

Transcription – 2Q25 Conference – 11/08/2025 – 11 am (local)

Renato Barboza: Good morning everyone, thank you for waiting. Welcome to PDG's conference call regarding the results for the second quarter and first half of 2025. We inform you that all participants will be on listen-only mode during the company's presentation, and after that, we will start the Q&A session. Questions can be submitted during the presentation by clicking the Q&A icon located at the bottom of the platform.

We have with us today Mr. Mauricio Tiso, CEO and Investor Relations Officer.

Before proceeding, we would like to clarify that any statements made during this conference regarding PDG Group's business outlook, projections, and operational and financial goals are beliefs and assumptions of the Company's management based on currently available information. Forward-looking statements are not guarantees of performance as they involve risks, uncertainties, and assumptions, and depend on events and circumstances that may or may not occur. Investors should understand that general economic conditions, industry conditions, and other operational factors may affect the Company's future performance and lead to results that differ materially from those expressed in projections or statements by management.

I will now hand over to Mr. Mauricio Tiso, who will make the presentation. Please proceed, Mauricio.

Maurício Tiso: Good morning, everyone. I would like to start by thanking you all for your presence at this PDG Realty results conference.

Before we move on to today's presentation agenda, I would like to highlight the Company's main strategic focuses for this first half of the year. We have maintained our focus on the Company's operational efficiency, with special attention to the progress of our launches (ix.Tatuapé and ix.Santana).

The construction of the ix.Tatuapé development is currently at 82% physical completion, now in the phase of installing internal finishes and painting the facade. The construction is being carried out within the planned schedule and budget, allowing for the release of financing installments as contracted. The delivery of the development is scheduled for the fourth quarter, and subsequently, we will have the inflow of funds from the transfer of the units.

Regarding the ix.Santana development, we have hired the construction company that will be responsible for the work and, in May, we began work on the construction site. Additionally, we are in the final stages of negotiations regarding the financing for this project.

We continue to develop our pipeline of future launches, seeking strategic partnerships and closely monitoring the market to maximize the success of our projects.

We also maintained our focus on deleveraging, strengthening cash, and reducing the Company's operational costs. In this regard, in May, we concluded the capital increase process for the payment of debts incurred after the filing of the judicial recovery request of the PDG Group. This operation aimed to enable the settlement of debts, as agreed with the respective creditors, preserving the Company's cash.

Additionally, last Thursday (August 7th), a capital increase was approved, within the authorized capital limit, in the amount of R\$ 345.3 million, through the private issuance of 627,806,311 common shares, with an issuance price of R\$ 0.55 per share. With this, in compliance with legal procedures, a 30-day period will be granted for current shareholders to exercise their preemptive rights in the subscription of the new shares. The capital increase for the conversion of judicial debts into shares is expected to be concluded in the second half of the year, in accordance with the provisions of the Judicial Recovery Plan and its Amendment. This is an important step in the continuity of the Company's deleveraging, risk reduction, and improvement of financial indicators.

Starting with our presentation agenda today, I will begin with slide 3, where we present the main highlights for 2Q25 and 6M25, which I will comment on in more detail throughout this presentation:

We registered a 21% increase in gross sales in the semester-over-semester comparison.

We achieved a total VSO (Sales Velocity) of 9.3% and a launch VSO of 17.3% in the quarter.

We registered a 33% reduction in the volume of cancellations in the semester-over-semester comparison.

We achieved a 73% increase in net sales in the semester-over-semester comparison.

General and administrative expenses were reduced by 6% in the semester-over-semester comparison.

Commercial expenses were reduced by 44% in the semester-over-semester comparison.

We recorded a gross profit of R\$ 20.4 million, with a margin of 37% in the first half of the year.

The cost to be incurred showed a 9% reduction in the first half of the year.

Moving on to slide 5, we present the Company's sales performance. In 2Q25, gross sales plus asset transfers totaled R\$ 21.1 million, 1% above 2Q24. In the semester, gross sales totaled R\$ 43.5 million, 21% above 6M24. Excluding asset transfers, gross sales totaled

R\$ 40.5 million in the semester, 51% above 6M24. 85% of total sales were for products located in São Paulo, which is the Company's main market. Sales from launches represent 75% of sales in this period.

During 2Q25, cancellations totaled R\$ 6.5 million, 4% below 2Q24. In the first half of the year, cancellations totaled R\$ 11.9 million, 33% below 6M24. Net sales totaled R\$ 14.6 million in 2Q25, 4% above 2Q24. In the semester, net sales totaled R\$ 31.6 million, 73% above 6M24.

