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PRESENTATION

Operator

Good day, and thank you for standing by. Welcome to the Patria Fourth Quarter and Full Year 2025 Earnings Conference Call. (Operator Instructions) Please be advised that today's conference is being recorded.

I would now like to hand the conference over to your first speaker today, Andre Medina from Patria Shareholder Relations. Please go ahead.

Andre Medina - Patria Investments Ltd - Investor Relations

Thank you. Good morning, everyone, and welcome to Patria's Fourth Quarter and Full Year 2025 Earnings Call. Speaking today on the call are our Chief Executive Officer, Alex Saigh; and our Chief Financial Officer, Ana Russo; and our Chief Economist, Luis Fernando Lopes, for the Q&A session.

This morning, we issued a press release and earnings presentation detailing our results for the quarter, which you can find posted in the Investor Relations section of our website on Form 6-K filed within the Securities and Exchange Commission. This call is being webcast, and a replay will be available. Before we begin, I'd like to remind everyone that today's call may include forward-looking statements, which are uncertain, do not guarantee future performance and undue reliance should not be placed on them. Patria assumes no obligation and does not intend to update any such forward-looking statements. Such statements are based on current management expectations and involve risks, including those discussed in the Risk Factors section of our latest Form 20-F annual report. Also note that no statements on this call constitute an offer to sell or a solicitation of an offer to purchase an interest in any Patria fund.

As a foreign private issuer, Patria reports financial results using International Financial Reporting Standards, or IFRS, as opposed to US GAAP. Additionally, we would like to remind everyone that we will refer to certain non-IFRS measures, which we believe are relevant in assessing the financial performance of the business, but which should not be considered in isolation from or as a substitute for measures prepared in accordance with IFRS. Reconciliation of these measures to the most comparable IFRS measures are included in our earnings presentation.

Now I'll turn the call over to Alex.

Alexandre Teixeira Saigh - *Patria Investments Ltd - Chief Executive Officer, Director*

Thank you, Andre. Good morning, everyone, and thank you for joining us today. We are very excited to report our fourth quarter results, a capstone to a very successful 2025, which highlights how as we enter 2026, Patria is in a strong position to achieve and hopefully exceed the three-year fundraising and FRE fee-related earnings objectives in addition to other important KPIs we set for ourselves at our Investor Day in December 2024.

Highlights of the quarter and 2025 include organic fundraising of \$1.7 billion in the quarter and a record \$7.7 billion for the full year, sharply surpassed our previously upwardly revised full year target of \$6 billion by more than \$1 billion. We generated \$203 million of fee-related earnings in 2025, up 19% year-over-year, achieving our objective of \$200 million plus for the year. Distributable earnings per share reached \$1.27 in 2025, driven by the strong fee-related earnings growth in addition to \$19.6 million of performance-related earnings in the fourth quarter.

We announced back on November 26, 2025, the acquisition of 51% of the Brazilian private credit manager, Solis, which closed on January 2. Solis, with approximately \$3.5 billion of fee-earning AUM as of the third quarter 2025, substantially expands our capabilities and scale in the rapidly growing private credit market in Brazil. Pro forma for the acquisition, our credit vertical fee-earning AUM is approximately \$12.1 billion.

We also announced on December 11, 2025, the acquisition of several REITs real estate investment trusts from the Brazilian real estate manager, RBR, which closed yesterday and is expected to add approximately \$1.3 billion of permanent capital real estate investment trust assets in Brazil. We are now the largest manager of listed REITs in Brazil with a pro forma fee-earning AUM of approximately \$5.7 billion, a market in which we believe scale provides significant competitive advantages.

Also just yesterday, we announced an agreement to acquire WP Global Partners, a US-based lower middle market private equity solutions manager with \$1.8 billion of fee-earning AUM as of the third quarter 2025, which will enhance our global capabilities in our global private markets solutions business. Pro forma for the acquisition, our GPMS Global Private Markets Solutions fee-earning AUM is approximately \$13.6 billion.

Our total fee-earning AUM of \$41 billion as of the fourth quarter 2025 rose 5% sequentially and 24% year-over-year. Pro forma for the announced acquisitions, our fee-earning AUM at year-end is approximately \$47.4 billion, putting us in a strong position to achieve our year-end 2027 target of \$70 billion. We are also pleased to share that our energy trading platform, Tria, which has experienced strong growth since its launch in 2024 and contributed with \$4 million to our 2025 distributable earnings signed a definite agreement with Raizen to acquire its energy trading arm, Raizen Power.

Upon completion of the transaction, Tria is expected to become one of the largest independent energy trading companies in Brazil. Finally, adding to our current approved share buyback program of 3 million shares, of which we have already acquired 1.5 million in the third quarter 2025, our Board just approved an additional 3 million share buyback program.

On top, further illustrating Patria Partners' alignment with our business, of which we already own approximately 60% and our belief in Patria's unique position to continue its growth path, we, Patria's Partners through our holding company, PHL, are happy to announce our intention to purchase up to 2.5 million PAX shares. Summing it all up, we can now purchase up to 7 million shares to return capital to our shareholders.

Now let's take a closer look into the quarter and the year, starting with fundraising. The \$1.7 billion of capital we raised in the fourth quarter 2025 and the \$7.7 billion we raised for the full year do not include any acquisition and were driven by continued demand for our infrastructure, credit, real estate and GPMS strategies.

Our fundraising in 2025 exceeded the initial \$6 billion target we set back at our Investor Day in December 2024. As well as the revised target of \$6.6 billion we set in the third quarter of 2025. While we are leaving our 2026 and 2027 fundraising targets at \$7 billion and \$8

billion unchanged for now, our success in leveraging the investments we have been making in our platforms and distribution capabilities increases our confidence in our ability to meet and hopefully exceed our targets.

Now turning to the fundraising performance of specific asset classes. As the leading infrastructure investor in Latin America, we continue to see increased global interest in this fast-growing asset class as we raised approximately \$2.3 billion for our infrastructure strategies in 2025, led by the final closing of our Infrastructure Development Fund V and various fee-paying SMAs and co-investment vehicles.

This was approximately 5x what we raised for infrastructure in 2024, and we see no letup in demand for these strategies from both global investors as exemplified by the recently announced \$2 billion data center projects led by one of our drawdown funds in partnership with ByteDance and increasingly local investors.

Next, GPMS raised almost \$2 billion in 2025, continuing to highlight the strong support from our clients and our success in integrating this business into our platform. The recently announced agreement to acquire WP Global Partners with approximately \$1.8 billion of fee-earning AUM, we expect will further strengthen investor demand for our solutions strategies over time as it enhances our investment capabilities in the United States.

