Conference Call 3Q26 – Eztec

Introduction

Pedro Lourenço:

Good morning, ladies and gentlemen. Welcome to Eztec's third quarter 2026 earnings conference call.

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

Hello, I am Pedro Lourenço, Corporate Finance and IR Manager of the Company, and joining us for this presentation are Mr. Silvio Ernesto Zarzur, President and Member of the Board of Directors; Mr. Flávio Ernesto Zarzur, Chairman of the Board of Directors and Vice-President of the Company; Samir El-Tayar, Vice-President of the Board of Directors; Marcelo Ernesto Zarzur, Vice-President of the Company; Marcos Ernesto Zarzur, Member of the Board of Directors of the Company; and Emílio Fugazza, Chief Financial Officer and Investor Relations Officer.

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

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

Information is available in Brazilian Reais (R$), under IFRS applicable to real estate development entities in Brazil. Otherwise, it will be indicated.

Before we begin, I would like to mention that any statements made during this conference call regarding Eztec's business outlook, such as projections, operational and financial targets, represent the beliefs and assumptions of the Company's management, as well as information currently available.

Forward-looking statements are not guarantees of performance; they involve risks, uncertainties, and assumptions, as they refer to future events and therefore depend on circumstances that may or may not occur.

Investors should understand that general economic conditions, industry conditions, and other operational factors may affect Eztec's future performance and lead to results that differ materially from those expressed in such statements.

Now, I would like to hand over to Mr. Emílio Fugazza, Chief Financial and Investor Relations Officer, who will begin our presentation. Please, Emílio, go ahead.

Earnings Presentation

Mr. Emílio Fugazza:

Thank you, Pedro. Good morning to everyone here at our earnings conference call for the third quarter and the nine months of 2026.

I will begin right away by discussing the Company's launch performance, where we reached R$ 2.424 billion in the nine months, growth of approximately 50% compared to the same period of 2025, the largest launch volume ever recorded for a nine-month period at Eztec, with R$ 727 million launched in the third quarter itself.

Within these R$ 727 million, we can begin by looking at Cidade Parque Guarapiranga, the Atlântica phase of this development, 50% owned by Eztec and 52% sold to date. It is an economic segment development, with apartments from 27 to 48 m², in the South Zone of the city of São Paulo.

Next, we also have the launch of the second phase of Azzure Resort Life. Azzure is a 100% Eztec development in the city of Osasco, very close to the main entrance of Cidade de Deus, Bradesco's headquarters. The second phase has 211 units, with apartments from 63 to 120 m², a development with exactly the characteristics of the Company's typical developments.

Next, the second phase of Gran Resort Reserva São Caetano. That is R$ 250 million in PSV. Remember that this development is 100% Eztec. And, of our São Caetano land as a whole, we have already launched three quarters, with one large phase remaining to be launched in 2027. This phase has 219 units, also aimed at the middle class, from 68 to 134 m².

Next, I will tell you a little about our upcoming launches, starting with Town Residences by Lindenberg. Town is the second phase of the Company's land in the Berrini region, specifically on Roque Petroni, very close to Shopping Morumbi. It is an upper-middle segment development, with smaller apartments, in the South Zone of São Paulo.

This phase to be launched has R$ 339 million in PSV. I remind you that, in this specific case, this land, this SPE and, therefore, this launch are 85% Eztec and 15% Construtora Adolpho Lindenberg, a jointly controlled company of Eztec. I also remind you that, taking into account the launches we have already made, we are very close to the minimum level of the Guidance we committed to for 2026, which is R$ 2.5 billion.

Wrapping up our upcoming launches for 2026 – and with that we close our year –, we have POP Osasco, second phase, a Minha Casa Minha Vida development, with R$ 117 million in PSV %Eztec. It is the second phase of a development with three phases in total, very close to the Rodoanel, where the first phase is already more than 50% sold, with construction work underway.

I now move on to net sales. Note that net sales in the third quarter were R$ 524 million, and over 12 months we reached R$ 2.354 billion. In the annual comparison, this already shows growth of approximately R$ 600 million from one year to the next, on a 12-month basis.

It is important to highlight here ready inventory sales, which in the nine months of 2026 grew almost 65% compared to what we obtained in the same period of 2025.

I now turn to the Company's financial highlights, starting with net revenue. Over 12 months we had approximately R$ 1.3 billion, and in the quarter specifically we reached R$ 346 million.

Nothing atypical: what we have is a year that depends much more on construction execution, and we are at the initial stage of most of the launches made, launches carried out with great success in 2025, which are now gaining traction in the construction work taking place in 2026. It is naturally expected for the Company that the increase in revenue will occur as construction work also gains traction.

In the quarter, we fulfilled the suspensive clause of the Casa Nacional development, which is, indeed, the first phase of the launch in the Berrini region, our Roque

Petroni development that I mentioned a moment ago. With that, net revenue for the nine months of 2026 stands at around R$ 1.046 billion.

