

PATRIA INVESTMENTS (PAX)

Q1 2026 Earnings Call - Prepared Remarks

Andre Medina — *Investor Relations Director*

Good morning, everyone. Welcome to Patria's First Quarter 2026 Earnings Call. Speaking today are our Chief Executive Officer, Alex Saigh, and our Chief Financial Officer, Raphael Denadai, who joins us for his first earnings call in this role.

This morning we issued a press release and earnings presentation available on our investor relations website and on Form 6-K filed with the SEC. A replay will be available on our IR website. As a reminder, today's call contains forward-looking statements which are subject to risks and uncertainties, do not guarantee future performance and undue reliance should not be placed on them. Please refer to the forward-looking statements disclaimer and risk factors in our most recent Form 20-F. Patria reports under IFRS and will reference certain non-IFRS measures; reconciliations are in the earnings presentation.

With that, I'll hand it to Alex.

Alexandre Saigh — *Chief Executive Officer*

Opening

Thank you, Andre. Good morning, everyone.

We started 2026 with solid operating performance as we continued to make progress expanding the breadth and reach of our platform. Our results this quarter reflect three consistent drivers: continued organic fundraising momentum, growth in Fee-Earning AUM, and differentiated investment performance across our investment strategies.

Before I turn to the quarter, I want to formally welcome Raphael Denadai to his first earnings call as our CFO. Raphael has been a partner of this firm since 2024 and has been closely involved in our financial operations. He knows our business well, and I am confident he will bring a fresh perspective to the role.

Now turning to the quarter, fundraising totaled \$2.1 billion, keeping us firmly on track to achieve our full-year guidance of \$7 billion. We see upside potential as we work to beat our 2025 record fundraising of \$7.7 billion given the strength of investor demand we're seeing across the platform.

Fee-Earning AUM reached \$45.8 billion, up approximately 12% from 4Q25 and 31% year-over-year, reflecting year-over-year organic growth and the closing of Solis, our Brazilian CLO platform, and 3 Brazilian REITs acquisitions including RBR, Vectis and Genial, which together added approximately \$4.9 billion of Fee-Earning AUM. Pro-forma for WP Global Partners, our co-investment platform in the US, which closed on April 1st, Fee-Earning AUM stands at approximately \$47.5 billion.

The growth in FEAUM drove Fee-Related Earnings of approximately \$51 million for the quarter, up 19% year-over-year and we remain on a solid path to achieve our full-year FRE guidance of \$225 to \$245 million. To put this progress into context, annualizing our first-quarter FRE and adding in the \$10 to \$15 million of seasonal incentive fees that typically crystallize in the fourth quarter gets us to roughly \$215 to \$220 million, even before considering the additional revenue growth and margin expansion versus 1Q26 that we expect to see over the balance of the year.

Finally, Distributable Earnings per share of \$0.27 rose 14% year-over-year. Raphael will take you through the financials in detail.

Debt Offering

I also want to highlight that subsequent to quarter-end, Patria reached an important milestone as we completed our first issuance of \$350 million of fixed-rate, long-term debt. The notes were placed with a diversified group of institutional investors, primarily in the United States, and the offering was approximately 3x oversubscribed. This transaction extends our maturity profile, reduces our reliance on short-term credit facilities, and provides additional balance sheet flexibility.

The notes include a mix of 5, 7, and 10-year maturities with fixed coupons ranging from 6.0% to 6.6%, resulting in an average duration of 8.5 years and an average cost of 6.4% per year. Proceeds are being used to retire our existing revolving credit facilities with the balance available to fund future growth initiatives. Pro-forma for the offering, our net debt to FRE ratio stands at approximately 0.8x, consistent with our long-term target of 1x or less.

Raphael will provide more detail on our capital management outlook in his remarks.

Investment Performance

Of course, the bedrock of our ability to grow the business is investment performance, and we continue to generate attractive returns across our platform. As shown in our Earnings Presentation, the vast majority of our funds have historically outperformed their relevant benchmark, with over 80% of our current Fee-Earning AUM — excluding SMAs and third-party managed funds — invested in funds that have exceeded their benchmarks since inception. This reflects the consistency of our investment process across cycles and strategies and remains the foundation of our LP relationships and our capacity to raise capital.