Credit also had another strong year, fundraising a record \$1.8 billion of capital, handily surpassing the \$1.4 billion raised in 2024, which was itself a record. Continued strong investment performance, combined with the addition of Solis and its robust private credit capabilities further enhances the capital raising prospects of our credit platform. On that note, let me give a little more color on how we see the private credit opportunity in Brazil.

The total Brazilian credit market reached \$1.7 trillion in 2024, with \$800 billion estimated to represent the addressable market opportunity for asset-backed nonbank private credit, of which around \$200 billion is already currently served through private credit vehicles, mainly CLOs. CLOs, which AUM in Brazil exceeded \$150 billion as of September 2025, have been the fastest-growing asset management strategy in the country, having grown at a 30% plus CAGR compounded annual growth rate since 2019.

This growth is supported by multiple structural drivers, including, but not limited to, favorable regulation, banking disintermediation, tax incentives and broader financial deepening and growing interest in the CLO structure amongst investors. With the acquisition of a majority stake in Solis, Patria significantly enhances its capabilities and scale in this very attractive market. Finally, even within a high-interest-rate environment, we see building momentum in our real estate business.

Our real estate strategies raised over \$520 million in the fourth quarter of 2025, including over \$260 million through a follow-on offering in our Brazilian logistics REITs and over \$180 million in our funds in Colombia. As the largest manager of REITs assets in Brazil and one of the largest in Colombia with over \$8 billion of pro forma permanent capital fee earning AUM, -- we believe our substantial scale in this business is a significant competitive advantage when it comes to attracting investor capital, and we are excited with the opportunities this business has to offer heading into 2026.

Of course, fundraising alone does not drive growth in fee-earning AUM and management fees. And we are proud to report that redemptions decreased by approximately 25% in 2025 versus 2024, a clear reflection of our strong investment performance across our verticals. Our ability to grow our fee-earning AUM is further enhanced by the stickiness of our asset base, given that approximately 90% is in vehicles with no or limited redemptions, including 22% or \$9.1 billion of fee-earning AUM in permanent capital vehicles.

Our strong fundraising, coupled with low redemption rates and a sticky asset base is translating into solid net organic growth as we generated approximately \$2.4 billion of organic net inflows into fee-earning AUM in 2025, representing an organic growth rate of about 7%. We see additional room for our organic growth rates to increase further in the years ahead as we plan to grow our base of attractive products in sticky structures.

In addition, with over 50% of our management fees charged on NAV or market value, our strong investment performance continues to be an important growth driver, contributing approximately \$3 billion to our fee-earning AUM. Combined organic net inflows and the positive

impact of investment performance added over \$5.3 billion to our fee-earning AUM in 2025. The impact of FX throughout the year was also positive, adding \$2 billion to our fee-paying asset base.

Finally, the acquisition of the Brazilian REITs discussed during our last earnings call and concluded in the second quarter of 2025 contributed with \$600 million. Summing it all together, our fee-earning AUM in the fourth quarter of 2025 reached \$40.8 billion, up 24% or \$7.9 billion year-over-year. Pro forma for recently announced acquisitions, our fee-earning AUM is now at \$47.4 billion.

It is also important to highlight that as we expand our business, a large portion of the capital we raise will only flow into fee-earning AUM as capital is deployed. Our fourth quarter 2025 pending fee-earning AUM totaled about \$2.9 billion, further highlighting our future fee-earning AUM and management fee growth potential. Our fee-earning AUM growth is also reflected in the diversification of our business.

Pro forma for recent acquisitions, our fee-earning AUM base is well diversified across our asset classes with 29% in GPMS, 26% in credit, 19% in real estate, 12% in private equity, 9% in infrastructure and 6% in public equities. Patria today has over 35 investment strategies with more than 100 products with no single product representing more than 8% of our pro forma fee-earning AUM.

Our largest fund, which is a corporate credit LatAm high-yield fund has approximately \$3.8 billion in AUM and has delivered an impressive 13.1% net compounded annualized return since inception in 2022 and as of the fourth quarter 2025. Our corporate credit LatAm high-yield strategy more broadly, which started back in 2000, currently has an aggregate AUM of over \$5 billion.

And as of the fourth quarter 2025 has outperformed its benchmark for every single period, one year, three years, five years and since inception with since inception, net compounded annualized return of 11.1%, exceeding the benchmark by more than 360 basis points. In terms of geography, approximately 1/3 of our assets are invested in Brazil, 1/3 in other Latin American countries and 1/3 in developed markets across Europe and the United States.

With regards to our investor base, our sources of capital are also diversified across geographies with approximately 27% of our AUM coming from Europe and the Middle East, 31% from Latin America, excluding Brazil, 16% from North America, 18% from Brazil and 9% from the Asia Pacific region. Looking at our foreign exchange exposure, over 60% of our fee-earning AUM is denominated in a diversified basket of hard currencies, mainly the US dollar and not exposed to soft currency fluctuations.

Finally, as I mentioned before, approximately 90% of our pro forma fee earnings AUM is in vehicles with no or limited redemptions, including 22% or \$9.1 billion of fee-earning AUM in permanent capital vehicles. These points further highlight the quality of our fee-paying asset base and the predictability and long duration of our management fees.

Finally, we're also expanding the number of flagship drawdown funds into new strategies and asset classes, including infrastructure development, infrastructure credit, private equity buyouts, growth equity, venture capital, private credit, real estate development, secondaries, co-investment vehicles, among others.

All of these products will be eligible to generate performance fees, highlighting the potential for even greater diversification of our performance fee earnings stream. Now our strong fee-earning AUM growth is translating into robust growth in fee-related earnings. In the fourth quarter of 2025, we reported fee-related earnings of \$64.2 million, representing 30% sequential and 17% year-over-year growth, also supported by our margin expansion of 5% versus the third quarter 2025 and 5% versus one year ago, reflecting our success in integrating acquisitions and the growing scale of our business.

For the full year, fee-related earnings reached \$202.5 million, up 19% and in line with our guidance. On a per share basis, fee-related earnings of \$0.41 in the fourth quarter 2025 rose 30% sequentially and 14% year-over-year. Full year fee-related earnings per share was \$1.28, a 15% year-over-year increase.

Given our strong fundraising momentum and fee-earning AUM growth outlook, we remain confident in meeting our 2026 fee-related earnings targets of \$225 million to \$245 million or \$1.42 to \$1.54 per share, in addition to our target of \$260 million to \$290 million or \$1.60 to \$1.80

per share. As a reminder, our fee-related earnings targets are inclusive of already announced and prospective M&A. We reported \$78.5 million of distributable earnings in the fourth quarter and \$200.9 million for the full year.

On a per share basis, this was \$0.50 and \$1.27, respectively. In addition to the very strong fee-related earnings growth we highlighted earlier, distributable earnings also benefited from multiple monetization events in our Infrastructure Fund III as we announced last quarter, our share count for the fourth quarter 2025 remained at 158 million shares. In connection with performance-related earnings, I think it is important to address the decrease in our net accrued performance fees primarily due to private equity buyout Fund V falling out of carry.

