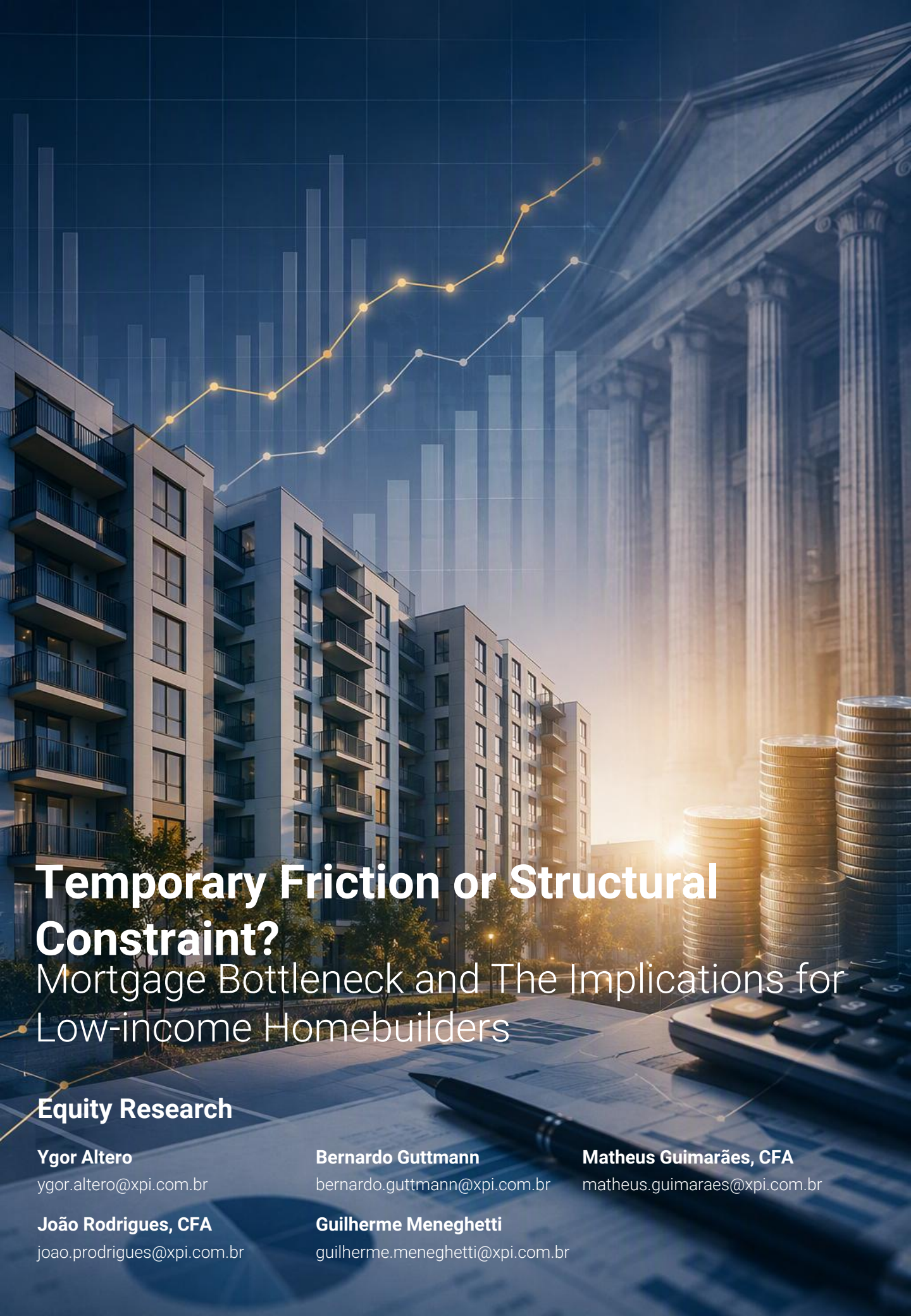




Temporary Friction or Structural Constraint?

Mortgage Bottleneck and The Implications for Low-income Homebuilders

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Mortgage Bottlenecks and the Implications for Low-income Homebuilders

We believe Caixa's June–July mortgage slowdown was a temporary execution or selectivity issue rather than a structural housing-credit constraint. The friction prompted concerns about higher delinquency levels, which we analyze in this report. However, Caixa's credit deterioration appears concentrated primarily in agribusiness, while mortgage asset quality remains comparatively controlled. While funding and capital dynamics warrant monitoring, they do not appear to be limiting mortgage growth at this stage. **We therefore remain constructive on low-income homebuilders, as we do not see any structural changes at Caixa. We believe the market's reaction has been somewhat excessive, leaving low-income names trading at more attractive levels and offering a compelling entry point.**

Why read this report? We provide a structured assessment of Caixa's June–July mortgage bottleneck, testing whether the slowdown reflected borrower-credit deterioration or funding and capital pressures, and examining the implications for cash conversion and capital allocation across low-income homebuilders.

Mortgage approvals became a source of concern after low-income homebuilders reported slower execution at Caixa during June and July. The friction emerged after the commercial sale, delaying mortgage contracting, transfers and cash conversion rather than reflecting an immediate weakening in housing demand. Companies also shared the increased scrutiny in mortgages concessions, requiring presential interviews in some regions.

One of our initial hypotheses was that worsening borrower delinquency had led Caixa to tighten approval standards. However, the deterioration in Caixa's credit indicators was concentrated primarily in agribusiness, while mortgage asset quality remained comparatively controlled in the homebuilding segment. This weakens the argument that a broad deterioration among housing borrowers was the main cause of the slowdown, although temporary changes in approval criteria cannot be ruled out.

Funding and capital provide additional context, but do not point to an immediate structural constraint on mortgage growth. Higher marginal funding costs, elevated provisions and lower capital generation may have encouraged greater discipline in Caixa's origination process. Still, current capital buffers and the bank's access to administered funding are more consistent with temporary execution volatility or greater selectivity than with an inability to continue supporting housing finance.

For homebuilders, slower transfers remains the key risk. A temporary backlog should mainly shift cash generation between quarters, while a persistent mismatch could increase customer-financing exposure and launch selectivity. We therefore remain constructive on low-income homebuilders, while monitoring transfers, post-key exposure, receivables and cash conversion.

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Summary

Chapter 01

The Context Behind the Slowdown

Chapter 02

Hypothesis 01: Did Borrower Credit Quality Deteriorate?

Chapter 03

Hypothesis 02: Did Funding and Capital Encourage Greater Selectivity?

Chapter 04

Our Conclusions and Vision for What Could Happen Next?

Chapter 05

Who Is Better Positioned?

Chapter 01

The Context Behind the Slowdown

How Did the Year Begin?

MCMV Continued to Gain Relevance as Caixa Expanded Housing Originations

Low-income housing maintained its positive trajectory through the first half of 2026. MCMV sales reached 58.4 thousand units in 2Q26, increasing 19.5% YoY, while the program's share of total residential sales rose to 51% from 46% one year earlier and 42% in 2Q24. The gradual increase in both sales volumes and market share suggested that demand remained supportive, with no material change in the segment's commercial dynamics during the period.

Housing credit evolved in the same direction. Caixa's housing originations reached R\$73.3 billion in 2Q26, up 28.2% YoY and 14.1% QoQ, mainly reflecting the increase in FGTS and Social Fund-backed lending. Through the end of June, the available data therefore pointed to continued expansion in both MCMV activity and mortgage originations, with no clear evidence of a broader disruption in housing demand or credit availability.

Figure 01: Low-income Homebuilders: Launches and Net Sales

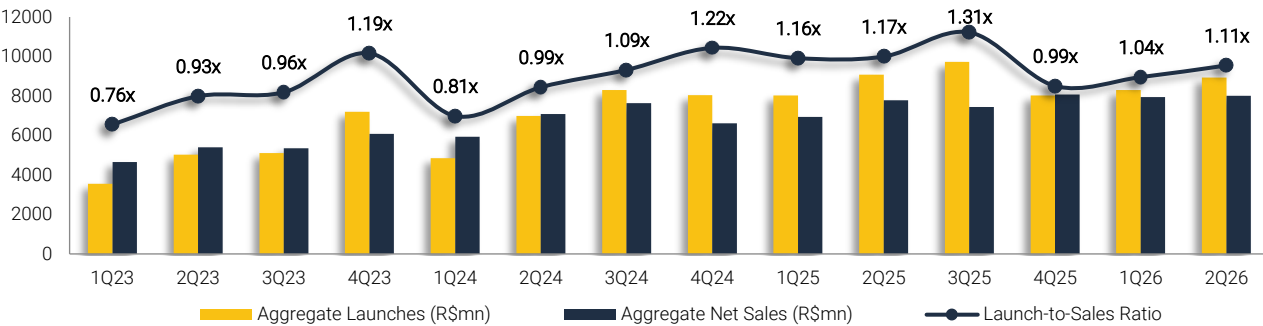


Figure 02: Caixa Housing Originations by Funding Source

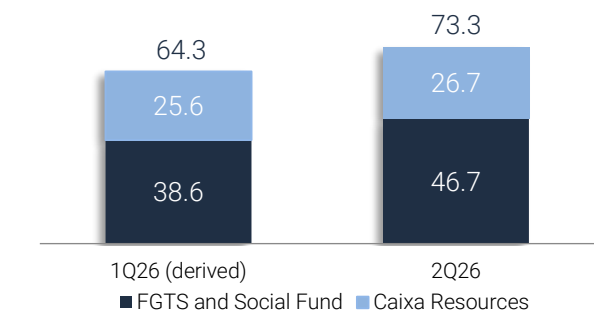
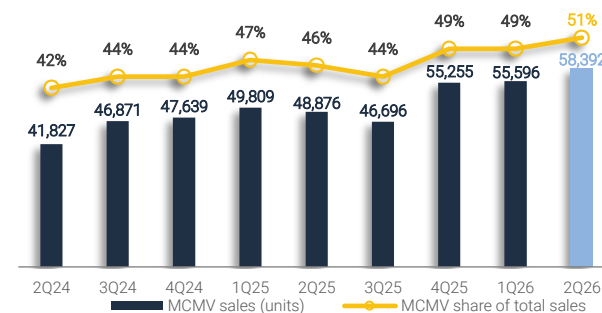


Figure 03: MCMV Residential Sales and Share of Total Sales



Low-income housing has attracted broader industry participation. Over the past several years, resilient demand and earmarked credit have drawn companies traditionally focused on the mid- and high-income segments into affordable housing through dedicated brands, platforms and partnerships. This expansion has also broadened homebuilders' exposure to Caixa's mortgage channel, making the slowdown in approvals reported in June and July increasingly relevant beyond traditional low-income players.