In 2Q25, a PSV of R\$ 1.2 million was transferred, representing a 29% reduction compared to 2Q24. In the semester, a PSV of R\$ 2.4 million was transferred, a 40% reduction compared to the same period. This result is in line with the sales of delivered units. We continue to carry out transfers through a quick process, using a strict credit analysis and closely aligned with our commercial strategy, focused on free cash flow generation.

Now, speaking about the company's inventory, on slide 6, we present the inventory composition. At the end of 2Q25, ready inventory plus launch inventory totaled R\$ 209.9 million, 43% below 2Q24 and 8% below 1T25. This reduction was mainly due to sales during the period. Regarding the composition of this inventory: 40% relates to launches, 59% is located in São Paulo, and 80% are residential products.

On slide 8, we present general, administrative, and commercial expenses. General and Administrative Expenses increased by 1% in the quarterly comparison. In the semester comparison, G&A was reduced by 6%, mainly due to renegotiations with certain suppliers. Commercial Expenses were reduced by 26% in the quarterly comparison and 44% in the semester comparison, due to lower expenses with units in stock during the period, which fluctuates with sales and cancellations. We continue with a rigorous practice of expense management and cash control, aiming to improve operational efficiency and reduce costs.

On the next slide, number 9, we present the variation in extrajudicial debt. Extrajudicial debt increased by R\$ 4 million (1%) in the quarter and R\$ 21 million (5%) in the semester. The increase in the semester was mainly due to the release of financing installments for the construction of the ix.Tatuapé development.

Moving on to slide 10, I present the variation in judicial debt. Judicial debt increased by R\$ 37 million (3%) during the quarter and R\$ 133 million (11%) in the semester, due to the increase in the projected IPCA rate, which impacted the fair value adjustment of the debts. With the conclusion of the capital increase in the third quarter, we should see a significant reduction in judicial debt. In total, considering the capital increases already carried out, payments to creditors, and asset transfers, the Company has already amortized R\$ 1.9 billion in judicial debts.

Moving on to slide 11, we present the Company's deleveraging. Summing the extrajudicial debts, judicial debts, and cost to be incurred, at the end of 2Q25, the company's extended leverage totaled R\$ 1.9 billion, a 2% increase over the quarter. Regarding the leverage amount, I highlight that extrajudicial debts continue to be renegotiated and may be included in the judicial recovery over time. Judicial debts have maturities until 2042 and can be amortized through asset transfers and conversion into shares.

On slide 12, we present the income statement, where I will highlight the main variations and impacts of the period. We recorded a gross profit of R\$ 29.3 million in the quarter (with a 33% margin) and R\$ 54.4 million (with a 37% margin) in the semester. In the first half of the year, we recorded a significant increase in the "other operating income" line, due to the reversal of the provision for cancellations in the period. We recorded a financial loss of R\$ 78.8 million in the quarter and R\$ 214.6 million in the semester, mainly due to the fair value adjustment (FVA) of the debts, which was impacted by the increase in the projected IPCA. This quarter, we recorded a net loss of R\$ 82 million, and in the semester, a net loss of R\$ 183 million.

I will end the presentation of PDG's results here and now open for questions.

Renato Barboza: Thank you, Maurício. We will now begin the Q&A session. As a reminder, to ask a question, simply click on the Q&A icon at the bottom of the platform.

The first question is from Bruna Salles: "Good morning, congratulations on the results. How is the company viewing the local and international economic scenario? The Selic rate is currently at 10.5% per year. What is the company's expectation for this period in relation to the sector?".

Maurício Tiso: Good morning, Bruna, thank you very much for the question. This more challenging scenario requires the company to better study its future launches. This includes thinking about the transfer structure, as the transfer of units occurs about three years after the launch. This means we don't just consider the current scenario for a launch, but also the expectations for the near future. As for the current scenario, we are not feeling a significant difficulty or higher retention in our segment regarding the transfer structure. We continue to analyze, performing thorough credit analyses at the time of sale to ensure a smoother transfer pipeline. But for the future, for launches, the company is studying the best segments, the best locations, and the best land plots, and we hope to bring a more solid reference for you in the next earnings calls.

Renato Barboza: The next question is from Jaime Mello: "Good morning, congratulations on the results. What is the company's launch pipeline like? Any forecast for a launch this year? And does the company intend to maintain its focus only on mid-range residential, or does it eventually plan to launch a project in other modalities?".

Maurício Tiso: Good morning, Jaime. Following the same line as our answer to Bruna, the company looks at all markets, all segments, while still focusing on São Paulo capital. The idea is that we already have a good landbank, and within this landbank, we are studying each of these segments to execute launches with the best return for our shareholders.