As this particular fund's performance is close to its hurdle rate and given its European carry structure, foreign exchange and the price of public holdings can drive private equity buyout Fund V in and out of carry frequently. However, as we look more deeply into our business, we are optimistic in our ability to generate future performance fees as we believe we remain on track to deliver our performance-related earnings target range of \$120 million to \$140 million from the fourth quarter 2024 to the end of 2027.

We have already realized \$62 million of performance-related earnings against our target and Infrastructure Fund III, which is generating cash carry and had approximately \$19 million of net accrued carry remaining as of year-end is expected to generate performance fees in 2026. Private Equity buyout Fund VI, which is a 2019 vintage and has over \$210 million of net accrued carry is fully invested and entering its monetization phase.

We have several newer strategies in growth and venture that have performed well. And while still early days, already have about \$7 million of net accrued carry, a balance that we would expect to grow over the coming years. For both private equity and infrastructure, an increasing proportion of our growing co-investment assets are carry eligible, which has the potential to generate performance fees on a deal-by-deal basis.

In addition, as I mentioned, we have an expanding range of drawdown funds across our asset classes eligible to generate performance fees. To summarize, I want to reinforce that we believe that we are on track to deliver on our performance-related earnings target range of \$120 million to \$140 million from the fourth quarter 2024 to the end of 2027. With \$62 million already realized, approximately \$20 million expected in 2026, mainly from our Infrastructure Development Fund III and the remaining balance expected to be realized in 2027 from multiple funds.

Before I conclude, a quick note on macro. From our perspective, the macro events, both globally and within the region favor the drivers of our business. These long-term drivers such as the financial deepening across Latin America, deregulation and pension reforms in large economies in the region, increased allocations to alternatives, robust demand for infrastructure investing, potentially lower interest rates on the back of declining inflation and better fiscal prospects, a consequence of more market-friendly governments being elected in the region continue to drive demand from both local and global investors.

If anything, the current geopolitical scenario, coupled with a weaker US dollar and attractive on-the-ground trends are fueling increased interest in Latin America from a broadening range of investors. Incidentally, that is what capital markets showed in 2025 and also year-to-date with the region outperforming in many asset classes. With that as a backdrop, we think it is important for investors to keep in mind that we have close to 40 years of investing experience navigating the various economic and political cycles in the region.

This experience, combined with the greater diversification and resilience of our business, in our view, make us uniquely positioned to capitalize on both the increased investor interest in the region and the wide range of investment opportunities we see. Again, we are excited about the fundraising and fee-related earnings momentum we have been building, momentum which is supported by our increasing scale and capabilities across an expanding range of strategies.

We believe our long-term opportunity and outlook remain bright, and none of this would be possible without the dedication and capabilities of our team members for which I am very proud and grateful. On a final note, I want to comment on organizational and structural changes we have announced in recent months. First, I'd like to thank our CFO, Chief Financial Officer, Ana Russo.

Ana approached me about a year ago with her plan to step down from her current corporate role as Patria's CFO to focus the next stage of her career on advisory and nonexecutive roles and projects. We are sorry to see Ana leave and want to thank her for all her hard work and contribution in the past several years but we are glad that we will continue our relationship in several fronts as, for example, with her current position as Board member of Patria-Monededa Asset Management in Chile.

I wish Ana the best of luck as she charts a new career path. Following an extensive review process, we announced that Raphael Denadai, currently Patria's partner and CFO of Portfolio Management with over 25 years of experience, will assume the role of Patria's CFO effective in April 2026. Ana, who will remain in her position until then, will provide more color on the transition in her prepared remarks. In addition, as we announced back in December 2025, to further strengthen our corporate structure in order to drive operational excellence and better support Patria's strategic execution at scale.

Patria recently created the role of Global Chief Operating Officer and was pleased to introduce Nikitas Psyllakis as our new Global COO. Nikitas joins Patria from DWS Group, bringing over 20 years of extensive global experience in financial services, having led strategic planning, operational transformation and regulatory initiatives. With that, I would like to once again welcome Nikitas and Raphael to their new roles.

Now let me turn the call over to Ana to review our financial results in more detail. Thank you, Ana.

Ana Russo - *Patria Investments Ltd - Chief Financial Officer*

Thank you, Alex, for the kind words, and good morning, everyone. Indeed, it's quite rewarding to close out 2025 with \$7.7 billion of organic fundraising, exceeding by a large margin, our previously upwardly revised full year target of \$6.6 billion by more than \$1 billion. We expect the strong fundraising momentum and fee-earning AUM growth for 2025 to continue as we enter the second year of our current three-year plan and are even more confident of our ability to achieve our objectives for 2026 and 2027.

Before I review our financials in more detail, I would like to take a moment to speak about my transition from the CFO role. Stepping down as Patria's CFO is a deeply personal decision driven by my desire to dedicate the next stage of my career to advisory and nonexecutive positions, areas where I believe I can contribute to a different organization given my diverse background.

I will continue serving as a Board member of Patria-Monededa Asset Management in Chile and remain fully committed to Patria as a CFO through the end of April. Over the next few months, my focus will be on delivering all 2025 annual reports and regulatory obligations, supporting our new auditor, KPMG, as they complete their first annual audit and most importantly, ensuring a smooth and effective transition to Raphael Denadai.

I'm extremely proud of how Patria has evolved during my 3.5-year tenure as CFO, and I'm confident that my colleague, Raphael, will do an excellent job and supported by a strong and committed team. Let's review our fourth quarter and full year 2025 results in more detail. Our full year organic fundraising of \$7.7 billion was an important step to deliver our cumulative three-year plan of \$21 billion of total fundraising that we communicated at our 2024 Investor Day.

Our success this year demonstrates that the strategic investments we made across our investment platforms, products and distribution capabilities are paying off. We entered 2026 with greater visibility and unwavering confidence in our ability and our path to achieve our objectives for this year and next. Our FEAUM rose 24% year-over-year and 5% sequentially to \$40.8 billion.

The strong year-over-year growth reflects mainly the combination of solid organic net inflows of \$2.4 billion and the positive contribution from our strong investment performance in addition to a positive FX impact and the acquisition of several Brazilian REITs concluded in the second quarter of 2025. As Alex mentioned, our fee-earning AUM growth continues to highlight our expanding fundraising capabilities and deployment opportunities, coupled with the stickiness and resilience of our asset base.

Pending fee-earning AUM of \$2.9 billion, combined with our fundraising goals, the 22% of fee-earning AUM that are in permanent capital vehicles, the almost 35% of fee-earning AUM in drawdown funds with an average life of six years and an overall stickiness of our asset base, altogether highlight our ongoing ability to generate net organic FEAUM growth over time.