Figure 04: Low-Income Housing Attracted Broader Industry Participation



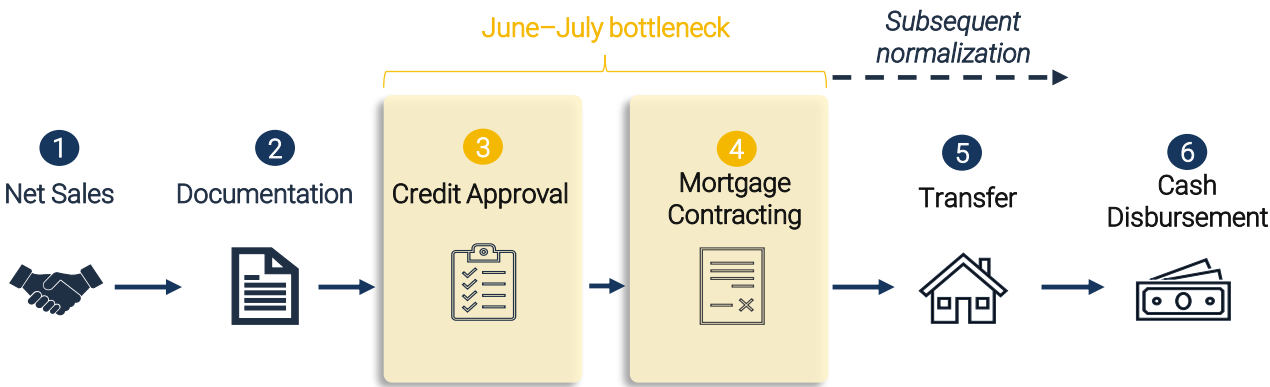
What Happened to Mortgage Approvals?

Caixa’s June–July Slowdown Raised Questions About the Pace of Transfers

Mortgage approvals became a source of concern in June and July. During the period, low-income homebuilders reported longer timelines and additional checks as eligible homebuyers moved from commercial sales to signed mortgage contracts. The friction emerged after the commercial sale, delaying mortgage contracting, transfers and cash conversion rather than reflecting an immediate deterioration in housing demand. As pending customers remained in the financing pipeline, the key concern shifted from sales activity to the pace at which contracted sales could be converted into mortgage-backed cash.

The reasons behind the slowdown remained uncertain. The episode could have reflected greater credit selectivity, changes in funding economics or capital considerations at Caixa, with each explanation carrying different implications for the duration of the bottleneck. Distinguishing between these factors is therefore essential to assess whether the slowdown represented a temporary adjustment in mortgage execution or a more persistent constraint as the low-income housing market continued to expand.

Figure 05: Mortgage Financing and Transfer Process



Slower approvals delayed the conversion of commercial sales into mortgage-backed transfers.

Two questions raised by the episode

- 1

Borrower credit quality: Did a deterioration in borrower credit quality lead Caixa to tighten mortgage approvals or apply more selective credit criteria?
- 2

Funding and capital: Did higher marginal funding costs or greater capital discipline encourage more selective mortgage execution?

How Do We Approach the Episode?

We assess the bottleneck from both sides of the mortgage process. We first examine how slower execution could affect transfers, customer-financing exposure and cash conversion across homebuilders. We then look inside Caixa to test whether borrower credit quality or funding and capital considerations could explain more selective mortgage execution.

The bottleneck emerged after the commercial sale. At this stage, homebuilders had already committed capital to construction, but mortgage proceeds had not yet been converted into transfers and cash. The implications therefore depend on both the duration and the cause of the slowdown. A temporary adjustment in approval conditions should mainly shift transfers and cash generation between quarters. However, a more persistent constraint related to borrower credit quality, funding or capital could weaken capital recycling, increase working-capital requirements and eventually lead homebuilders to become more selective in their capital-allocation and launch decisions.

Chapter 02

Hypothesis 01: Did Borrower Credit Quality Deteriorate?

Borrower Stress Was Not Broad-Based

Household Pressure Rose, But Payment Trends Diverged Across Homebuilders

Households entered 2026 with less financial flexibility. Income commitment increased materially after 2020 and remained close to the highest levels in the available series, indicating that a larger share of monthly income was being absorbed by debt service. This provides a reasonable basis for lenders to monitor borrowers more closely as they enter the mortgage-approval process.

However, the pressure was not necessarily driven by housing debt itself. Income commitment excluding housing credit also remained elevated, suggesting that the broader increase reflected pressures across household liabilities rather than a deterioration specifically associated with mortgages. We therefore look at receivables still carried by homebuilders to assess whether weaker payment behavior was already visible before mortgage contracting.

Figure 06: Early Arrears Across Homebuilders

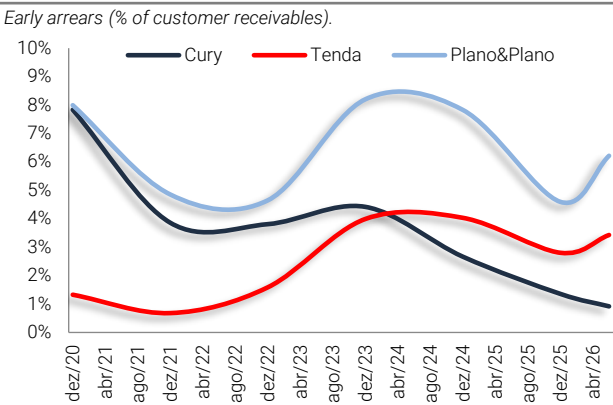


Figure 07: Total Overdue Receivables Across Homebuilders

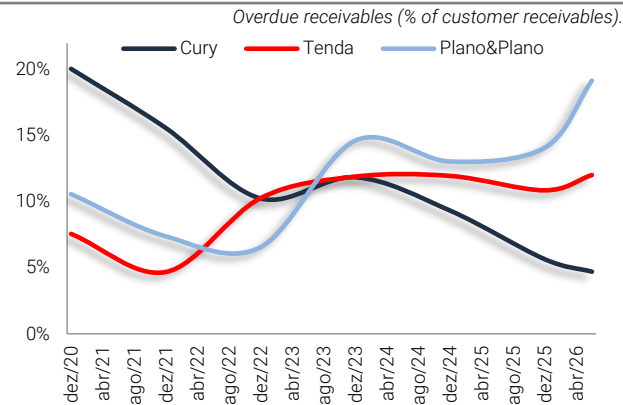
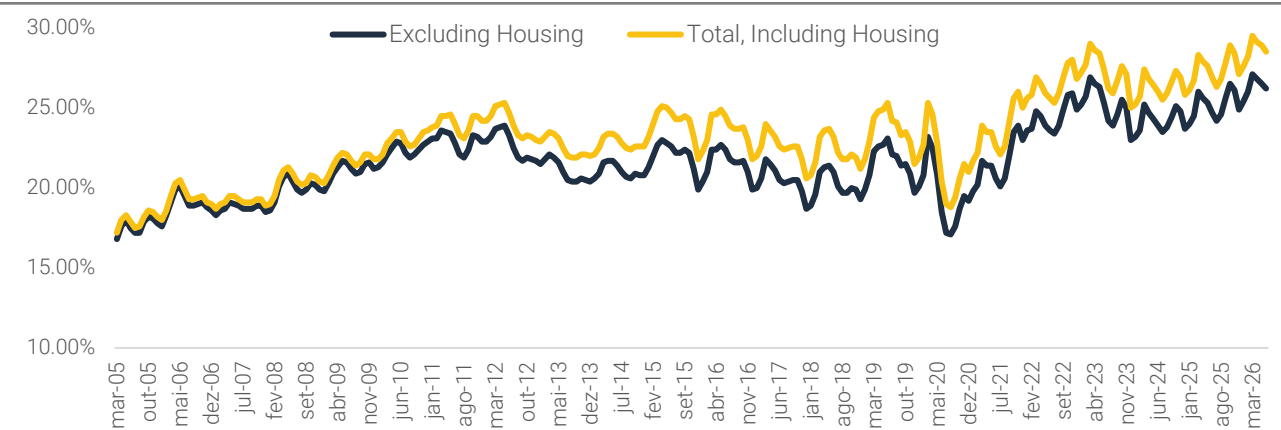


Figure 08: Household Debt-Service Ratio, Including and Excluding Housing



Homebuilders' receivables do not indicate a uniform deterioration in customer-payment performance. Cury's early arrears and total overdue ratios continued to decline through June 2026, while Tenda remained above its 2021–22 levels but close to the range observed since 2023. Plano&Plano showed the clearest recent pressure, with both early arrears and total overdue receivables increasing in June 2026. Overall, the divergence across companies suggests that higher household income commitment may have affected customer profiles differently but does not by itself support a broad-based deterioration in borrower credit quality as the main explanation for Caixa's mortgage-approval slowdown.