Gross margin in the third quarter specifically was on the order of 33.7%, without any specific non-recurring effect. When I look at the second quarter, for example, we saw there the effect of land sales, which passed through revenue and, therefore, through the Company's gross profit, atypically raising the Company's gross margin in the second quarter.

I would like to remind everyone that the Company's REF margin is very similar to the adjusted gross margin, ex-financial charges, where you can see something closer to 37%, which is what should be expected, as, in the earnings release itself, we show the recognition of results by vintage being recognized in our results.

Next, I will mention the events of the quarter, because, broadly speaking, they impact our other income and other expenses line. In terms of land bank, we had two significant events in the quarter.

The first of them is the sale of land within an SPE, land that was recorded as leased for the Company and had been leased for more than 17 years. This sale took place for approximately R$ 78 million and, in practice, resulted in R$ 72 million in results, that is, in net income for the Company.

This net income will be paid on a financed basis, at a rate of IPCA + 10.25%, over 15 years. It is important to mention that part of the tax is recorded in the deferred Income Tax and Social Contribution line, which will be paid or offset against the Company's expenses over these 15 years, as this cash is received.

On the expense side, it is important to mention the provision related to the Extra land. In the quarter, the Company withdrew from the acquisition of the Extra land, on Marginal Pinheiros, and R$ 50 million are amounts actually incurred: R$ 20 million in expenses and R$ 30 million in acquisition payments. Regardless of whether this is something we will actually recover or not, it is natural and necessary for the Company to make a provision, given the withdrawal from this acquisition.

With that, we have a positive impact in the quarter, between other income and other expenses, of approximately R$ 18 million. Without these events, the Company's EBIT, earnings before interest and taxes, would have been exactly the same as in the second quarter, around R$ 48 million.

To close this slide, we cannot fail to mention Esther Towers. Esther Towers, with its material fact already published in the third quarter, had its lease ratified, a lease to Banco Itaú, carried out at a price of R$ 120.00 per square meter, this being the revenue at its natural run rate, obviously after the grace period and ramp-up discounts. It is a 10-year contract, renewable for another 5 years, which will soon begin to be reflected in the Company's results.

Mr. Silvio Ernesto Zarzur

May I help, Emílio? I just wanted to help with one thing. We have a grace period – they have an initial grace period on rent payments –, and we also have an initial discount in this contract. Just so you have that reference as well. Please, Emílio, go ahead.

Mr. Emílio Fugazza

Thank you, Silvio.

Now, the financial result. It is important to mention R$ 49 million in the financial result, mostly impacted by IGP deflation in the period. 56% of the portfolio is indexed to IGP, and we had something close to 0.8% IGP deflation in the period: positive for IPCA, negative for IGP. With that, our financial result accumulates approximately R$ 219 million, a significant part of it coming from our direct receivables portfolio.

Note, in the chart on the right, that we are closing the nine months of 2026 with R$ 801 million, composed of R$ 227 million in new direct receivables (AFs) originated in the period and R$ 159 million in amounts paid. So, note the good health of our direct receivables portfolio, where approximately 30% of the balance with which we started 2026 was paid off by our clients over the nine months of 2026.

Next, we arrive at net income of R$ 85 million, impacted by all the effects mentioned, and, looking at 2026, in the nine months, we are reaching R$ 316 million. And these R$ 316 million, with R$ 85 million in the period, lead us to a dividend distribution of R$ 20 million, approximately R$ 0.07 per share, which will be paid, as we have done for some years now, at the end of November 2026.

To close and hand over to our President for his remarks on the quarter, I will mention our capital structure, composed of approximately R$ 1.8 billion in cash

and cash equivalents and approximately R$ 1.7 billion – almost R$ 1.8 billion – in debt.

In the case of cash and corporate debt, Eztec S.A. carries a little over R$ 400 million in net cash. The Company as a whole has R$ 53 million in net debt, logically, largely linked to credit for production, where the largest credit for production we have maturing, now at the end of 2026 and the beginning of 2027, is the Esther Towers financing, of approximately R$ 550 million.

That said, I hand over to our President for his opening remarks before the questions. Silvio.

Mr. Silvio Ernesto Zarzur

I would like to say good morning to everyone, thank you for attending, and make a few remarks.

Who is Eztec's client? Our client is not the very high-income client who has money invested in CDI. Nor is it the client who receives Minha Casa Minha Vida. Our client is basically middle-income. And they have been impacted by three, four years of high interest rates. This ended up, let us say, compromising their purchasing power. We see this in household indebtedness, in how it stands here in Brazil. So, that is the first point.

The second point is interest rates. Our client uses financing. So, when you have bank financing with interest rates above 12%, it is very difficult for them to obtain that financing and keep up with the installments on the apartment they want to buy.