Total fee revenue in the fourth quarter reached \$101 million, up 8% year-over-year and about 19% sequentially. For the full year, total fee revenue reached \$344 million, an increase of 14% versus one year ago. Our management fee rate averaged 92 basis points over the trailing four quarters. As reviewed at our December 9, 2024, Investor Day, we are steadily diversifying our business and introducing new investment strategies and product structures, which are key drivers of our growth.

Consequently, our management fee rate will continue to evolve, and we expect our fee rate to trend towards approximately 90 basis points over the coming quarters, but with the potential to vary depending on the mix. Looking into our expense lines, operating expenses, which include personnel and G&A expenses, totaled approximately \$36.1 million in the quarter, up 5% sequentially and down 4% year-over-year.

We remain focused on controlling expenses and capturing operating efficiencies even as we continue to reinvest in the business. For the full year, operating expenses totaled \$141.6 million, up 8% versus 2024, mainly driven by new acquisitions and salary increase inflation adjustment, partially offset by realized operating efficiencies. As we look ahead to 2026, excluding the impact of acquisitions, total expenses in the fourth quarter are a good starting point as we enter the new year.

Putting it all together, Patria delivered fee-related earnings of \$64.3 million in the quarter, up 17% versus prior year and 30% sequentially with an FRE margin that rose approximately 5 percentage points versus Q4 '24 and sequentially to 63.6%. We remind everyone that the fourth quarter is often our strongest quarter in terms of FRE margin, driven by the recognition of most of our high-margin incentive fees from our credit and public equity portfolio, which totaled \$11.3 million in the quarter.

For the full year 2025, we generated \$202.5 million of fee-related earnings, up 19% year-over-year, in line with our guidance. As Alex mentioned, we continue to expect to generate \$225 million to \$245 million of FRE in 2026, and we remain confident that we are on path to deliver on our 2027 FRE target of \$260 million to \$290 million with an FRE margin objective of 58% to 60%. While our recent M&A may exert some short-term pressures of FRE margins, our expanding scale and ability to realize operating efficiencies keep us confident that we can meet our FRE margin objectives for 2026 and 2027 of 58% to 60%.

As noted on our last call, in Q4 2025, we had multiple monetization events in our Infrastructure Fund III, which generated \$19.6 million of performance-related earnings in the fourth quarter. We continue to expect Infrastructure III, which had approximately \$19 million of net accrued performance fees at the quarter end to continue its realization through 2026.

Our total net accrued performance fee decreased from \$402 million in the third quarter '25 to \$249 million in the fourth quarter of 2025, mainly driven by private equity Fund V falling out of carry, driven by the price of public listed companies and FX. For reference purpose, if we consider the FX rate and the price of the public holdings by end of January, net accrued performance fees for Fund V would have been around \$40 million.

As we look more deeply into our business and as detailed by Alex, we are optimistic about our ability to generate future performance fees from multiple funds. Next, our net financial and other income and expenses in fourth quarter '25 totaled a positive \$1.8 million versus Q4 '24, mainly due to lower average debt and higher contribution from Tria, our energy trading platform.

Sequentially, net financial income and other expenses were up of \$0.8 million versus third quarter '25, mainly reflecting a lower contribution from Tria. While it can vary sharply quarter-to-quarter, it's worth noting that in 2025, Tria contributed approximately \$4 million to Patria, and we are very excited regarding the long-term potential of this business and hope to share more updates on the development of this business over the course of 2026.

At the end of the quarter, net debt totaled approximately \$105 million, slightly below the \$108 million for the third quarter '25 as we did not have any meaningful M&A payments in the quarter. Our net debt to FRE ratio of 0.5 was well below our long-term guidance of 1x. Deferred M&A-related cash payments through 2028 currently total approximately \$110 million, excluding potential earn-outs.

As highlighted in previous earnings call, during third quarter, we entered a total return swap or TRS with a financial institution through which 1.5 million shares were purchased on our behalf. We expect to settle the TRS by Q3 2026, at which point the share will be transferred to Patria and subsequently retired. I would like to take the opportunity to recap our capital management strategy based on our strong cash generation and conversion of distributable earnings.

First, we increased our dividend by \$0.05 per share for 2026, resulting in an expected dividend payment of \$100 million. Second, we will target around 3 million shares repurchase to offset dilution from stock-based compensation and any M&A transaction settled in shares. For this purpose, we may again consider the use of total return swaps, which have proven to be a cost-effective capital management tool. With regard to current M&A, we expect funding to come primarily from cash.

Also, as of December 31, our 2026 deferring contingent payment totals approximately \$100 million, of which about 80% is expected to be paid in cash. To highlight our ample ability to fund our growth and maintain a healthy dividend, let's look at a simple math. Based on the midpoint of our 2026 FRE guidance and expected PRE, we estimate our cash generation in 2026 will be approximately \$220 million.

So deducting our dividend, payment of TRS and the current deferred and contingent payments noted before, we still leave us with the capacity to fund CapEx and additional M&A when considering our cash generation and our total unused debt capacity of over \$100 million. Of note, our total current net debt capacity is about \$235 million or onetime FRE compared to the \$105 million at year-end, which is very conservative as industry standards.

All the above underscores the strength of our financial position to support growth initiatives and maintain strategic optionality for our shareholders. Our effective tax rate in the fourth quarter '25 was 4.2%, excluding performance fees, which is usually crystallized in the tax favorable jurisdiction, the effective rate was 5.6%, which represents 120 basis point improvement versus Q4 '24 on a comparable basis.

The reduction was mainly driven by tax credits on our UK entities. On a full year basis, excluding performance fees, the effective tax rate reached 6.3% with 180 basis points lower than 2024. Looking ahead, we continue to expect our annual tax rate to average around 10% -- in the fourth quarter, we generated \$78.5 million of distributable earnings or \$0.50 per share.

For the full year, distributable earnings were \$200.9 million or \$1.27 per share, representing a 6% year-over-year growth from \$189.2 million in 2024 with a strong FRE growth more than offsetting lower performance-related earnings and the higher share count. While FRE and DE are important financial metrics, I would like to give you some additional color on line items that impact our net income. In 2025, net income totaled \$85.6 million, which is up 19% versus \$71.9 million in 2024.

The increase of \$13.6 million is mainly driven by distributable earnings growth and lower deferred contingent consideration, partially offset by higher than originally anticipated equity-based compensation, reflecting better performance, lower employee turnover and expansion of the program. We plan to give more color on the equity-based comp and other line items during our first quarter call.

We finished the quarter with 158 million shares, unchanged from the prior quarter. We did not repurchase any share in the quarter and continue to expect the share count to average between 158 million and 160 million from 2025 to 2027, inclusive of our additional share repurchase. In 2025, the Board approved a share repurchase program of up to 3 million shares, of which we have utilized \$1.5 million through the TRS.