Housing Credit Remains Solid

Controlled Credit Quality, With Earmarked Lending Leading Growth

Looking at the Brazilian housing credit, the recovery is concentrated in earmarked lending. Outstanding balances reached R\$1.5 tn in Jul'26, up 13.7% YoY against 9.5% for total system credit. Twelve-month origination has recovered 18% YoY reaching R\$265 bn, but the composition is one-sided: on a monthly YoY basis, earmarked-rate origination is up 72%, while market-rate origination peaked in Sep'25 and has since contracted -31%. Looking at pricing, we note the earmarked rate rising 90 bps YoY to 10.9%, its highest since 2023, as savings inflows stagnate and marginal SBPE funding shifts toward CDI-linked funding sources. In this context, Caixa's share of SBPE originations has gradually declined, reflecting a greater focus on lending products supported by lower-cost funding sources. Finally, asset quality remains structurally sound at 1.3% NPL 90+ for earmarked household lending, while early NPL trajectory appears to have stabilized.

Fig. 09: Market RE Balance Evolution (YoY)

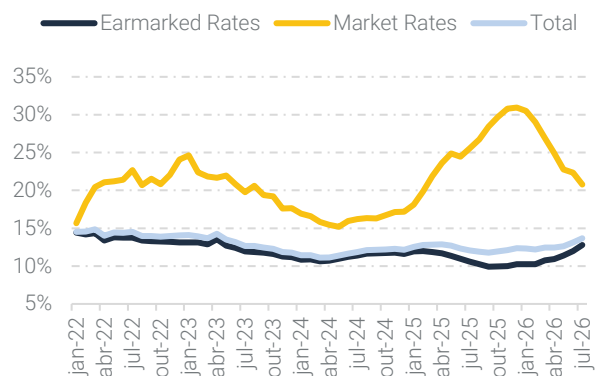


Fig. 10: Market RE Origination Evolution (YoY)

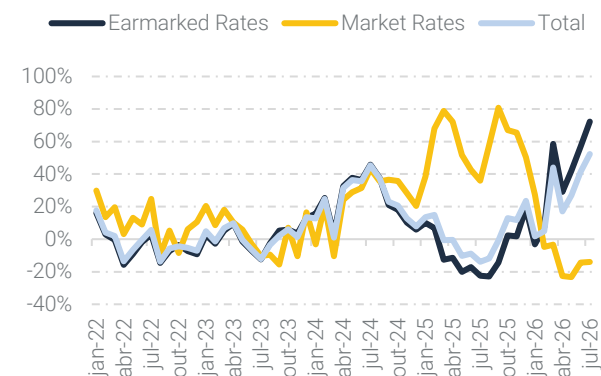


Fig. 11: Market RE Interest Rates (p.a.; bps)

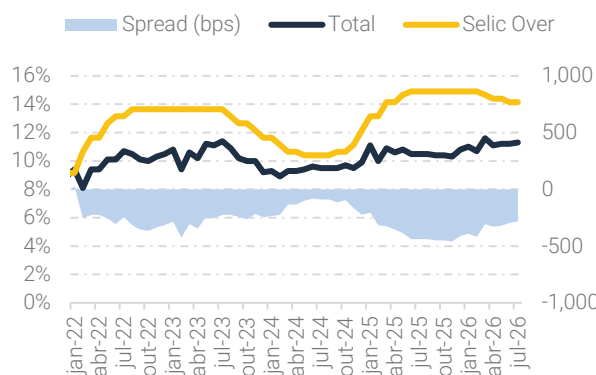


Fig. 12: Market RE Delinquency Evolution

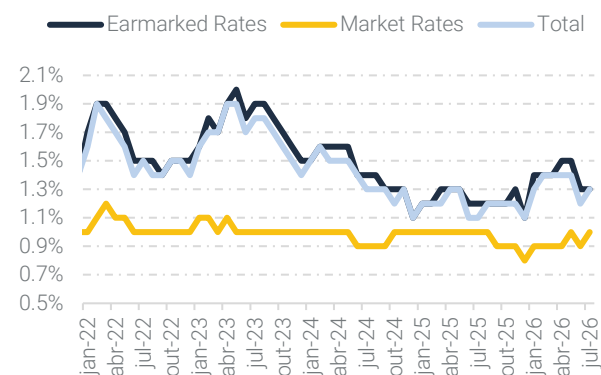


Fig. 13: Market RE Early Delinquency Evolution

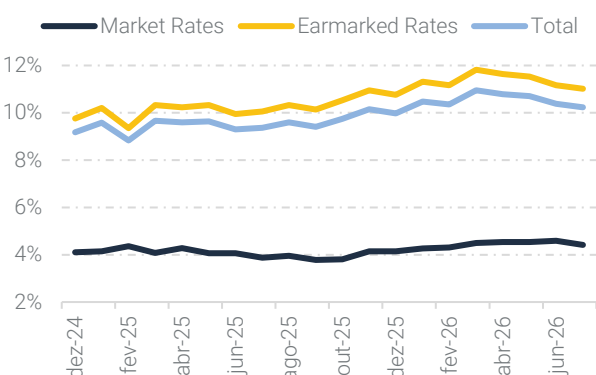
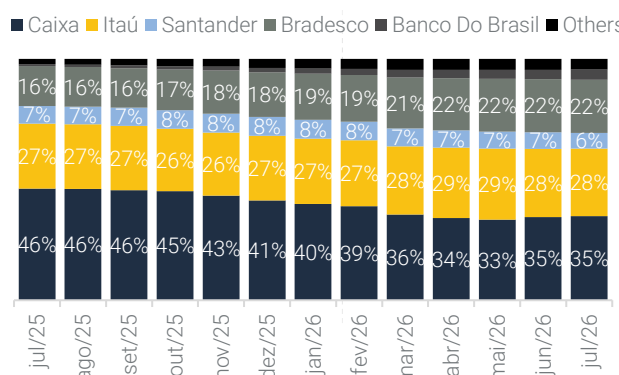


Fig. 14: Total Monthly SBPE Financing



Net inflows into savings accounts have remained broadly stagnant in recent years, with monthly SBPE net inflow frequently oscillating around zero or turning negative, highlighting the limited contribution of traditional savings funding to support housing credit growth. In contrast, banks have increasingly relied on LCIs (mortgage-backed bank funding instruments) and other CDI-linked issuances, whose outstanding balance has grown from ~R\$240 bn in 2022 to R\$547 bn as of Jun'26. While this has helped sustain mortgage expansion, it also implies a higher marginal funding cost, as LCI rates are generally more sensitive to market conditions and more expensive than savings deposits.

At the same time, the mortgage book remains overwhelmingly concentrated in TR-indexed loans, which accounted for roughly ~96% of originations in the past periods. As a result, continued reliance on other funding instruments could gradually pressure spreads, potentially leading banks to increase lending rates and/or moderate origination growth over time as they seek to preserve profitability.

Fig. 15: SBPE Net Inflows (R\$ bn)

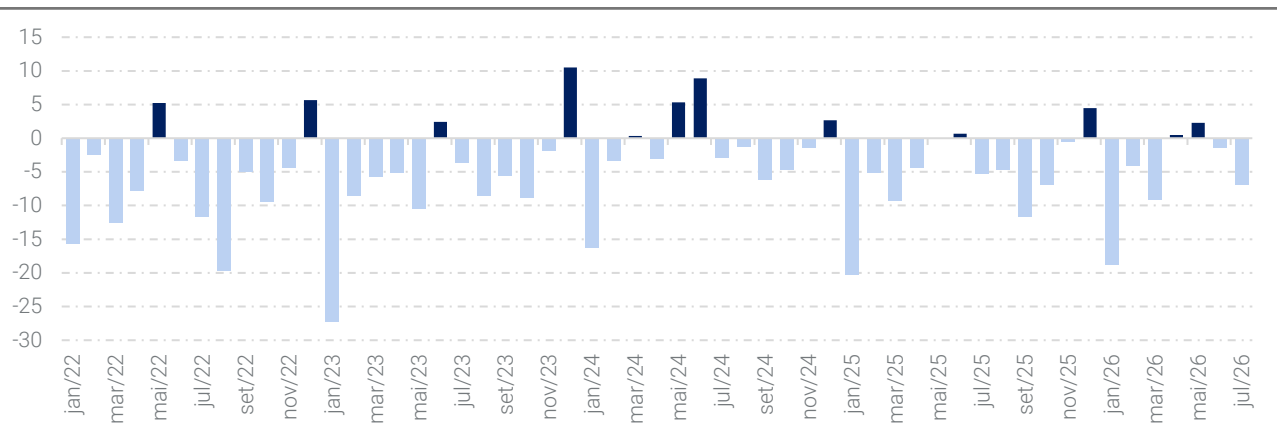


Fig. 16: LCI Balance Evolution (R\$ bn)