The Company has a relative exposure to Minha Casa Minha Vida, where we are investing, but, when we look at it within the Company as a whole, it will take some time. We are investing in it and we will expand it. We already have a considerable land bank – I do not have the figure off the top of my head, but it is above R$ 2 billion for Minha Casa Minha Vida. But, to run this operation properly and for it to generate relevant revenue, it will take some time.

In the high-income segment, we have exposure together with Lindenberg and on our own, but, again, it is not that representative on our balance sheet.

So, when we look at this scenario, in the Minha Casa Minha Vida work, it really is a bit more difficult. We will make extensive use of our financing capacity to provide direct financing. We are already using it and will use it extensively.

These factors I mentioned first impacted third quarter results. The third quarter was impacted by our clients' problem, by the rise in interest rates. We had to give a bit more discount and had a bit more difficulty in sales speed. We canceled some launches this year, right? Emílio is saying that we will be at the lower end of the Guidance. It is not for lack of capacity, nothing like that. It is because we understood that we need to focus on what we are doing now.

But, that said, I will say the following: the Company, with a lot of work from Marcelo and Flávio, managed to lease Esther Towers, an important contract, which has the grace periods I mentioned, which has the initial discounts I mentioned, but which, over time, will bear fruit as important revenue for the company. And, at the appropriate moment, which I do not see as near, we will give it liquidity, we will turn it into money, because the company's objective is selling real estate, not leasing.

So, speaking of this overview: when you look at what has happened to us, in terms of the stock market and everything, it is based on the general belief that we will continue to have a financial imbalance regarding interest rates. Even with this negative scenario, people are making forecasts. I do not make that kind of forecast, because I do not think it is up to me to be certain about what the government will or will not do.

But we have to prepare for different scenarios, and we are prepared. Even in this somewhat more difficult scenario, we will get through it and come out well at the end of all this.

It is not an easy situation, but we have been through it other times and we will get through it calmly. We have a mature, balanced company, and I think we can get through it. Actually, I do not just think so: I am absolutely certain that we can get through this calmly. Basically, that is what I wanted to say.

Q&A Session

Pedro Lourenço

Thank you for the presentation, gentlemen. We will now open the Q&A session.

We will begin with questions from the sell-side analysts who cover the Company, following the previously established order, provided the representative has the Raise Hand feature active.

To the extent time allows, we will also take questions submitted via chat. If we are unable to answer within the allotted time, please send your question to the IR contact e-mail, also available on our website. That way, our Investor Relations team will be able to assist.

Our first question comes from Mr. Gustavo Cambauva, from Banco BTG Pactual. Mr. Gustavo, please go ahead.

Gustavo Cambauva, BTG Pactual

Hi, good morning, everyone. I would like to ask two questions here, building on what Silvio said.

Silvio, you described this more challenging scenario, and I would like to understand whether it is already possible to think about next year's pipeline, whether you are already considering some kind of reduction. When we look at the nine months of this year, you grew a lot compared to previous years. Whether you are eventually already thinking about launching less. There was also this withdrawal from the purchase of the Extra land: was it in some way already anticipating this somewhat worse scenario, or was it a specific issue? Anyway, it is more to understand a bit how you see launches in this scenario in which inventories, in general, are somewhat higher and the market a little more challenging.

And my second question is whether you could also talk about Esther Towers, which you mentioned: the lease, this prospect of perhaps carrying the asset on the balance sheet a bit longer, and to understand a bit the price and market dynamics. Eventually, whether you are already working on a sale with a fund, an investor, or whether, at this moment, you have, let us say, taken Esther off the market and will carry the rent for some time, until market conditions improve, or whether you are already working on it in parallel. Anyway, to also understand a bit the timeline for the sale of the towers. Thank you, good morning.

Mr. Silvio Ernesto Zarzur

Let me tell you something: today marks 10 days since the election, and the scenario has apparently changed. Regarding the guidance, I cannot say with certainty.

Unless something different happens – and then I will feel forgiven for having been wrong –, we will certainly reduce it. How much we will reduce it, I cannot say. It will depend, among other things, on an understanding of what is happening, which is not clear. The reduction is clear; how much it will be, I cannot say. The reduction will depend on how the economy as a whole develops.

And then I will let my brothers talk about this, since they were the ones who led all of it. I will just say: at a moment like this, imagining a sale at an interest rate of this size, in a scenario like this, does not seem opportune to me.

Mr. Marcelo Ernesto Zarzur

Gustavo, regarding the sale of Esther, we worked toward it and, at some point, we will work on it. However, as Silvio said, now is not the most opportune moment for this sale, with interest rates at this level. So, we are always open to listening and we will make the best deal for the Company, at the right moment. So, we are not looking to sell right now, but, in the future, yes, we will look to sell, at the opportune moment.