At our recent Board meeting, we received the approval for an additional 3 million shares to be added to the program. Finally, we declared a dividend of \$0.15 per share for the fourth quarter. We remind everyone that we have updated our fixed dividend policy from \$0.60 in 2025 to \$0.65 per share for 2026, an increase of 8%. Overall, we are truly encouraged by our fourth quarter results and with the momentum we are building as we continue to diversify and improve the resilience of our business.

We believe we are firmly on track to achieve the various targets we have shared with you, and we are excited by the growth opportunity ahead. Thank you, everybody, for dialing in, and we are now ready to answer your questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Craig Siegenthaler, Bank of America.

Craig Siegenthaler - BofA Global Research (US) - Analyst

So first question is on private equity valuation process. We've had some recent inbound on the topic, so I thought we could kind of clean it up here. Private Equity Funds IV and V, they're both pre-2016 vintage funds. They both have a significant amount of unrealized value. So I was wondering if you could talk about your internal valuation process, how it works and also how those valuations are validated by third parties.

Alexandre Teixeira Saigh - Patria Investments Ltd - Chief Executive Officer, Director

Okay. Thank you very much, Craig. Thanks for your question. On the valuation process, we -- in summary, we use industry practice, industry common valuation process for our private equity drawdown funds and our infrastructure fund funds, all of our drawdown funds, we -- once a year, we have an independent appraiser to value the funds. We normally use a recognized independent appraiser that does the valuation with year-end numbers, in this case, end of 2025.

This independent appraiser works with the management teams of the respective portfolio company, going through a whole understanding of the business, understanding of the next three to five years and future prospects of the business and more of a technical discounted cash flow model as it is common in the industry for these kinds of valuations.

And then this valuation, of course, is compared with multiples and compared with industry multiples, peers, if there are no comparable listed peers, whatever. So it's, of course, the main methodology is a discounted cash flow. And of course, the end result is compared with peers, valuations, listed, nonlisted M&A transactions, et cetera, et cetera. As it is what I'm saying, it's completely normal for these kind of valuations in the industry.

And what we do is actually we then -- they give us a range and then we value within the range, we actually mark the companies one by one. That's what we do. And during the year, we don't really do much. We just actually have the valuation during the year, quarter-by-quarter be adjusted by the cost of capital of that specific business and adjust the valuation if something major happens like we sell part of the business or we merge or whatever or something really went -- goes wrong, like COVID or something like that or whatever.

But if there was no major changes, I don't -- we really don't like and we are advised not really to keep changing the valuation of the business. If nothing major happens with that specific business during the year, we just then adjust the valuation by, again, the cost of capital until we go through that process, all that process again at the end of the subsequent year. So again, we have been doing this for -- since inception, right?

Our first private equity fund was back in '97. It's going to be 30 years, not 29 years as of now. We know that because it's going to be -- this year is going to be our annual meeting with investors number 29, and we do one a year. So it's now 29 years ago, we did our first one. And we've been doing this kind of valuation for the businesses since then.

We check with the industry practices now and again, and the industry practices continue to be more or less what I just mentioned. But it's different, and I think there's sometimes confusion when we -- if we -- when we -- about charging management fees and performance fees, et cetera. Now we do not charge management fees on NAV for the drawdown funds. So the valuation is an indicative value because it doesn't mean much for our revenues. It doesn't mean anything for our revenues because we charge on costs.

So if we did invest \$100 in that business and that business now is valued at \$150 or \$50, we continue charging on \$100 until we sell the business. So the valuation does not affect our management fees. Number two, we do not run performance fees, unrealized performance fees through our P&L. So if we have more performance fee, more unrealized performance fees or less unrealized performance fees, all the numbers that you just heard me say about our 2025 financials and Ana Russo say about our 2025 financials does not affect any little bit, okay?

It's no effect whatsoever because we do not run our performance fees through our P&L. Our team, our employees are not incentivized by unrealized performance fees. They do not receive a bonus on unrealized performance fees. So if the valuation is 1, 2, 3 or 4, 10 or 0, their bonus is exactly the same. We only run the performance fees through our P&L.

We only recognize performance fees if they are paid, if they are paid, cash in the bank. And then we recognize as revenues and then we calculate the bonuses of our employees, and we pay a couple of quarters later. So there's even a negative working capital here, the firm versus the employees on paying performance fees. Now we don't anticipate any performance fees as bonus before we actually get the cash, okay? And we get the money in the bank account.

So we do actually give the number of unrealized performance fees as an off-balance sheet number, not completely off balance sheet, is unrealized. And as you probably saw for the December 2025 numbers, we have around \$250 million of unrealized performance fees. And we gave the guidance that we're going to -- we should generate around \$120 million to \$140 million of performance fees from the last quarter of 2024, all the way to the end of 2027.

We already realized \$60 million plus. We have another \$60 million to go, \$60 million. And there's a -- I think the most -- the highest probability fund that will generate performance fees continues to be Infrastructure Fund III for 2026. We just gave the guidance that we think we're going to generate another \$20 million for 2026. And there are so many other strategies that today we have in our menu of products that generate performance fees, venture capital, growth equity, private debt, opportunistic real estate, blah, blah, blah, blah, blah, all of them should then generate more fees that we should actually make us hit the target by the end of 2027. So this is what we do.

Again, it's industry practice. We try to be as conservative as possible, but we get a valuation range from the appraiser we normally don't -- of course, we talk to the operator about the valuation process. But what we do is like we try to put in the middle of the range, and that's how we use -- that's the exercise of how we actually mark our companies. I think it's -- again, it's -- this is -- again, you are -- you know the industry very well.

And sometimes you might compare the valuation of a company with another company that you might know well in another industry, in another country, in another situation, one company is doing better, the other company is doing worse, one company is this, one company is that, one company has more debt, less debt. It's very hard sometimes for you to compare one single asset with another single asset. Of course, it's hard for us to also be able to have individual opinions because we follow the valuation of the independent appraiser, okay?

So this is what we do. And yes, our Private Equity Fund IV, as you know, has been underperforming. And now we have Private Equity Fund V also not generating performance fees. So two funds that as of the end of 2025, we don't expect performance fees coming from these two funds. And this is also already reflected in all of our numbers. So when we gave our projections guidance for '25, '26, '27, the end of 2024, we had a PC stay with '25, '26, '27 projections.

As you can see from that presentation, we had asset class by asset class projection. And you can see that we were conservative in capital raising for private equity, given that private equity Fund IV and V are underperforming. And we were more optimistic and realistic about fundraising for the other asset classes. So -- and if you look at how much money we raised in 2025, \$7.7 billion, surpassing by 30% our

initial guidance of \$6 billion, 30% more than our initial guidance is a substantial increase in which asset classes in credit, in real estate and in GPMS, Global Private Market Solutions.