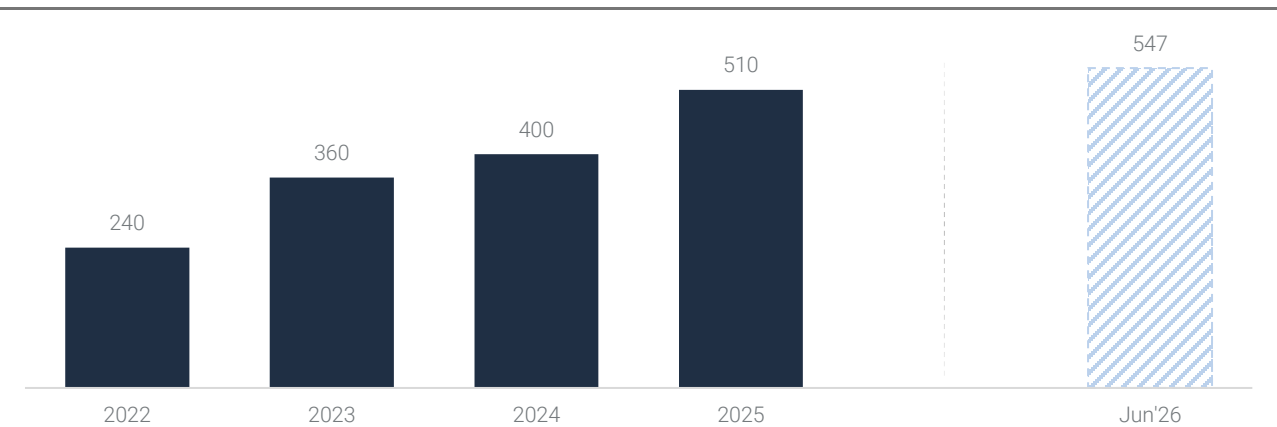
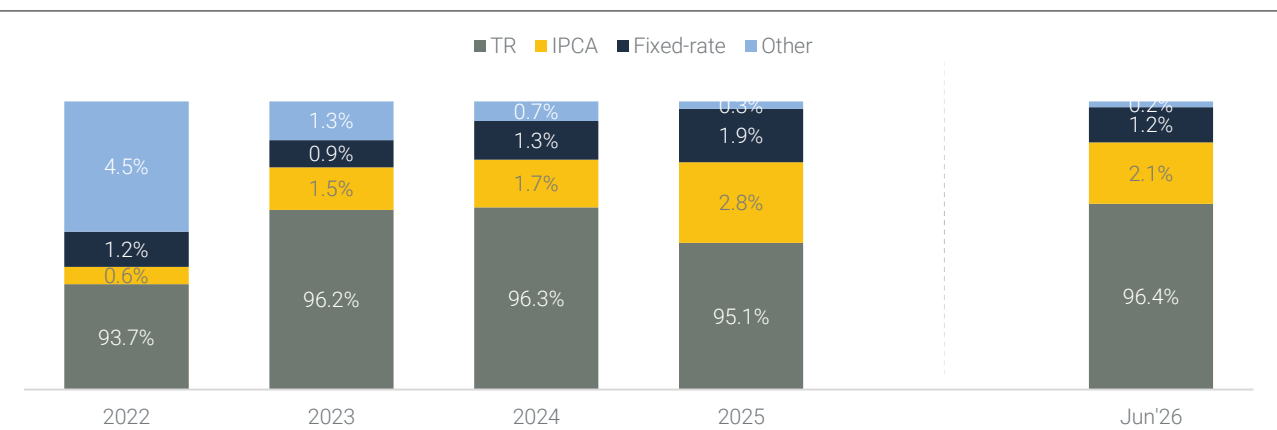


Fig. 17: Origination Breakdown by Index



Chapter 03

Hypothesis 02: Did Funding and Capital Encourage Greater Selectivity?

Resilient Core, Concentrated Agri Deterioration

Resilient Mortgage Fundamentals Support Earnings and Capital

Caixa Econômica Federal holds a unique position in the Brazilian banking system. The bank accounts for ~68% of Brazil’s mortgage market, making housing finance the cornerstone of its business model, with mortgages representing ~69% of its total loan portfolio. This dominant franchise is supported by Caixa’s leading share of key funding products, including ~40% of the country’s savings deposits (“poupança”) and 50% of the LCI market, which provide a natural funding base for housing loans. Combined with its strategic role in government-backed housing programs and access to FGTS resources, these advantages create significant barriers to entry and reinforce Caixa’s position as the primary housing finance institution in Brazil.

Fig. 18: Caixa Loan Portfolio Breakdown (R\$ bn)

Segment	Jun'26	Mar'26	Jun'25	YoY	% of book
Mortgage	1,005	966	874	15%	69%
FGTS / Fundo Social	618	589	522	18%	43%
Own Resources	387	377	351	10%	27%
Commercial	270	269	251	8%	19%
Individuals	157	155	144	9%	11%
Corporate	114	114	107	7%	8%
Sanitation and Infra	111	110	109	1%	8%
Agribusiness	62	65	61	3%	4%
Total	1,448	1,410	1,294	12%	100%

Fig. 19: Caixa Market Share on Credit Products

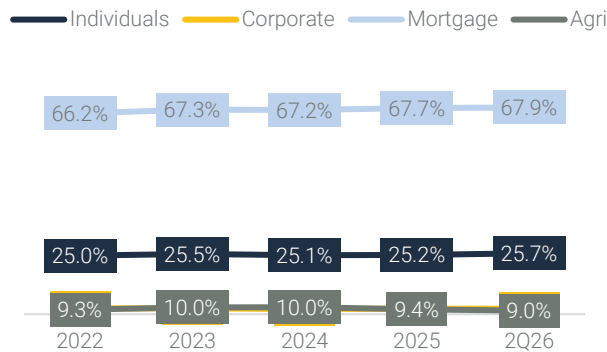
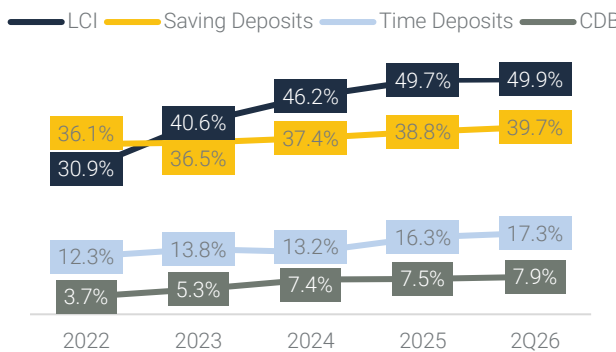
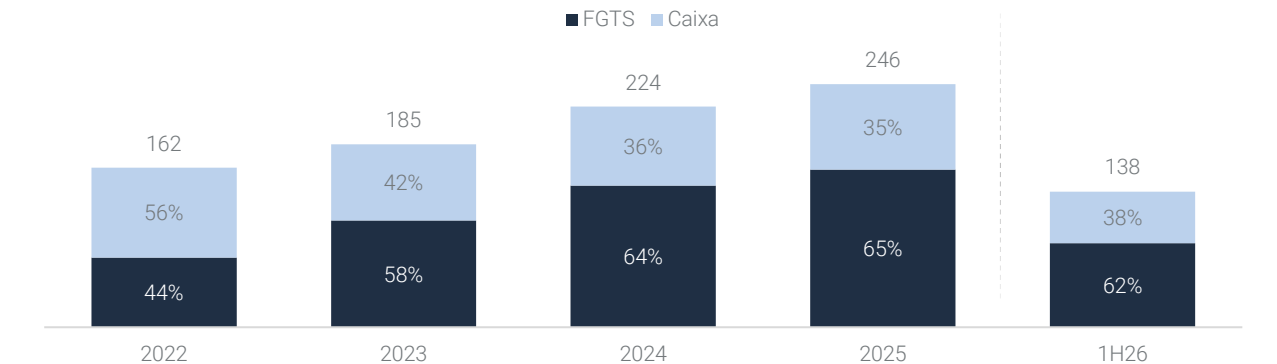


Fig. 20: Caixa Market Share on Funding Sources



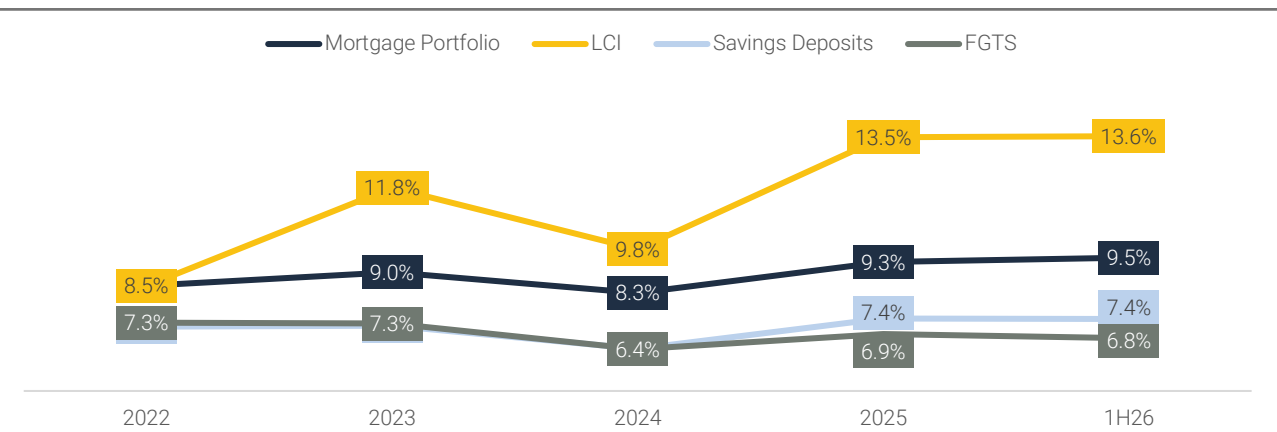
Recent mortgage origination trends point to an increasing reliance on FGTS and Social Fund resources at the expense of Caixa’s own funding sources. Loans funded with Caixa’s own resources represented 56% of originations in 2022 but fell to 35% in 2025, before rebounding to 38% in 1H26.