Mr. Flávio Ernesto Zarzur

It is like this: in my opinion, I always try to take it step by step. We have already delivered the first tower to Itaú and we are working to deliver the second tower. At this moment, have no doubt whatsoever, Gustavo, that, with this interest rate, it is not the opportune moment to place it.

We know we have a premium asset, an asset that, honestly, may have equivalents in Brazil, but very few. And this asset will be difficult to replicate at current costs. So, it costs us nothing to carry this asset longer, wait for a better moment, wait for the grace periods to end, wait for Itaú's base to be in place there, to then start looking for alternatives for placing this asset. My thinking, my direction, is for us to proceed at this pace, and we are comfortable with that.

Mr. Emílio Fugazza

Gustavo, did we answer your questions?

Gustavo Cambauva, BTG Pactual

Yes, answered. Thank you, everyone. Good morning.

Mr. Emílio Fugazza

Thank you, Gustavo. Good morning.

Pedro Lourenço

Thank you, Gustavo. Our next question comes from Mr. André Mazini, from Banco Citi. André, please go ahead.

André Mazini, Citi Bank

Hi, team, thank you for the opportunity. Two from me as well.

The first is about the direct financing portfolio, which increased to R$ 800 million: whether, in your view, there is a limit to the size of the portfolio. If you could also talk a bit about its historical performance: it performed well in a cycle of high IGP, high interest rates, etc., but was there any recent deterioration, with the Brazilian population leveraged? It is true that you say delinquency is at 2.4%, stable, but was there also any increase in repossessed units that we would not be able to see? That is the first one.

And the second is about revenue. I think it is still below your expectation of around R$ 500 million in quarterly revenue by year-end – I think that had been signaled on the last call, if I remember correctly. So, to understand whether this deviation from the expected level in the third quarter was more a matter of POC timing and suspensive clauses not being met, or whether it reflects a structurally slower conversion of sales into revenue. Thank you.

Mr. Silvio Ernesto Zarzur

The direct receivables portfolio, we have to use it as a sales tool. If we need more funds, we will be creative and seek more funds to maintain our program, regardless of whether they are necessarily the Company's own funds.

I will let Emílio talk about revenue evolution, but there is one point I would like to draw attention to. We are in El Niño, so the rain was irregular, and the forecast – again, I am not a meteorologist – is for it to continue this way until March. So, there was heavy rain, which delayed the execution of construction work, and this led to lower revenue recognition.

We have the introduction of a work schedule that is somewhat unknown, all very fast. So, we may be impacted. We are already being impacted by weather factors, that is direct.

It is much harder to sell than it was at the beginning of the year. So it is harder to sell, there is a bit more pressure, we operate through all of this. But now I will let Emílio speak. I talked about some factors that had an influence here.

Mr. Emílio Fugazza

Thank you, Silvio. André, starting with the portfolio itself and Silvio's comments, I would like to remind you that the portfolio has been, for more than 15 years here at Eztec, a tool operated to generate sales and, mainly, ready inventory sales.

And what we are noticing is that it remains in a highly stable delinquency situation precisely because the repossession tool – which, as you see, sometimes increases, other times decreases – is an effective tool. So, it does in fact happen; we do in fact have a process that works very well, including from the standpoint of Brazilian legislation.

So, from a practical standpoint, we have a portfolio creation projection for 15 months, through the end of next year, based solely on ready inventory sales, because we do not have substantial deliveries to take place until the end of 2027. Therefore, within this scenario of higher interest rates, it will be a very important commercial tool for the Company itself.

In terms of revenue, the question is simple and ends up being a matter of math, right, André? You have a sales amount of R$ 2.35 billion over 12 months. And it happens that a minority portion of these sales is ready inventory, and it is recognized as revenue immediately. But the rest, which is under construction or at launch stage, will flow through the results. So, it is unequivocal that this revenue will increase over time to reach the sales amount the Company has over the year.

Obviously there are ancillary factors. For example, the fact that, at the moment I recognize a sale, we are at an interest rate as high as today's, with a long-term NTN-B today above 7.5%, between 7.5% and 8%, means that the portfolio's PV adjustment (AVP) is always high at recognition. But that is not what prevents the portfolio from reaching R$ 500 million. The most obvious factors lie much more in the direction of Silvio's comments, regarding the amount of construction execution, which affects our POC quarterly. André, did we answer your question?

André Mazini, Citi Bank

Yes, very well answered. Thank you, team.

Mr. Emílio Fugazza

Thank you, André.

Pedro Lourenço

Thank you, André. Our next question comes from Mr. Igor Machado, from Banco Goldman Sachs. Mr. Igor, please go ahead.

Igor Machado, Goldman Sachs

Good morning, team. Thank you for the opportunity to ask questions. Two from my side as well.