So we were not expecting to raise in 2025 more money for the private equity asset class vertical. We were expecting to raise from other asset classes. Not only we did, we surpassed in total by 30% our initial guidance. We gave a guidance for 2026 of \$7 billion organic fundraising and 2027 for \$8 billion, and we raised \$7.7 billion in 2025. So I think we're in a strong position to continue delivering the guidance and hopefully even exceeding. So I hope I answered your questions there.

Craig Siegenthaler - *BofA Global Research (US) - Analyst*

I do have a follow-up also on private equity. But if you look at the MSCI Brazil Index of listed public equities, Brazil has been very strong. As you know, it's returned 55% over the last 12 months, outperforming the S&P 500 in the US by about 40%. Interest rates are expected to decline in Brazil. All this should benefit public equities, private equities, your realization pipeline. So can you talk about the prospects for both IPOs and strategic exits in private equity in 2026? And I assume exits to other private equity firms are still quite limited at this moment given the lack of competition in Brazil, too.

Alexandre Teixeira Saigh - *Patria Investments Ltd - Chief Executive Officer, Director*

Yes. Thank you very much. Yes, I think normally, I'm generalizing again here, sorry to generalize listed traded securities do anticipate trends. And in this case, I think the upward trend that you just mentioned, we did see through the 2025 numbers of listed securities. And the MSCI is one of them.

As you mentioned, appreciating substantially in 2025 in local currency and in US dollars. Of course, the US dollar has weakened against some of the local currencies. So that's helped the US dollar also base return. That normally translates into private securities with time. It is not from Monday to Tuesday, but the whole enthusiasm with the region and investors start buying assets which they can and the listed ones are the ones that they have more access because they're listed, of course.

And the private assets come in due time. And that's exactly what we're seeing. And a lot of exits from both our infrastructure and private equity funds programmed, infrastructure coming first. Basically, all of the assets of our Infrastructure Fund II were sold already. All of the assets of our Infrastructure III sold most of the assets in Infrastructure Fund III. So we're getting into the mode of beginning to realize the investments of Infrastructure Fund IV.

Same in private equity, I think focusing in selling the assets of Private Equity Fund IV and V. Private Equity Fund IV, as we do invest -- we did invest mostly in health care, it was affected also by COVID, but companies they are recovering. And Private Equity Fund V, we have invested also in health care, also investing in other sectors and Private Equity Fund VI and VII, VI fully invested, VII being invested now should begin to come into realization.

Also, we have the growth equity funds, which are also private equity. Now we just mentioned about the private equity buyout funds, but we have private equity growth funds. Private equity growth Fund number 1, which is a single asset fund, which was managed by Kamaroopin, the asset manager that we did partner with acquire a couple of years ago, is a company in the pet care space that is doing extremely well, and that's a prospect for a sale and IPO as well.

We also see private Active Growth Fund number 2 with already two realizations, partial realization, full realization of an education company was the full realization. And we see other prospects coming along of more realizations this year and in 2026. And we also see our private active venture fund with significant and important realizations in '25 and other realizations coming into 2026.

One of the notorious realizations that we did of our private equity venture fund number 3 was a company called Avenue, which is basically a brokerage house targeted for Brazilians willing to open a cash account or a bank account in US dollars. And it was acquired by Itau. It was a very, very, very good deal for us.

So not only is the private equity buyout strategies that are posed to generate performance fees, our private equity growth funds, our private equity venture funds, our infrastructure development funds, our real estate opportunistic funds that we have in Colombia that is also right for realizations, our real estate opportunistic funds in Chile that also are right for realizations and will generate performance fees in the future.

And now with other funds like private debt that we raised private debt LatAm number 1, also fully invested, short duration, should generate performance fees in the future, and we are currently in the road raising private debt number 2. So again, I think we're excited about the prospects, but boil everything down, we're expecting \$60 million of performance fees over the next two years, \$20 million should come from Infrastructure Fund III.

Our presentation shows that we have an inventory as of December 2025 of approximately \$250 million of performance fees. So \$60 million out of \$250 million is close to 20%, 20-something percent. So if we realize 20-something percent of that \$49 million, \$250 million of performance fees that we showed as of now in our December 2025 numbers, we should then be able to hit the guidance that we gave for the next two years. Of course, no major caveats.

Performance fees depends on so many things. It depends on the macro situation. It depends on the political situation. So I'm just saying there's no macro caveat here. I think when I look into management fees, the preservability and predictability of our management fees, given that 22% of fee-paying AUM is now permanent capital structures, and we have long-dated drawdown funds, 90% of our funds are in drawdown funds or permanent capital.

I can say with more confidence that our predictability of our management fees and therefore, our FRE is more visible. Everything that I said about performance fees is a big question mark because things can happen and companies can perform better or worse. The macro situation can get better or worse. The US dollar can get -- can strengthen and weaken. So therefore, we have a low hit ratio. And I'm putting this major caveat that we might generate it, but we might not as well, given there are performance fees, not management fees that are already being driven by permanent capital or drawdown funds in nature, okay?

Operator

Lindsey Shema, Goldman Sachs.

Lindsey Shema - *Goldman Sachs Group Inc - Analyst*

Just wondering, you maintained your 2026 fundraising guidance. And because of that, it does imply slightly lower fundraising in 2026. So because of that, I just want to understand, do you see any risks to fundraising? Are you maybe a little bit less optimistic? And what are really those reasons for maintaining the fundraising guidance where they are?

And then on the flip side, if there's kind of any upside risk to that guidance? And then on that note, if you could just mention how much of your fundraising is coming from your own fund of funds and how that plays into your fundraising?

Alexandre Teixeira Saigh - *Patria Investments Ltd - Chief Executive Officer, Director*

Lindsey, thanks for the question, and thanks for participating in the call. No, we're just being conservative, to be honest. I think it's -- we're not -- we had a guidance. We gave a three-year plan. We want to hit the three-year plan.

And the three-year plan that we did give out December of '24 was to raise organically \$21 billion. So it would be \$6 billion in 2025, which we did \$7.7 billion, actual \$7.7 billion versus \$6 billion, the guidance and \$7 billion for 2026, \$8 billion for 2027.

So \$6 billion plus \$7 billion plus the \$8 billion, \$21 billion, our organic fundraising to hit the \$70 billion of fee-earning AUM by the end of 2027, having started in the end of 2024 at around \$35 billion. So we would double fee-earning AUM, which is 25% increase per year. And -- we are extremely positive about our fundraising momentum. And -- but we wanted to keep that as a \$7 billion and \$8 billion guidance. Nothing that really worries about that.