Fig. 21: Caixa Loan Origination Breakdown (R\$ bn)



While this reflects the strength of Caixa’s funding franchise and supports continued market share gains, these loans are primarily funded through LCIs, whose cost reached ~13.6% annualized in 1H26, compared with a blended mortgage portfolio yield of ~9.5%. As a result, the recent marginally higher contribution of CAIXA-funded originations may gradually increase mg. pressure if the current funding dynamics persist.

Fig. 22: Caixa Avg. Asset Yield vs. Avg. Funding Cost Lines (1H26 annualized)



In addition, we observe a concentrated deterioration in credit quality that has weighed on the bank’s consolidated profitability. Asset quality pressures appear to be largely confined to the agribusiness portfolio, where NPLs have increased sharply from 3.7% in 2024 to 20.7% in 2Q26. By contrast, mortgage NPLs remain low and broadly stable at 1.5%, while commercial NPLs have risen more gradually to 9.3%. As a result, the increase in Caixa’s consolidated NPL ratio has been primarily driven by agribusiness exposures, suggesting that credit quality challenges remain concentrated rather than broad-based across the loan book.

Fig. 23: Caixa NPLs 90+ Evolution

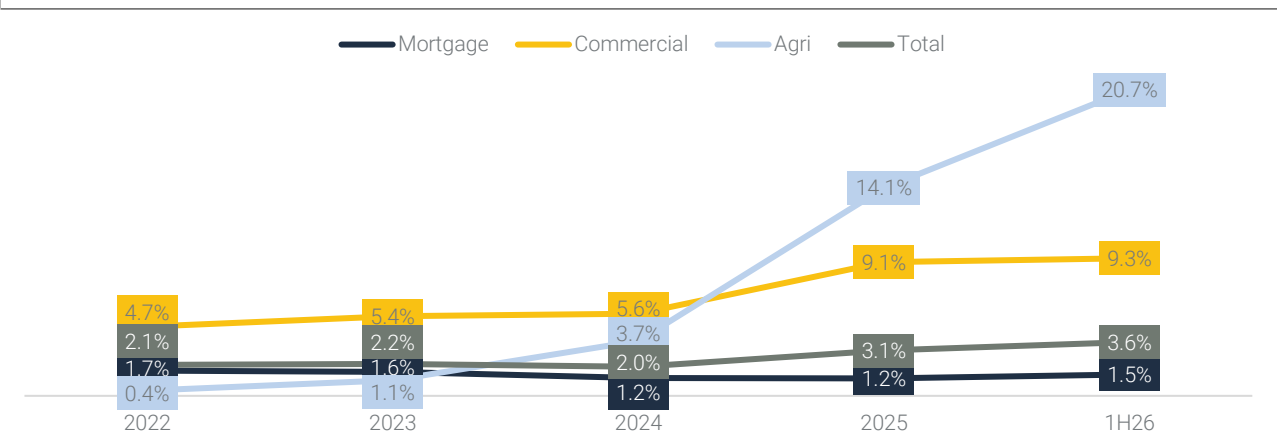


Fig. 24: Caixa Cost of Credit Evolution (R\$ mn)

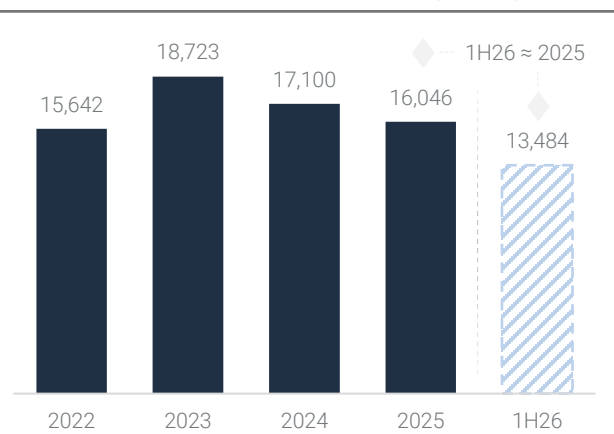
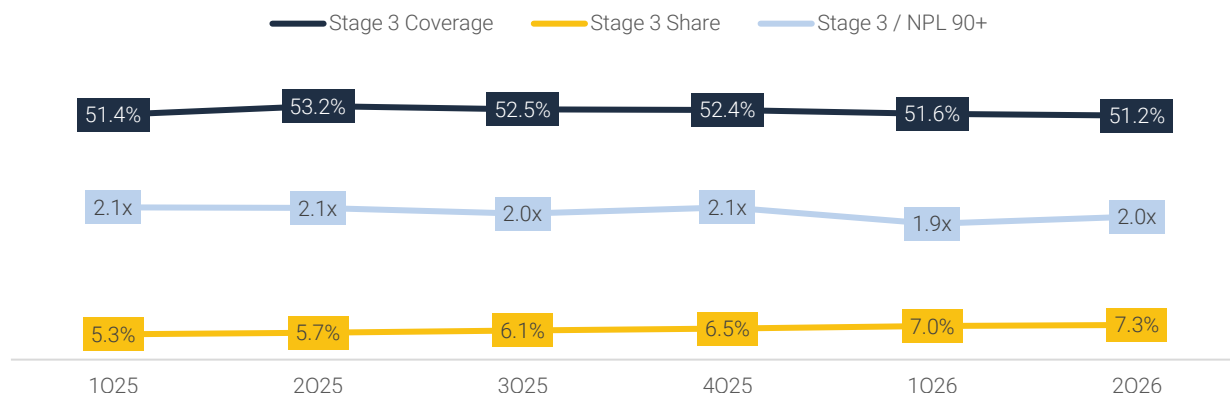


Fig. 25: Contribution to the Book and to Provisions

Segment	% of loan book	% of New Provisions	Flow Ratio
Mortgage	69.6%	40.0%	0.6x
Commercial	18.3%	14.0%	0.8x
Infra	7.7%	-2.4%	-0.3x
Agri	4.3%	48.5%	11.3x

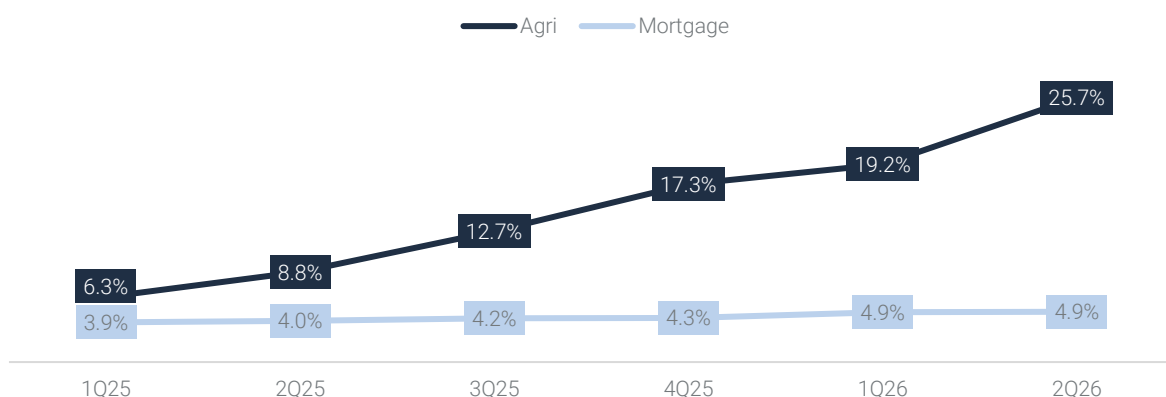
While Stage 3 coverage has remained broadly stable at around 51%, Stage 3 loans have increased steadily to 7.3% of the portfolio, driving a significant rise in problematic assets and requiring higher provisioning. At the same time, the Stage 3-to-NPL ratio has remained broadly stable at around 2.0x, suggesting reported delinquencies continue to evolve with the deterioration already reflected in the bank's Stage 3 portfolio.

Fig. 26: Caixa Portfolio and Provisions by Stage



However, the data below reinforce our view that credit quality pressures are overwhelmingly concentrated in agri. While the mortgage portfolio has shown only gradual deterioration from a low base, agri Stage 3 loans have increased materially to 25.7% of the portfolio, nearly 4x increase in recent quarters despite a small loan book. As a result, a relatively small portfolio has generated a disproportionately large share of problematic assets, becoming one of the main sources of provisioning needs.