I invite you to take a look at the return pages of our Earnings Presentation. For example, our largest strategy, Credit Latam High Yield, with over \$5 billion in Fee-Earning AUM shown on the Investment Performance section of our Earnings Presentation has generated 11% annualized net returns in U.S. dollars since its inception 26 years ago, outperforming its benchmark by over 360 basis points, and, as you can also see in the page, is outperforming its benchmark for all periods analyzed - year-to-date, 1, 3 and 5 years.

Investment performance of course directly translates into revenue growth as over 70% of our Fee-Earning AUM, mainly in Credit, Real Estate, GPMS, and Public Equities, grows as our funds deliver positive performance according to their underlying market value. As a reminder, our drawdown vehicles charge fees on a cost basis, so marks in underlying portfolios do not affect management fees.

Fundraising

Moving on, we were very pleased with our fundraising in the quarter, which reflected our continued momentum across multiple verticals.

Credit

Our credit vertical continues to stand out as we raised over \$925 million across various strategies that keep attracting strong demand from local investors and, depending on the strategy, global investors as well.

Of note, Solis contributed over \$265 million in the quarter, quickly highlighting how this business is additive to our overall platform. The integration of Solis is progressing well and is expanding our capabilities in private structured credit, particularly in the Brazilian CLO market. This positions us to benefit from the continued development of non-bank financing in Brazil, which we view as a structural multi-year growth opportunity.

We are also seeing strong interest in our dollar-denominated Private Credit Latam Fund II from international investors and expect this to be a meaningful contributor to fundraising throughout the year.

Infrastructure

Infrastructure continues to attract sustained demand from global institutional investors and raised over \$545 million in the quarter - particularly notable as we are not currently raising a flagship fund - as we are seeing growing interest in large-scale SMA and co-investment mandates.

Many of these mandates are targeted to specific initiatives such as the data center project we announced in partnership with ByteDance that is now advancing through its construction phase, and we are in active conversations on additional transactions of comparable scale. This represents the kind of fee-generating structured mandate we expect to see with greater regularity as our product offering continues to develop. In addition, we continue to expand the breadth of our Infrastructure platform into new strategies such as Infrastructure Core.

Private Equity

In Private Equity, we raised \$275 million through a co-investment opportunity and continue to develop a pipeline of additional co-investment and SMA transactions. We are also seeing growing traction in our Local Buyout Colombian Fund and our High Growth Reforest Fund. Our ability to raise capital for co-investments reflects continued LP confidence in our origination capabilities, even considering the DPI challenge facing the more mature vintages of our flagship Private Equity buyout funds, Fund V and especially Fund IV.

The DPI profile of our buyout funds reflects a slower realization environment as well as company-specific challenges, and while lower interest rates would support improved exit activity, the new interest rate environment has not yet materialized. To address the challenges of that part of our business, we have recently appointed the leader of our Value Creation team to focus primarily on divestments, while the existing leader of our Private Equity vertical will focus on investing our Buyout Fund VII and various SMAs and Co-investment opportunities. Meanwhile, Buyout Fund VI and Buyout Fund VII portfolio companies are performing well, having generated an average EBITDA growth of approximately 17% last year. Performance has also been strong for our Growth Equity and Venture Capital strategies, with flagship funds generating a Net IRR in USD of 13% and 17% respectively.

Global Private Markets Solutions

Now, with respect to GPMS, first quarter fundraising totaled around \$265 million, and we anticipate that 2026 should be a good year for several reasons.

First, we note that this quarter's fundraising includes a \$139 million first close for our inaugural commingled co-investment vehicle, the Patria Co-Investment Partnership Fund. This highlights our ability to develop new products on top of acquired platforms.

Second, we expect to complete the fundraise for our Secondaries Opportunities Fund 5, or SOF V, in the coming months. We can share that SOF V has already received commitments in excess of its initial target size of \$500 million and that we believe the fund could reach close to \$600 million by its final close, which would make it approximately 50% larger than its predecessor. This highlights our ability to enhance the commercial performance of existing products within acquired platforms.

And finally, we are particularly pleased to see that our European program is seeing increased interest from a broad range of institutional investors - including local institutional clients in Latin America, as well as North American and Asian investors who are already part of Patria's global client base.

This is an important development I want to highlight: the incremental demand from existing investors, who have partnered with us in Latin America and are now expanding their engagement with us into new strategies and, most notably, into new regions.