On the contrary, we see a good momentum. But we didn't see any reason for us to upsize this guidance given that it's \$21 billion for the three years. I think we're in a good momentum to deliver the three-year plan. But having said that, let us go through the first one or two quarters of 2026, and we're going to be in the mid of the \$21 billion target. And if we feel even more confident we'll come out with a new number.

Hopefully, I cannot guarantee. Hopefully, it's going to be on the positive side, but that's it. It was more for conservative reasons than any other reason. On the second part of your question that our fund of funds do not really fund of funds, to be honest. And I think private equity and infrastructure, if that's what you're referring to, we don't see any of our -- we don't have any fund of funds investing in our buyout private equity funds, growth private equity funds, venture private equity funds.

We don't have any fund -- our fund of funds investing in our development infrastructure funds. We do not -- we don't have that fund of funds investing in our own funds that I can -- I don't know -- Marco, any comments there? I don't think we have anything, right?

Marco D'Ippolito - *Patria Investments Ltd - Managing Partner*

My only comment here and good afternoon, everyone. My only comment here is, as Alex said, we don't have a fund of fund. We do manage a listed trust that has actually funded one of our secondary funds. The amount is \$75 million. Again, a very small amount relative to the overall fundraising for last year. Just to remind, this is a vehicle that has an independent Board. It's a listed trust listed in the London Stock Exchange. Therefore, decisions are subject to an independent Board.

Alexandre Teixeira Saigh - *Patria Investments Ltd - Chief Executive Officer, Director*

Okay. Any subsequent questions, Lindsey? Did we manage to answer your questions?

Lindsey Shema - *Goldman Sachs Group Inc - Analyst*

Yes. Thank you, Marco. It was the listed vehicle that I was asking about there. And then maybe just some further color on fundraising. Are you still seeing international interest in Latin America region? I know Brazil has been kind of a hot topic right now. What regions are you really seeing the most interest from? And where do you expect that incremental fundraising to come from?

Alexandre Teixeira Saigh - *Patria Investments Ltd - Chief Executive Officer, Director*

Yes. No, thank you, Lindsey. No, yes, I think we have the -- I have been saying that, I think, over the last earnings -- several earnings calls that we have been geographically overperforming LatAm, overperforming Asia, Middle East. We're kind of performing at expectations in Europe and we are underperforming the US. So I've been saying that for several earnings calls. That hasn't really changed much throughout the whole year 2025.

We have been, again, overperforming LatAm. In general, we have been overperforming, right, 7.7% versus the guidance of 6%, 30% more. Where is it coming from? Overperforming Asia Pacific, overperforming Middle East, overperforming LatAm, in line with our expectations in

Europe, underperforming the US. And asset class-wise, overperforming credit, overperforming GPMS, overperforming infrastructure, in line with real estate and in line with private equity.

And as I mentioned, our expectations for private equity were low, but were in line with our expectations. We see these geopolitical shifts in the world benefiting LatAm. We see interest from Asia Pacific, Middle East and LatAm itself. I think some of that interest in LatAm has to do with geopolitical shifts in some of the investors in these regions allocating more to LatAm versus other parts of the world.

And I think LatAm is extremely well positioned to benefit from these trends given the solid democracies with solid institutional frameworks, solid regulatory framework with -- if you look at the kind of balanced fiscal budgets relative to other countries in the world, of course, you can see that -- you can say the 1% or 2% there or here is that.

But if you compare to other countries in the world in a somewhat better situation. We see also a region of the world with a high percentage of renewable energy being driving manufacturing. We have commodities, soft and hard commodities in the region. We have -- the region has the second largest deposit of rare earth in the world is in the region, a region that is also rich in oil and gas and also in protein and other commodities. So it's a region that actually was, in my view, underrated for so many years. And now I think it's getting its place under the sun. -- optimistic about continuing to see even more resources coming to the region in the near future.

Operator

Ricardo Buchpiguel, BTG Pactual.

Ricardo Buchpiguel - BTG Pactual - Analyst

Can you please provide more color on the nature of the process related to the around \$100 million in litigation liabilities Patria has and also comment about the chances of having to pay some of this value? And how are the key steps on the main litigations on this bulk of \$100 million?

Alexandre Teixeira Saigh - Patria Investments Ltd - Chief Executive Officer, Director

All right. Ana, do you want to help me with this answer? I think specifically the litigation liability, please?

Ana Russo - Patria Investments Ltd - Chief Financial Officer

Thank you, Ricardo, for the question. I was also making sure that this -- the \$100 million as is posted in our -- I think in our financial statement and also 20-F, it just so that is not in our balance sheet, as you know, because we just consider an accrue if there is a possibility for considering that is losing.

So you -- as part of our information, you're going to see that more than 80% of this litigation, we already it's going to went away in our next reports and basically as we already in the past already included in all the statements that are very -- it was not possible -- it was not a remote, but it was probable. So we actually won and this more than 85% is going to go away in our next reports, okay? So we will see in our next reports.

Ricardo Buchpiguel - BTG Pactual - Analyst

That's clear. And a follow-up question. We saw that there was an increase in transaction costs related to M&A understand that Pat has been reaccelerating the M&A agenda and some announcements were made this year. So my question is if we should see -- should expect this level of transaction costs of around like \$20 million, \$25 million per quarter in the following quarters.

Alexandre Teixeira Saigh - Patria Investments Ltd - Chief Executive Officer, Director

Yes. I think -- well, I can take that from a macro view and then I can answer specific about the numbers. Just again, just to go through this litigation process again. So we won a specific litigation there, Ricardo, where around approximately 85% of the number of \$100 million will come out of our numbers as of beginning of 2026, okay? So that's 85% out of the \$100 million there.

On transaction costs, I think we did say, I think, to the market that we would have a hiatus in our acquisitions during 2025 in order to be able to show our capability to integrate the businesses that we have acquired and fundraise for the businesses that we did acquire, which I think we were spot on with the \$7.7 billion that we raised does not include any acquisitions because we did not do any acquisitions during 2025.

And we raised money for businesses that we had acquired in the past like our credit business, our GPMS business, et cetera, and our real estate business as well. So happy that, that happened. We had one year of hiatus. In addition, we also mentioned that as we do integrate these acquisitions will bring our FRE margins again to 58% to 60%. Now our FRE margin was close to 59% for 2025, so right in the middle of the 58%, 60% number that we gave.

And compared to 2024, our margins increased from around 56% to around 59% because of the integration of the businesses that we acquired in 2024 or earlier than that, okay? We also mentioned that as of the end of 2025, we would like to continue our acquisitions in very strategically placed. We also gave the guidance in December 2024 that we would fundraise \$21 billion organically, as I mentioned here in Vinay's answer, but also do \$18 billion of fee-paying AUM acquisitions.