Fig. 27: Caixa Stage 3 Share by Segment



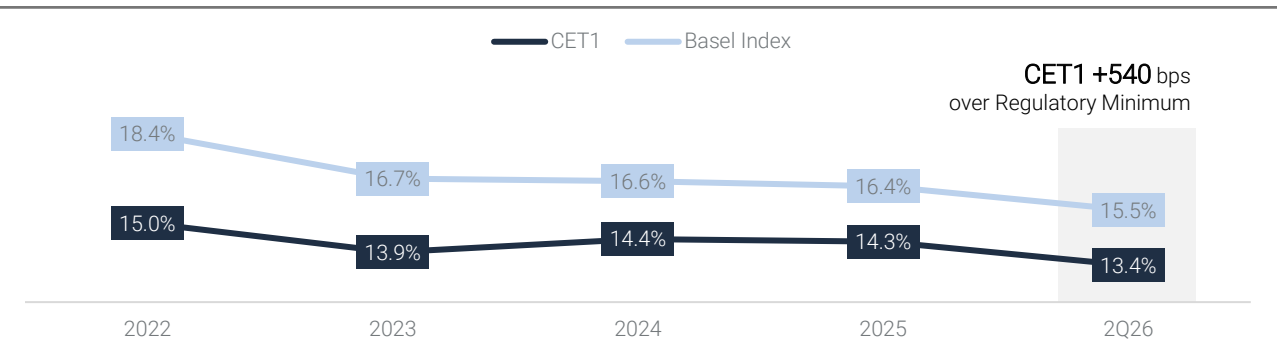
This scenario has resulted in higher provisioning expenses in 2026, weighing on earnings. Still, Caixa's earnings profile remains resilient, supported by the strong growth of its core credit revenues, while fee income has remained robust and steadily increasing, helping offset part of the rise in credit costs. As a result, despite elevated provisions, Caixa continues to deliver resilient earnings, benefiting from the strength of its leading mortgage franchise and diversified revenue base.

Fig. 28: Caixa P&L Evolution (R\$ mn)¹

Segment	2022	2023	2024	2025	1H26	1H26 Annualized
NII	50,921	60,826	61,587	66,776	37,944	75,888
Cost of Credit	-15,642	-18,723	-17,100	-16,046	-13,484	-26,968
Risk Adj. NII	35,279	42,103	44,487	50,730	24,460	48,920
Fees	25,107	25,808	27,813	27,827	14,928	29,856
Op. Expenses	-50,815	-58,139	-60,226	-59,748	-33,387	-66,774
EBT	10,265	8,794	12,870	18,579	5,880	11,760
Taxes and Others	-490	2,939	656	-2,527	1,488	2,976
Net Income	9,774	11,733	13,527	16,052	7,368	14,736

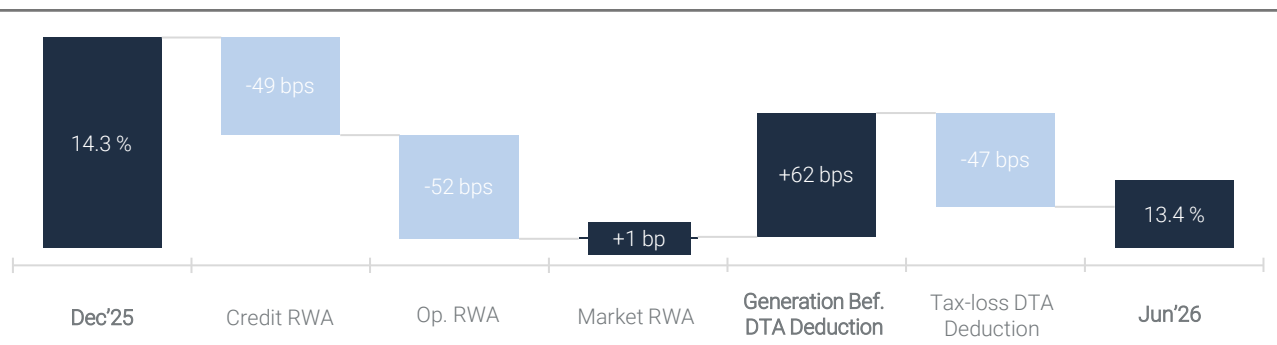
Capital ratios remain resilient and comfortably above regulatory requirements, with CET1 at 13.4% and the Basel ratio at 15.5% in 2Q26. While current levels do not suggest any immediate capital concern, we believe investors will continue to monitor the interaction between capital generation, portfolio growth, and asset quality dynamics as the bank navigates a still-challenging credit environment.

Fig. 29: Caixa Capital Ratios Evolution



The capital trajectory remains healthy, but we see continued capital consumption ahead driven by three factors: (i) ongoing growth in credit and operational RWAs, (ii) elevated provisioning that limits organic capital generation, and (iii) the gradual phase-out of the regulatory relief related to Resolution 4,966, which should reduce CET1 over 2027-28. In addition, Caixa has increasingly added market-funded AT1 instruments, which could increase its cost of capital. While capital ratios remain comfortably above regulatory requirements, these factors are worth monitoring as they may influence the pace of capital accumulation over time.

Fig. 30: Caixa CET1 Consumption Breakdown, 1H26



That said, current capital levels trajectory should be observed, but there are several avenues to absorb the ongoing pressure without requiring a meaningful slowdown in portfolio growth. A normalization of credit costs, particularly in agri, would support capital generation, while securitizations could further alleviate capital consumption given the size of the mortgage book. As a result, although capital accumulation may remain more gradual in the near term, the current pressures should remain contained.

Fig. 31: Illustrative Capital Management Levers

Lever	Mechanism	Evidence to Date	Assessment
1. Normalization of agri credit cost	Lower provisions restore earnings and CET1 build	Agri NPL 20.7%, +13.7 p.p. YoY	If provisions normalise, capital generation could restore quickly
2. Securitization or portfolio sale	Converts RWA into cash and releases capital	Loan assignments of only R\$2.6 bn against R\$945 bn of Stage 1 mortgage exposure	Helps funding and capital simultaneously.
3. Mix shift toward FGTS-funded lending	Matched, cheap funding	FGTS book +18.3% YoY vs. CAIXA resources +10.2%	Helps margin, does not help capital directly.

Chapter 04

Our Conclusions and Vision for What Could Happen Next?

What Is Likely Behind the Bottleneck?

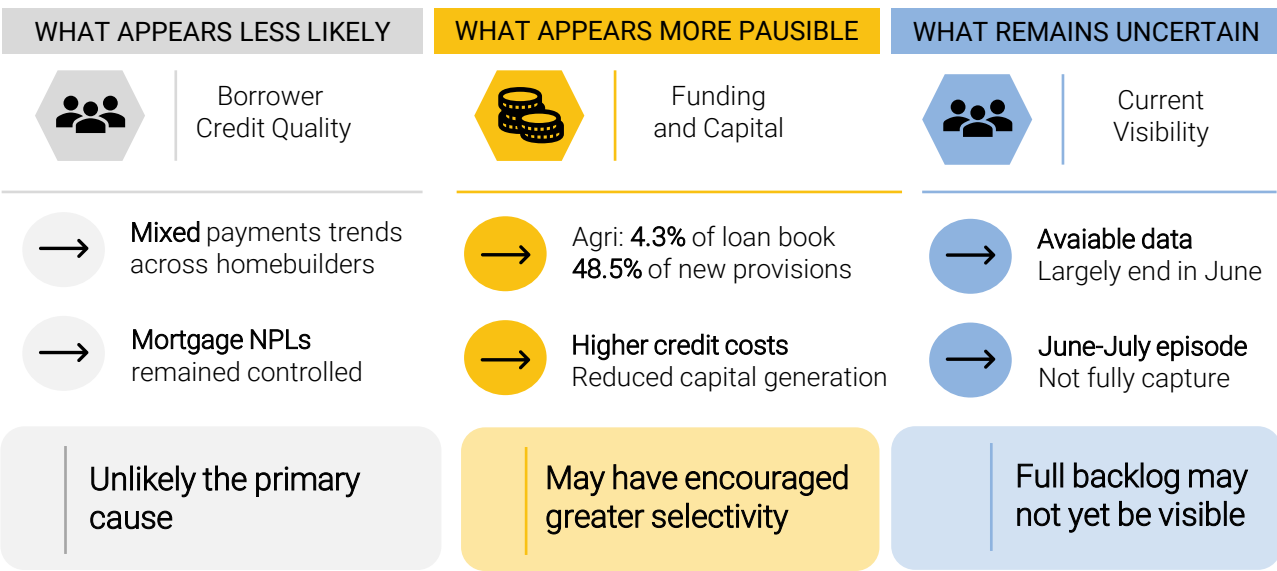
The Evidence Points to a Temporary Constraint, Although the Full Picture May Not Yet Be Visible.

What do we make of the evidence? After assessing Caixa’s recent mortgage execution against the two hypotheses discussed in this report, we believe the available evidence is more consistent with a temporary adjustment in credit models than with a structural constraint on housing funding. The data do not indicate a clear deterioration in Caixa’s capital position or a broad retrenchment from housing credit, while the timing of the slowdown appears to coincide with higher seasonal loan vintage maturities from the agricultural segment.