Renato Barboza: Next question from Rubens Borba: "Thank you for the presentation. For new launches, what is the company's situation regarding its current land portfolio, and is the company prospecting for the acquisition of new land plots?"

Maurício Tiso: Thank you, Rubens. Following the reasoning of the other two answers, we continue to prospect for land, giving continuity to the company's launches. We have a good landbank that is studied much more from the perspective of our expectations and scenarios for the future transfer of these units, so that we can achieve the same success we are having with our two current launches, Tatuapé and Santana. So, the company does not stop prospecting for land; it continues to seek the best opportunities here to generate the best products and, consequently, bring the best results for shareholders.

Renato Barboza: Rubens Borba also has a second and third question. The second: "What is the expectation? How is the company's ramp-up process since the finalization of the recovery process?"

Maurício Tiso: Well, Rubens, what the company sought to do at this moment was to stabilize itself after the judicial recovery plan and plan a sequence of launches that would bring continuity to this stabilization and more sustainable growth for the company. With the current scenario, this makes the challenge require more attention, more focus, and more detail. You can't just accelerate a pipeline of launches; all of them need to be very well studied so that their execution and conclusion happen in a healthy way. So, we are now in this phase of stabilization and planning for this future delivery of results.

Renato Barboza: And the last question from Rubens Borba is about the delivery of Tatuapé, whether the delivery is still within the planned schedule and within the cost to be incurred. Well, Rubens, the answer to that is yes. It is completely within schedule, very smoothly in fact, in terms of both execution and cost. So, the expectation for the delivery of Tatuapé is within the deadline and budget, with no cost overruns and no construction delays. The company is very comfortable with this. Thank you for your questions.

Next question is from Eduardo Brito: "What is the forecast for concluding the company's capital increase?"

Renato Barboza: Well, Eduardo, let's get to it. We announced the capital increase last week, as Maurício mentioned in the presentation. It was approved on August 7th, and

we then opened the preemptive rights period. This period will begin on August 13th and run until September 12th. So, there are 30 days for current shareholders to exercise their preemptive rights. After that, the idea is that the remaining shares, after the exercise of preemptive rights, will be subscribed and paid for by the creditors who opted to convert their credits into shares, as happened in previous capital increases. Considering these steps and this whole process, including the 30-day preemptive rights period, the expectation is that we will conclude the process now during the second half of this year. Thank you for your question, Eduardo.

A question here from Emília Garcia: "Why will the shares be grouped again? Why does the company make this move?"

Renato Barboza: Emília, good morning, thank you for your question. This is an important question because we frequently receive it in our Investor Relations area. This share grouping move is a listing rule from B3, which states that no share listed on B3 can be traded below BRL 1.00 for more than 30 consecutive trading sessions. Unfortunately, after last year's capital increase, the trading volume increased significantly, and PDG's shares, PDGR3, began trading below BRL 1.00. So, due to this mandatory requirement imposed by B3's listing regulation, we need to take this measure. The share grouping is not a move the company wishes to make, but one it makes due to a B3 requirement. We do not yet have a definitive date for the shares to start trading on a grouped basis. This process will unfold over the second half of the year. It is not a quick process; it depends on an Extraordinary General Meeting with shareholders. The grouping ratio must also be determined by the management, proposed, and then approved at the meeting. Then there is also the period for recomposing fractions. So this whole process takes a few months. The expectation is that it will be finalized sometime after the fourth quarter, but this is not guidance; it will depend heavily on the unfolding of all these stages. In any case, we appreciate the question. It's a move generated not by the company's initiative, but to comply with a mandatory requirement from B3's listing regulation. Thank you, Emília.

A question here from Edvane Portillo de Carvalho: "With the capital increase, is there hope for the company to stop having a financial loss in the short term?"

Renato Barboza: Edvane, thank you for your question, good morning. In short, this issue of the financial loss is tied to the company's debt, its leverage, which has been reducing over the years, especially after the execution of the recovery plan. By converting debt into shares, we have been deleveraging the company and, obviously, the financial loss, which mainly comes from debt interest, is reduced. It has already been materially reduced over the years, which can be tracked through the results spreadsheet on our Investor Relations website. There you can see that the company has already greatly

reduced its financial loss and continues to reduce it a little each year as capital increases are carried out. Stopping the financial loss will happen when the debt is equalized through capital increases or the settlement of these debts over time.

We will now conclude the Q&A session. I would like to thank everyone for their participation in PDG's conference call. If you have any additional questions, the Investor Relations team is available via the email ri@pdg.com.br. Have a great day and a great week. PDG's earnings conference is now closed.