Starting with a follow-up on direct financing: Emílio just commented that it is a very good tool for selling ready inventory, and we saw here, this quarter, R$ 142 million in ready inventory sales. So, I would like to understand, of these R$ 142 million, how much had direct financing from Eztec.

And then, to get a better sense of the operations here as well, if you could quantify: for example, for every R$ 100 million in sales financed by Eztec, how much Eztec receives upfront, how much is the remainder and over what period it is received. If you could give us a sense of that here, it would also help. Those would be the two points. Thank you.

Mr. Silvio Ernesto Zarzur

Igor, thank you for the question. Let me tell you: the percentage of ready-unit sales that ends up in the portfolio varies according to the bank's interest rate. I think today the percentage is higher than 50%. This includes not only sales, but also clients' mortgage transfer at key handover, because the person will no longer be able to fit into bank financing and will turn to us. Normally, this number is lower.

The young man talks about 15 years because he is young, right? We have been working with the direct receivables portfolio here at the company for 35 years, and I have a lot of experience in this; I think we will exceed 50% at this moment.

Mr. Emílio Fugazza

Thank you, Silvio. Igor, I would complement Silvio's answer by mentioning the following to you. For a ready property, the client works as follows: first, they intend to test the market, to find out what rate they would get on real estate financing, for example. So, they will ask us to test it. Even though they sign with us, at the outset, a sales contract with the fiduciary lien already embedded, they will want to run the test.

And what happens is that, with interest rates rising, it does not mean the client does not have credit approved at the bank. It means that, many times, they will not have the full amount of credit they need. That is the difference. So, it often ends up being wrong for us to say they are not obtaining credit. In fact, they are obtaining it, but not the full amount. And then they enter our direct receivables portfolio.

And Flávio always mentions this: our portfolio often works as a bridge for a certain moment in their life. And note that the level of collection on this portfolio, being very high – as I mentioned, 30% in the nine months of the year of what we started with –, indicates exactly that. People, in fact, make an effort to pay and make an effort to prepay.

A property paid in cash is very rare in ready-unit sales. It is a portion of less than 10%. So, in ready-unit sales today, we could consider 10% of properties paid in cash and something like 40% in our portfolio and 40% in mortgage credit, with the portfolio's share increasing and the mortgage credit share decreasing, given the rise in rates that occurred, by the way, recently, after the election. Igor, did we answer your questions?

Igor Machado, Goldman Sachs

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

Mr. Emílio Fugazza

Thank you. Good morning, Igor.

Pedro Lourenço

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

Elvis Credendio, Itaú BBA

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

The first is about allocated capital, the Company's total equity, bearing in mind the market situation you yourselves commented on. You ended up not moving forward here with the Extra acquisition, committing more capital there. Whether, perhaps, you could move in some way even in the opposite direction, perhaps even seeking a reduction of this capital: what are you seeing in that regard?

And the second topic is to understand how you are seeing the use of this capital. On the one hand, you also commented on a possible reduction in launch volume. I want to understand the Company's view in terms of capital allocation, given that the share price has fallen a lot: whether, perhaps, you think it would make sense to open a share buyback. That is it. Thank you.

Mr. Silvio Ernesto Zarzur

It has been 10 business days since the elections, and we have not yet understood what the need for money to finance our client will be. This is still very poorly understood on our side. We do not understand what credit availability we will have next year; we do not know what this credit will be like, whether there will be any, how much it will cost.

We do not have any finalized planning. At least here at the Company, when you have such an abrupt change, we wait. I will just remind you that we do have an open buyback program – we would not have to open one –, but we are analyzing the right moment to execute it. That is it.

Mr. Emílio Fugazza

Elvis, did we answer your questions?

Elvis Credendio, Itaú BBA

It is clear, everyone. Thank you, good morning.

Pedro Lourenço

Our next question comes from Mr. Marcelo Motta, from Banco JP Morgan. Motta, please go ahead.

Marcelo Motta, J.P. Morgan

Good morning, everyone. Thank you for taking the questions.

The first: if you could comment a bit on page 8 of the release, where you have that chart showing the revenue vintages and gross margin. So, to understand whether the declines we saw in the vintages, mainly before 2021, 2022, are partly mix or partly this discount issue that was mentioned in the opening remarks. Just to understand a bit what the driver for this decline was.

And the second question is also a follow-up on what Emílio commented in the opening remarks, about the possible recovery of the expenses on the Extra land. Just to understand a bit what the chance is and how much detail you can disclose on this: is it a legal dispute today? How long could it take and what amount could be recovered? Those would be the two, everyone. Thank you.

Mr. Silvio Ernesto Zarzur

Look, whoever sells the apartment now... Let us put it this way: if we sell an apartment today for 15 thousand per meter, if we fail to sell it for 15 thousand per meter, we will not be able to sell the same apartment next year for 15 thousand. That is, not even at the same price, without adjustment.