Furthermore, the WP Global Partners acquisition, which closed on April 1st, further strengthens our position in the U.S. lower middle-market, adding a local institutional presence and origination network in a segment where track record and relationships are the primary competitive differentiators.

Real Estate

Real Estate fundraising outlook remains strong. Take two of our largest Brazilian REITs in Logistics and Urban Retail, for example. They have over \$160 million of capital already contracted which should flow into Fee-Earning AUM in the coming quarters, highlighting what we believe to be one of our structural competitive advantages: the scale of our listed vehicles allows us to execute on our asset exchange model - through which property owners transfer illiquid assets in exchange for shares of our large, liquid listed funds - as a way to monetize their portfolios. This asset exchange program is generating an attractive fundraising pipeline that we believe is not only less dependent on the interest rate environment than traditional fundraising, but also potentially less costly to originate as well.

The RBR acquisition further enhanced our scale and structural advantage and we expect Real Estate, which is currently over 90% in permanent capital vehicles, to be a strong contributor to fundraising over the balance of the year.

AUM Quality

Reflecting on the growth and fundraising that we're experiencing across our platform, it is clear to us that we have significantly diversified our Firm's investment and distribution capabilities both organically and inorganically. We believe we now have at least 10 investment strategies with flagship funds with the potential to raise more than \$1 billion each per fund, up from just 2 flagship funds at the time of our IPO. All of our fundraising initiatives reinforce and support the high quality of our asset base as over 85% of our Fee-Earning AUM is in vehicles with no or limited redemptions, and our permanent capital base now stands at approximately \$10.7 billion, or roughly 23% of total Fee-Earning AUM. In addition, Pending Fee-Earning AUM — capital committed that would earn fees as deployed — increased about 17% to approximately \$3.3 billion in the quarter, providing additional visibility into future management fee revenues.

Performance-Related Earnings

At our December 2024 Investor Day, we set a three-year cumulative Performance-Related Earnings, or PRE, target of \$120 to \$140 million for the period from 4Q24 through year-end 2027, having generated approximately \$62 million through the first quarter of 2026. Infrastructure Fund III continues to support this progress, with about \$19 million of Net Accrued Carry well positioned for monetization this year. As we approach the mid-term of our guidance period and gain greater visibility into PE Fund VI, which has \$237 million of Net Accrued Carry, we now expect PRE realization to take longer making contributions more likely beyond 2027 rather than within our original timeframe. Importantly, this is a timing issue, not a value one, and Private Equity Buyout Fund VI is well positioned to be a significant PRE contributor in 2028 and beyond. Meanwhile, we are encouraged by the expansion of our PRE sources across Growth, Venture, Real Estate, and Credit, which together have about \$13 million of growing Net Accrued Carry, some of which could generate PRE in 2027. Taking it all together, we believe cumulative PRE for the 4Q24 through 4Q27 period can reach \$80 to \$100 million, with upside potential if markets improve and divestment activity accelerates.

Macro & Regional Context

Now let me share a brief perspective on the operating macro environment. Having invested across Latin America through multiple cycles for nearly 40 years, we bring longstanding perspective, deep local knowledge, and resilience that few can match. We continue to believe the region's exposure to commodities, its evolving renewable energy mix, and its significant infrastructure needs make it an area of sustained, structural interest for global capital, well beyond short-term market dynamics. Given the recent geopolitical developments you are well aware of, we are seeing growing engagement from global investors, with institutional allocators across Asia, and Europe increasingly turning their attention to Latin America and engaging with us across a broader and more diversified set of strategies than has historically been the case. This reflects not just interest in the region, but confidence in our integrated platform, scale, and execution

capabilities. We are continuing to invest in our ability to meet this demand, and we believe we are uniquely positioned to capture these opportunities.

Summary

In summary: we are executing consistently across the business. Fundraising is on track. Our asset base is predominantly long-duration and non-redeemable. Our investment performance is solid. And we remain confident in our ability to achieve our full-year objectives.

With that, I will hand the call to Raphael. Thank you.

Raphael Denadai — *Chief Financial Officer*

Opening

Thank you, Alex. Good morning, everyone.

I am pleased to be here for my first earnings call as CFO. I have been deeply involved in Patria since 2023 and I aim to bring to this role continued transparency, a focus on the quality of our earnings, and, over time, improvements in the clarity of our financial disclosures. Now, let me take you through the 1Q results.