Funding and concentrated credit pressure appear to provide a more plausible explanation. The deterioration in Caixa’s credit indicators was concentrated primarily in agribusiness, which accounted for a disproportionate share of new provisions despite representing a small portion of the loan book. Higher cost of credit reduced organic capital generation while continued mortgage growth consumed capital and Caixa-funded originations carried higher marginal funding costs. In our view, this combination may have encouraged greater discipline or selectivity in mortgage execution, even though the bank’s funding access and current healthy capital buffers do not suggest an immediate structural constraint on housing-credit growth.

However, the available data may not yet reveal the full cause or persistence of the slowdown. Most of the indicators analyzed extend only through June 2026 or reflect quarter-end balance-sheet positions, while the reported bottleneck was concentrated in June and July. The figures may therefore capture only the beginning of the backlog and may not reflect more recent changes in processing capacity, approval criteria or internal capital allocation. We consequently view the episode as more consistent with temporary execution volatility or greater selectivity than with a structural housing-credit constraint, but duration remains the key uncertainty.

Fig. 32: What the Evidence Suggests



Regardless of its initial cause, the duration of the bottleneck will ultimately determine its implications for homebuilders. A short-lived disruption should primarily postpone transfers and shift cash generation between quarters, while a persistent mismatch could keep receivables and customer-financed balances outstanding for longer, weaken capital recycling and gradually affect capital-allocation decisions. We therefore turn next to where the bottleneck should become visible first and which indicators can help distinguish a temporary backlog from a more structural constraint.

Where Does the Bottleneck Hit First?

Transfers and Cash Conversion Should Respond First

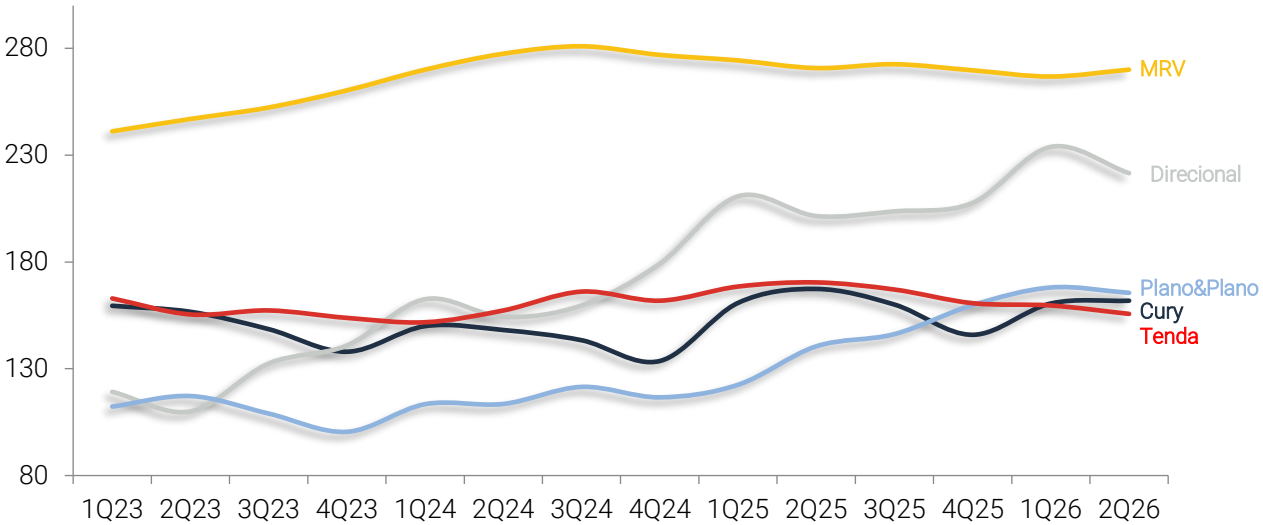
Mortgage approval is the bridge between a commercial sale and its conversion into cash. After a unit is sold, the homebuilder continues funding construction while the customer completes documentation, credit analysis and mortgage contracting. Until the transfer is completed, most mortgage proceeds have not reached the developer, while part of the customer exposure remains on its balance sheet.

A short delay should initially affect timing rather than the underlying sale. Pending mortgage contracts can postpone transfers, keep receivables outstanding for longer and weaken operating cash generation, even if customers remain eligible and sales are ultimately preserved. The pressure becomes more relevant if new transactions continue entering the financing pipeline faster than pending applications are processed.

The available 2Q26 data capture the sector entering the slowdown rather than its full financial impact. The quarter ended on June 30, covering only the beginning of the reported June–July episode. The absence of a synchronized increase in receivable days therefore neither confirms nor rules out an effect from slower mortgage approvals.

The clearest evidence should emerge in subsequent quarters. A recovery in transfers alongside stable or lower receivable days would support the interpretation of a temporary backlog. Continued weakness in transfers, longer receivable duration and softer operating cash generation would instead point to a more persistent mismatch between commercial activity and mortgage execution.

Figure 33: Low-Income Homebuilders – Receivable Days



What the metrics show	What to watch in the next quarters	What it does not show yet
• Captures pre-slowdown customer • Different starting points shape sensitivity	▪ Transfers (R\$ and units) ▪ Operating cash generation ▪ Customer Receivables ▪ Sold units awaiting mortgage contracting	▪ A June-July backlog may not be visible in quarter-end balances through June 30.

What does the data suggest?

Receivable days did not show a synchronized deterioration through 2Q26, but the data largely precede the reported slowdown. The current snapshot therefore provides a baseline for comparison rather than evidence that the bottleneck had already affected homebuilders’ balance sheets.

Are Transfers Keeping Pace With Customer Financing?

Transfers Recovered, While Pro-Soluto Intensity Increased

Transfers and pro-soluto provide complementary views of the cash-conversion cycle. Transfers indicate how much of the commercial pipeline has reached mortgage contracting, while pro-soluto captures the customer-financing exposure that remains with developers before and after key delivery.

The available data offer a seemingly mixed starting point. Transfers remained active through the end of June, with aggregate transferred units returning close to the level recorded one year earlier. At the same time, the pro-soluto portfolio continued to expand, raising the question of whether customer financing was simply following a larger commercial operation or becoming more relevant relative to mortgage-backed cash conversion.

Portfolio composition matters as much as its size. Pre-key balances may increase naturally as sales grow and more customers enter the financing pipeline. Post-key balances deserve closer attention because developers continue carrying customer exposure after projects have been completed or keys delivered.

Figure 34: Aggregate Transferred Units

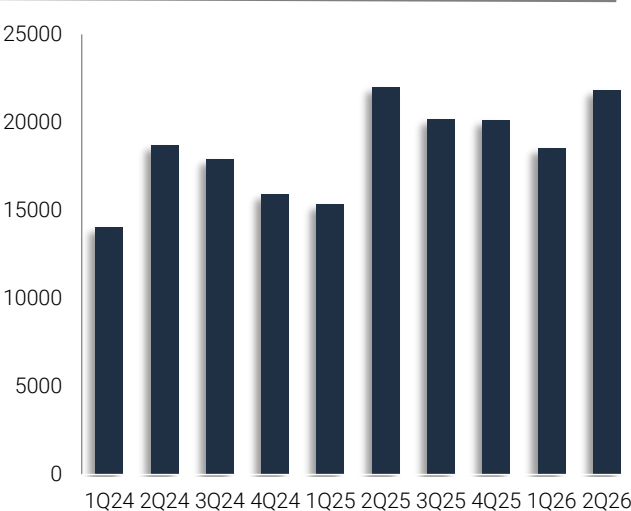
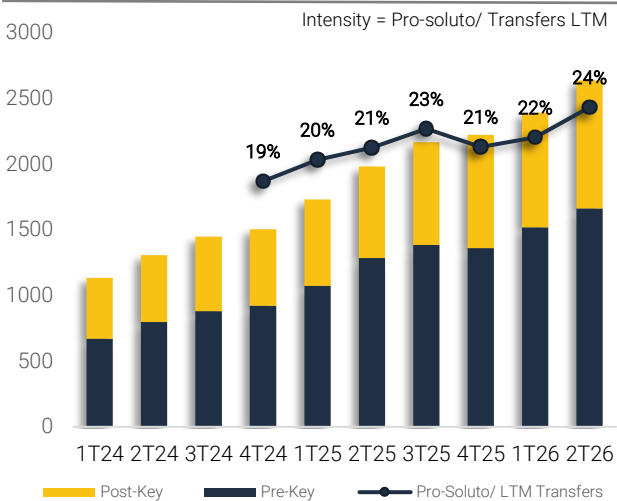


Figure 35: Pro-Soluto Portfolio and Intensity (R\$mnn)



Transfers had not materially deteriorated by quarter-end. The selected companies transferred 21.8 thousand units in 2Q26, increasing 17.7% QoQ and remaining broadly stable YoY. The sequential recovery indicates that the mortgage channel was still converting a meaningful portion of the existing sales pipeline through June, although activity returned toward the 2Q25 peak rather than establishing a materially higher level.

A larger commercial operation should naturally carry a larger pro-soluto portfolio. More sales bring additional customers into the financing pipeline, while higher property prices increase the nominal value of installments retained by developers. A higher absolute balance should therefore not, by itself, be interpreted as evidence of weaker credit quality, tighter mortgage availability or a longer cash-conversion cycle.