So, we have a very objective and transparent concept here. Our objective here is to sell apartments faster. The impression it gives is that, when you sell, at least you index the client and carry the client indexed, if you do not receive the money and manage to invest your amount in CDI. So, discounts are present, and we will act to reduce our inventories and give liquidity to our merchandise, even with the consequence of a margin decline, etc.

That is the immediate idea. Again, I am speaking with 10 days. A month from now, if the scenario has changed, I do not know, we change. It is something we pilot as it happens. What was the other one?

Mr. Emílio Fugazza

The Extra one, the lawsuit.

Mr. Silvio Ernesto Zarzur

Look, it is a lawsuit. It is not that favorable to the Company and not that unfavorable. There, it is in the middle. I can say it is a medium risk. That is the

information I have. And I understand a bit about the legal side; I really think we have a medium risk.

Mr. Emílio Fugazza

May I add something? I will go from Extra to the vintages afterwards. On Extra, I just want to remind you that the R$ 50 million is cash incurred, not cash to be incurred.

It is also important to mention to you that, when you see a growing sales volume, as we have seen over the last two years at the Company, this growing sales volume is within this high interest rate scenario. So, the PV adjustment (AVP) to which it was all subjected is the AVP that leads these vintages to have these margins in the chart you mentioned, around 30% or below 30%.

You can see that our REF, shown later on page 13, our consolidated REF, is around 38%. So, when I look at the consolidated REF of 38%, I still have to apply here the interest that is in this cost, the cost of real estate financing. And then I also have to apply part of the RET taxes. I will arrive at a gross margin that is more or less in line with the gross margin we are reporting at this moment.

What can make this gross margin improve? Naturally, ready-unit sales. And ready-unit sales suffer and have all the consequences Silvio just mentioned. Marcelo, did we answer your questions?

Marcelo Motta, J.P. Morgan

You did, yes, everyone. Thank you very much.

Mr. Emílio Fugazza

Thank you.

Pedro Lourenço

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

Rafael Rehder, Banco Safra

Hey, good morning, everyone. Thank you for the opportunity.

I would just like to address one topic here, talk a bit, perhaps, about cash generation going forward. Correct me if I am wrong, but I believe that, by the end of next year, you have a little less than R$ 700 million in deliveries, right? And the volume of construction work, given all the growth you had this year and last year, should also start to accelerate. Are you expecting a more relevant cash burn? How would this dynamic look going forward? Thank you.

Mr. Silvio Ernesto Zarzur

It depends on our ability to sell ready properties and those about to be ready. So, regarding cash, it is not possible for us to be, let us say, precise. We have a relevant inventory of ready properties and we will have properties becoming ready. If we manage to sell them, we will have significant cash and may even generate cash. If we do not sell, we may have a cash loss.

The idea is that we manage to sell. Our objective, our work, is to manage to sell in order to at least maintain cash. I think that is it.

Mr. Emílio Fugazza

May I add something? Here we go. On the cash generation question, there are some things that are given. We have the repayment of a financing now at the beginning of the year. This financing is R$ 550 million. And, over 2027, we have a significant increase in SFH, precisely because of the amount of construction work in progress. On the debt side, we have increases exclusively through SFH over time. Rafael, did we answer your question?

Rafael Rehder, Banco Safra

Yeah, no, it is super clear, everyone. Thank you. Have a good weekend.

Mr. Emílio Fugazza

Thank you, Rafael. Have a good weekend.

Pedro Lourenço

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

Luis Assis, Santander

Hi, everyone. Good morning.

Here I would like to ask about land bank replenishment, or even the opportunity you see for buying land. I do not know if it is too early to ask, but, with this deterioration in real estate credit, are you perhaps expecting a better opportunity to buy land, or perhaps somewhat cheaper land? That would be the first question.

I think the second is also to understand the client's LTV dynamics. We now have this somewhat higher rate. Do you have any impression that perhaps reducing LTV even further would make it difficult for the client to be able to buy the property, and perhaps this would somewhat reduce the number of potential clients for you? Or are you very comfortable, and your type of client can withstand perhaps even an LTV somewhat lower than it is today?

Mr. Silvio Ernesto Zarzur

We are not comfortable, but we are confident. I even have to apologize. It has been 10 days since the election, which changed the scenario very sharply. And the whole country is at a standstill, waiting to see what will happen. That makes it difficult for us to explain to you, or give you numbers, to be able to answer your questions.

At the moment, as for land, in principle, we are not buying. We will wait a bit. We have not canceled any, we are looking, but we have held back a little to see what will happen.

And, obviously, the rise in interest rates greatly reduces our number of clients. Depending on what the banks do, we will have more difficulty selling. Our client is strongly impacted by bank financing rates, no doubt about it. That is it. We are working on other ways to address this, but the idea is that, if this rate does not ease – if this rate even rises, I do not know –, we will have to face a challenge, which we will also face. But that is the situation.

