end results. We finalized the Kover acquisition, which was an important milestone, not only for this year, but for the coming years as well. And well, let's see if we can surprise you next call again. Thank you.

Operator: PicPay's conference is now closed. We thank you for your participation and wish you a nice evening.