Still, operating scale may not explain the full increase. For the constant sample of Cury and Direcional, pro-soluto reached R\$2.6 billion in 2Q26, increasing 33.1% YoY, while pro-soluto intensity rose to 24.3% of LTM transfers from 21.3% one year earlier. Although this comparison combines a quarter-end stock with a trailing flow and should not be interpreted as an accounting ratio, its direction suggests that developer-financed exposure expanded faster than mortgage-backed transfers.

Portfolio growth and portfolio risk are not the same. A larger pre-key balance may remain consistent with sales growth and a broader pipeline under construction. A sustained increase in post-key exposure, overdue receivables or provisions, particularly alongside weaker transfers and operating cash generation, would provide clearer evidence that the financing cycle is becoming more demanding for homebuilders.

Chapter 05

Who Is Better Positioned?

When Could a Credit Bottleneck Start to Affect Launches?

A Persistent Mismatch Should First Lead to Greater Selectivity

Launch decisions should respond later than transfers and cash generation. A slower mortgage process initially postpones the conversion of existing sales into cash, while projects already under construction continue requiring capital. If approvals normalize and delayed transfers are recovered, the disruption should mainly shift cash generation between quarters rather than alter the underlying commercial strategy.

The first operating response would likely be greater selectivity rather than a broad reduction in launches. Homebuilders can adjust project timing, divide developments into smaller phases or prioritize products with faster absorption and greater financing visibility. These measures preserve strategic optionality while limiting additional working-capital commitments.

The impact becomes more relevant if slower mortgage execution persists as new sales continue entering the pipeline. Receivables and customer-financed balances may then remain outstanding for longer, reducing the pace of capital recycling. Launch decisions would increasingly depend on liquidity, leverage, inventory absorption and visibility on the normalization of transfers.

Inventory absorption should determine how quickly financial pressure reaches new supply. Companies with lower inventory coverage and faster sales velocity should have greater room to preserve launch plans. Those carrying longer inventory coverage or weaker absorption may become more selective earlier, particularly if launches continue to exceed sales.

Figure 36: Low-income Homebuilders: Launches and Net Sales

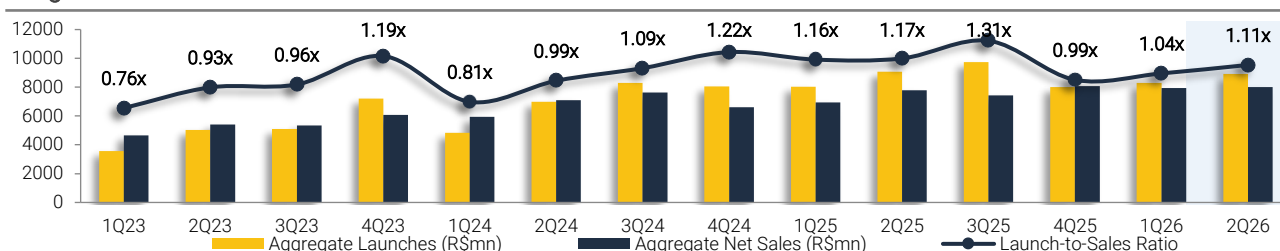


Table 37: Operating Position at 2Q26

Company	Launches / Sales	Months of Inventory	Sales Velocity	QoQ	Operating Reading
CURY	1.11x	5.0	38.6%	▼ 3.9pp	Low inventory despite softer absorption
PLANO & PLANO	0.94x	11.4	17.7%	▲ 0.9pp	Sales above launches supported absorption
Tenda	1.28x	10.2	23.7%	▼ 3.8pp	Higher supply with softer absorption
MRV	1.07x	11.7	21.5%	▲ 1.4pp	Higher inventory, but improving absorption
DIRECIONAL	1.14x	9.6	23.5%	▼ 0.5pp	Launches above sales; absorption broadly stable

The current operating position does not point to an imminent broad-based reduction in launches. Aggregate sales remain substantial, while companies retain different degrees of flexibility to manage supply. Cury's lower inventory coverage provides the clearest commercial buffer, while Direcional and Tenda remain closer to the peer median. MRV and Plano&Plano enter with longer inventory coverage, making the trajectory of absorption more relevant.

The response should ultimately depend on duration. A temporary processing delay would mainly shift transfers and cash generation between quarters, leaving launch plans broadly unchanged. A persistent mismatch would likely lead first to adjustments in project timing, launch phases and product mix. Only a broader deterioration in approvals, inventory absorption and cash visibility would support a material reduction in launch volumes.

How Prepared Are Homebuilders for a Longer Cash Cycle?

A common bottleneck, but different starting positions

The 2Q26 snapshot reveals materially different starting positions across our coverage. Cury stands apart with substantially faster sales velocity and lower inventory coverage, while Direcional and Tenda remain closer to the peer median. MRV and Plano&Plano entered the episode with longer inventory coverage and lower absorption, making continued sales execution more relevant if mortgage conversion remains slower.

Commercial strength provides flexibility but can also increase the volume awaiting mortgage conversion. Faster absorption and lower inventory coverage help preserve launch plans through temporary volatility. At the same time, higher sales bring more customers into credit analysis and mortgage contracting, potentially increasing the amount of capital awaiting conversion into mortgage-backed cash.

Financial flexibility determines how long this mismatch can be absorbed. Liquidity and leverage provide complementary indications of companies' capacity to continue funding construction while transfers are delayed, although neither metric should be assessed in isolation. Commercial positioning should therefore be considered alongside customer-financing exposure, receivable duration and capacity to absorb additional working capital.

Figure 38: Sales Velocity and Inventory Coverage

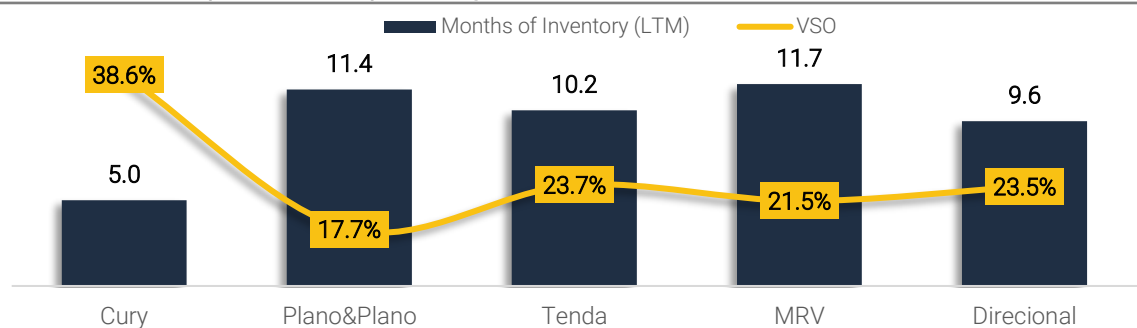


Figure 39: 2Q26 | Cash Coverage

Cash Coverage: Cash / Short-Term Debt

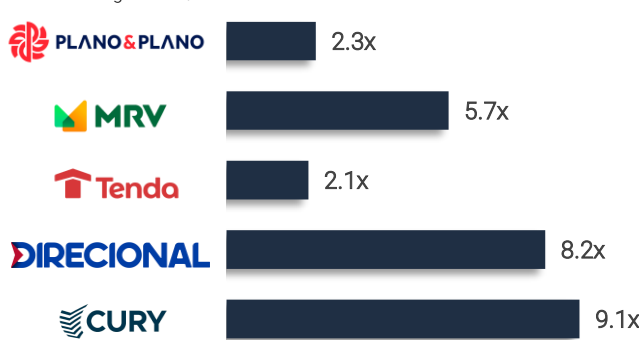
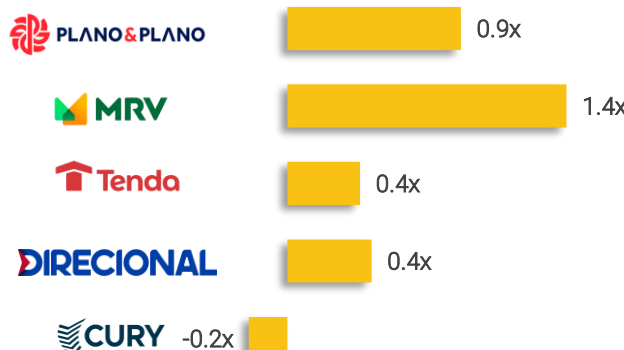


Figure 40: 2Q26 | Net debt / LTM EBITDA



Cury and Direcional enter the episode with the clearest combined buffers. Cury pairs superior commercial absorption with 9.1x cash coverage and a net cash position equivalent to -0.2x LTM EBITDA, while Direcional combines a balanced operating position with 8.2x cash coverage and limited leverage of 0.4x net debt / LTM EBITDA. Tenda also maintains relatively low leverage at 0.4x, although its lower cash coverage of 2.1x makes transfer execution and the duration of any cash-cycle extension more relevant.

MRV and Plano&Plano illustrate how commercial and financial positions may point in different directions. MRV retains comfortable liquidity, with 5.7x cash coverage, but its 1.4x net debt / LTM EBITDA and longer inventory coverage make continued sales and transfer execution the key variables to monitor. Plano&Plano combines weaker absorption with relatively low cash coverage of 2.3x and 0.9x net debt / LTM EBITDA, making the duration of a cash-cycle extension more relevant. Overall, the impact should depend on whether commercial execution, transfers and financial flexibility begin to deteriorate simultaneously.



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