Mr. Emílio Fugazza

Luis, did we answer your question?

Luis Assis, Santander

Great, thank you, everyone. Good morning.

Mr. Emílio Fugazza

Thank you, good morning.

Pedro Lourenço

Our next question comes from Mr. João Pedro, from XP Investimentos. Mr. João, please go ahead.

João Pedro, XP Investimentos

Good morning, everyone. Sorry, it took a while to unmute the microphone here. There are two from our side.

The first is about the end of the 6x1 work schedule. I understand that the end of this schedule will put pressure on extending construction timelines, all else being equal, if companies want to keep gross margins where they are. But this brings a commercial challenge, with the client having to wait longer to move in. I would like to know how you imagine you and the market as a whole will adjust to this new schedule. Whether it will really translate into longer construction timelines and perhaps a somewhat slower level of revenue recognition, or whether you think delivering the work on the same timeline will become a competitive differentiator, if all the others are extending theirs, and whether this comes at the cost of gross margin. That is the first one.

And the second is about the launch mix strategy. I think it is already clear that, with the data we have today, the trend is toward a reduction in launches. But I would like to understand a bit the mix across income segments: whether, given the scenario we have today, it would perhaps make more sense to accelerate projects in partnership with Lindenberg, to pursue the higher-income segments to shield yourselves a bit and seek more purchasing power, and also whether it makes sense to go into Minha Casa Minha Vida and seek subsidized funding as well. Those are the two. Thank you.

Mr. Silvio Ernesto Zarzur

Minha Casa Minha Vida makes complete sense, right? Now, we are already doing it. We have been preparing to do it for more than a year, but it is not that fast: building the land bank, approving the project, launching the building, setting up the sales company, setting up the engineering company. It is all underway. I think our first launch is in the first half of next year.

And, obviously, it is in the Company's plan to increase the share of Minha Casa Minha Vida within our product mix. That is within the Company's plan. But it is slow, not fast. And it is a challenge, right? We started a business from scratch. We will already have it in the next half and we will keep increasing it.

Now, in the high-income segment, truthfully, we operate there, but we also do not think it will be something that will significantly impact our balance sheet, positively or negatively. I think it is more in this Minha Casa Minha Vida segment that we are betting.

Mr. Marcelo Ernesto Zarzur

The first step of the end of the 6x1 schedule, which is two hours, will increase our cost a bit, which will be reflected in the INCC. So, we will work to ensure this does not delay construction. It will impact cost, we will work to have the differentiator of delivering on schedule, and the INCC will capture this cost increase, if there is one. And construction delays will not happen.

Mr. Emílio Fugazza

João, did we answer your questions?

João Pedro, XP Investimentos [confirmar]

Super clear, everyone. Thank you very much. Good morning to you.

Mr. Emílio Fugazza

Thank you, João.

Pedro Lourenço

Thank you, João. Our next question comes from Mr. Vitor Tapia, from Bank of America. Tapia, please go ahead.

Vitor Tapia, Bank of America

Hi, good morning, everyone.

The first point I would like to address with you here, just to see if I understood correctly: the Esther Towers financing will be amortized with cash – I think that was the message –, this debt will not be rolled over. The point here is: will the balance

of capitalized interest on this financing remain in inventory until the moment the tower is sold, or, when the financing is paid, will it flow through the income statement?

And, still on Esther Towers, the SPE, if I am not mistaken, is Mairiporã – I do not know if I am getting the name right or not –, but is there already any definition on how the tax issue will work? Will it be split in two? Because, if I am not mistaken, in the second year, when both towers are delivered and 100% collecting rent, I think it falls under the actual profit (lucro real) regime. So, these points are about Esther.

And then, about Extra, my second point here, just to make it a bit clearer: I would like to understand the legal basis for this reimbursement, because land prospecting is a recurring operating activity. I did not quite understand where the reimbursement of these R$ 50 million already paid would come from. Those are my points.

Pedro Lourenço

Hello, gentlemen. We had a small glitch here on our Zoom, but we can resume now. We will return to Mr. Vitor Tapia's question.

Mr. Silvio Ernesto Zarzur

Perfect. I will answer the legal question on Extra. Look, it is an extensive contract, a complex contract, and our lawyers understand that there were failures in what they did. It is something very simple and has a legal basis: you buy something; if it is not exactly what you bought and what the other party is going to deliver to you, you can request reimbursement of what you paid. Simple as that.

Mr. Emílio Fugazza

And, Vitor, in this regard, the fact that we made a provision is not meant to lead anyone to say that we will recover the amounts. It is simply our legal duty. We fight for the Company all the time, but the provision means that we have already fully recognized the amounts in the results.