Fee Revenue & Expenses

Total Fee Revenues for the first quarter was approximately \$92.6 million, up 20% year-over-year from \$77.3 million in 1Q25, and up 3% sequentially from 4Q25 excluding the incentive fees that typically crystallize in the fourth quarter.

The year-over-year growth reflects the full-quarter contribution of Solis and the Brazilian REITs acquired through 2025, two months of RBR, organic FEAUM growth, and net FX and performance effects.

Our last twelve months management fee rate was approximately 87 basis points in the quarter, reflecting the full-quarter impact of Solis in 1Q as well as stronger growth in Credit, Real Estate, GPMS, and various co-investments and SMAs over the recent quarters. Independently of fluctuations in average fee rates, and as evidenced by our margin outlook to be discussed in a few moments, the economics of these products remain very attractive given their often-high incremental margin, and the sticky and long duration structure of the mandates, which can include permanent capital vehicles.

Regarding expenses, total compensation and operating expenses for the quarter were approximately \$42.0 million, up 14% sequentially from 4Q25. The increase reflects the integration of recent acquisitions, planned investments in distribution and investment capabilities, and the seasonal reset of compensation programs at the start of the year.

FRE & Margin

Fee-Related Earnings for the quarter were approximately \$50.5 million, up 19% year-over-year, showing an FRE margin of 54.6%. The margin reflects the contribution of the acquisitions closed in the quarter, platform investments, and seasonal compensation timing — all consistent with our prior guidance on quarterly phasing.

We expect the margin to improve progressively through the year as management fees grow, integration work evolves, and expense growth moderates. We remain comfortable with our long-term FRE margin guidance of 58% to 60%.

Overall, we are reaffirming full-year 2026 FRE guidance of \$225 to \$245 million, or \$1.42 to \$1.54 per share - approximately 15% to 16% growth from last year's \$202.5 million. We are also maintaining our 2027 FRE target of \$260 to \$290 million.

Distributable Earnings & Stock-Based Compensation

Total Distributable Earnings for the quarter were \$42.4 million, or \$0.27 per share, up 14% year-over-year on a per share basis. Growth was driven primarily by FRE.

Alex has updated you on our PRE expectations, so let me turn to Stock-Based Compensation. SBC in the quarter was \$10.1 million. Based on current programs, we expect full-year 2026 and 2027 SBC to represent between 11% to 12% and 10% to 11% of Total Fee Revenues respectively. The expected nominal increases reflect an intentional expansion of equity ownership deeper into the organization and a higher proportion of total compensation delivered in equity for key employees.

When benchmarked against listed alternative manager peers, we believe our SBC profile is consistent with the group.

Finally, we believe that, over the long term, our SBC will moderate as a percent of net revenues as our business scales.

Tax

Now, a brief note on taxes: the 1Q26 effective rate was approximately 10.3%, reflecting our evolving business mix and consistent with our guidance. This is driven by country mix as we engage in acquisitions with higher tax burden which increases the total tax expense.

Balance Sheet & Capital Management

Regarding the balance sheet: I want to take the opportunity to help you understand Patria's updated liquidity profile following the completion of our debt private placement, which, as Alex noted, extends our maturity profile, eliminates reliance on revolving credit facilities, and provides fixed-rate capital for future business development.

To facilitate this discussion, we have added a specific slide to the Reconciliations and Disclosures section of our Earnings Presentation, available on our website. Between proceeds from the debt offering and expected cash generation, we expect to have ample capacity to meet all of our obligations, pay out dividends, reinvest in the business and buy back shares while maintaining a conservatively structured balance sheet.

In this context, share count for the quarter was 159.1 million shares, inclusive of 893 thousand shares repurchased directly in the market for \$12.7 million and the initial implementation of a new Total Return Swap, or TRS, of an additional 840 thousand shares. It remains our goal to maintain the share count in the 158 to 160 million range.

Summary

So, to summarize, our financial picture is straightforward. We have a business generating growing, sticky cash flows from a highly diversified and predominantly long-duration and non-redeemable asset base. Our fundraising momentum continues and Fee-Related Earnings are growing, giving us confidence that we are on track to meet our objectives. In addition, the balance sheet remains strong and positioned to support future growth initiatives. We look forward to your questions.