On Esther, the matter is also simple, Vitor. When you produce something with financing, while you are producing it, the interest is naturally accrued to the cost of the product. And we will repay this financing before the end of Esther's

production, because Esther is not finished. It will be finished in 2027. So, no interest will flow through the results before the sale of the asset itself.

Regarding Mairiporã and all the tax implications arising from the lease, it is something the Company has the duty to be permanently working on, thinking about, etc., and it is doing so. But rental income will in fact only begin to occur from 2027 onward, in a staircase, in a ramp-up. So, there is time for all of this to happen. Vitor, that is what we can tell you. Did we answer your questions?

Vitor Tapia, Bank of America

Yes, thank you very much, good morning.

Mr. Emílio Fugazza

Thank you, Vitor.

Pedro Lourenço

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

Pedro Lobato, Bradesco BBI

Good morning, everyone. Thank you for the opportunity.

I would just like to understand with you the inventory level, if you could break it down, both ready and total. Anyway, what level you consider to be the limit for a more conservative measure regarding launches, if that is a metric you look at, just to understand how it stands in that regard.

And the second question is regarding partnerships, right? So, perhaps also to understand a bit more about the mix you expect to work with going forward. The middle-income segment you have been doing on your own, and to understand how you are thinking about the other ends, the economic and the very high-income segments. Thank you.

Mr. Silvio Ernesto Zarzur

Pedro, thank you for the question. It is like this: the inventory level we are willing to accept is already at its maximum. So, in this launch we are about to make, we

will monitor inventory very closely so that it does not increase further, especially in this scenario we see ahead.

So, probably – I am saying all this with 10 days –, we will sell inventory in order to launch. Until we reduce inventory, we will not launch. We will now launch Town, because it already has more than a thousand visits, there are a number of things. And, from then on, to move forward, inventory has to decrease. And it is already at its maximum. Emílio will detail it later. What was the other one?

Mr. Emílio Fugazza

About partnerships.

Mr. Silvio Ernesto Zarzur

Partnerships work like this, look: we are moving toward developing Minha Casa Minha Vida on our own, and we also have partnerships. So, in Minha Casa Minha Vida, we have both: on our own and with partners.

In the high-income segment – I think in the very high-income segment –, we have an exclusive partner, which is Lindenberg. I will remind you that we have a relevant stake in Lindenberg. So, in addition to having a relevant stake with them, we use them, or together we develop projects in which Eztec and Lindenberg are partners. I think that is how we are positioned in the high-income segment: we are moving more toward developing with them than toward making a huge effort to be on our own. In Minha Casa Minha Vida, on the other hand, we will have a sizable company in a few years.

Mr. Marcos Ernesto Zarzur

But we are open to partnerships.

Mr. Silvio Ernesto Zarzur

But we are open. What you are saying is true. We also continue to form partnerships.

Mr. Emílio Fugazza

Pedro, just a reminder: with the amount of launches we had this year, we created approximately R$ 600 million in inventory, and these R$ 600 million are largely reflected in launches. But, from last year, we carry a high amount of deliveries.

Therefore, our inventory, with these deliveries, already stands at R$ 1.1 billion. This is, in fact, the big challenge for 2027, considering interest rates. That is why Silvio mentioned that there is possibly a reduction in the amount of launches for 2027. Pedro, did we answer your questions?

Pedro Lobato, Bradesco BBI

It is great. Thank you, everyone. Good morning.

Mr. Emílio Fugazza

Thank you, Pedro.

Pedro Lourenço

Thank you, everyone. As there are no further questions and the allotted time has elapsed, I now hand over the floor to our management to proceed with their closing remarks.

Mr. Silvio Ernesto Zarzur

Well, I will just make a quick remark. At the next presentation, I think we will be better equipped, more aware, to be able to give you better information. I want you to understand that right now, at this moment, in view of everything that is happening and the uncertainties we have ahead, the Company and I do not feel comfortable stating things to you beyond what we have said. Thank you.

Mr. Flávio Ernesto Zarzur

I also thank you for attending. Again, Eztec continues to provide full transparency on everything it does, on what we are going through. Given our experience in the market, we are very comfortable that we will weather these storms without additional problems.

And so, it is like this: when the tide goes out, we keep quiet during that time; when things improve, we will be able to come out better further ahead. So, that is what we are doing now, waiting for more clarity on what awaits us for the next steps. That is it.

I would very much like all the banks that finance us to pass this interest rate on to our clients. It would be very good. That does not depend on us.

Mr. Marcos Ernesto Zarzur

I will just close here: we have always been through many phases here, the company has an enormous history, and I am sure there will be opportunities, whatever the scenario.

Pedro Lourenço

So, gentlemen, Eztec's earnings conference call is now concluded. Be sure to check out the other materials available on the Investor Relations website, ri.eztec.com.br. We thank everyone for their participation and wish you a great day and an excellent weekend.