In order to reach the \$70 billion of fee-paying AUM by 2027. So we will come back with the acquisitions programs as we did with the acquisition of this private debt platform, private credit platform in Brazil, plus some real estate investment trust in Brazil as well. Plus recently, we announced the signing of a global private market solution business in the United States called WP. So yes, I think we will come back.

And I think what is the guideline is the \$18 billion. If you add these three acquisitions is around 7.5 -- so we see that -- or we give us a guidance that we should try to buy another \$10 billion of fee-paying AUM by the end of 2027. So that's -- it's the same guidance as we gave in the end of 2024. The \$18 billion, I'm just subtracting what we have already acquired, around \$8 billion. So we have another \$10 billion to go by the end of 2027. I hope I answered your question.

Ricardo Buchpiguél - BTG Pactual - Analyst

No, that's clear. And given that the pace of M&A should continue in line with the strategy here, should we expect still this transaction cost that impacts the accounting net profit and excluded from distributable earnings, should it continue to be around like \$20 million, \$25 million?

Alexandre Teixeira Saigh - Patria Investments Ltd - Chief Executive Officer, Director

Yes. Sorry, that's right. Ana, if you can comment on the number itself, please. I'm sorry. I forgot the second part of your answer.

Ana Russo - Patria Investments Ltd - Chief Financial Officer

Ricardo, as you know, this line of transaction costs, including all our nonrecurring expenses, which is directly related to our M&As and also restructuring costs, as you know. The quarter specifically was accelerated because of those M&A agenda, as Alexandre mentioned, the closing of those two, of Solis and RBR and signing of WP.

And specifically in this quarter is a higher than usual, the quarter specifically because of the impact of those transactions and some of the specific agreements that hit or cost that hit the fourth quarter. So when we look in a quarterly basis, is -- I would say this is on the high end. So -- it's too high to consider that all quarters is going to be around \$20 million.

But we are -- as we have no new M&As, when we talk about total year, we can expect to have a slightly lower next year, but not in a quarterly basis, \$20 million is more on the high side because of those events happening in the same quarter. I think I don't know if I answer your question.

Ricardo Buchpiguel - *BTG Pactual - Analyst*

That's very clear. So mainly when you are closing M&A, we should see small well. That's very clear.

Operator

Nicolas Vaysselier, BNP Paribas.

Nicolas Vaysselier - *BNP Paribas Exane (UK) - Analyst*

I would like to bring the discussion back to the flagship PE and infrastructure funds. I acknowledge this is not the bulk of your fundraising targets for the next few years. Still, I would like to have a bit of color from your side. I mean you've managed to raise the success of funds in what was a difficult environment -- macro environment for the LatAm region. And I was wondering if you could tell us more about the changes in the LP base you might have had from PE Fund IV to PE Fund V and same thing on the infra and particularly the sort of free-up rates you've managed to achieve from your LPs?

Alexandre Teixeira Saigh - *Patria Investments Ltd - Chief Executive Officer, Director*

Nicolas, thanks for your question. Well, we have seen, in general, I think if we go back to our earlier funds and today, a shift from endowments and family offices to institutional investors. And so if you look at the absolute value of the dollars that we raised more and more for these funds that you mentioned, the drawdown funds, private equity funds and infrastructure funds drawdown, private equity buyout, private equity growth and infrastructure development, which no value add, we see more and more institutional investors composing the absolute value of the fundraising.

You have a big number of family offices, but in absolute value, they are contributing less and because the institutional investors come with sizable checks, not sizable checks. So that has been the trend in most of our drawdown funds, those that you just mentioned specifically, the trends are similar to ones that I described. Re-up rates, they go from 40% to 60% re-up rates. I think the latest fund that we are raising drawdown is our secondaries opportunity fund number 5. We have re-up rates above 50%.

So that's the latest one. So to give you no fresh news on that. And if you go back to the funds that you mentioned, even though you mentioned private equity buyout number 4, but it's a 10-year-old fund. To be honest, I forget now what is the re-up rate versus private equity buyout number 3 because it's 10, 12 years ago. But the latest funds, it's around the 40%, 60%, which I have in mind number, Nicolas.

I can get back to you offline on the re-up rates of private equity buyout number 4, which I forget given that it's not a 10-year-old fund. But the last ones that I see infrastructure development fund number 5 that we closed in 2025. That's the range, 40% to 60% re-ups. -- secondary opportunistic opportunity fund number 5. We see around 50% re-up rates. So that's more or less between the 40% and 60% for the more recent funds that I have fresher in my memory. But I can go offline and look for you for the older funds, okay, if you don't mind.

Operator

Carlos Gomez-Lopez, HSBC.

Carlos Gomez-Lopez - HSBC Securities (USA) Inc. - Analyst

So first, I want to congratulate Ana I think for a very good present very good job and luck in your next endeavor. Specifically on page 21, you give us a very good breakdown about shares outstanding and the increase in the first quarter of '25. We understand this is related to particular transactions M&A. What do we expect for the share count in the next, let's say, two or three years? Where should we expect to be dilution to shareholders -- and second, when you look at the EPS evolution on page 2 -- and I realize that the earnings is not everything, but you have had 126 in '23, 24 in '24, 127 '25. What -- again, what is the evolution that we should expect in the coming years.

Alexandre Teixeira Saigh - Patria Investments Ltd - Chief Executive Officer, Director

Carlos, thank you for your question. I'll ask Ana to help me here and answer specifically on the numbers that you just mentioned. In general, we gave a guideline in our December 2024 three-year plan tax day that we will have a share count of around 158 million to 160 million shares for the '25, '26 and '27 period. We have finished 2025 with 158 million shares, and we project 2026 to '27 for the share count to stay within that range, around 160 million shares, around 160 million shares. Again, a guideline that we gave in the end of 2024 for the '25, '26 and '27 period.

And we have -- also we gave as a guideline, our FRE for 2026 for this year is \$225 million to \$245 million with a midrange, of course, of \$235 million. And for 2027, \$260 million to \$290 million with a midrange to \$275 million. So then we use these numbers and we use the share count that I gave you and to calculate the FRE per share. And Ana, do you have the specific numbers there that you can help me, please for FRE per share for '26 and '27?

Ana Russo - Patria Investments Ltd - Chief Financial Officer

Sorry, I was on mute. Yes. I think just to understand what Carlos, what you're saying. So -- when we look into our FRE per share -- sorry, we have 108 on the FRE when we talk -- I'm sorry, -- you were talking about FRE per share. I'm sorry that we couldn't hear you.

Carlos Gomez-Lopez - HSBC Securities (USA) Inc. - Analyst

No, no. Actually, your answer has been on FRE per share, and I understand that it is the main metrics that you use. But I was looking at distributable earnings, which ultimately is the measure for shareholders.

Alexandre Teixeira Saigh - Patria Investments Ltd - Chief Executive Officer, Director

To be honest, it's very hard to listen exactly to what you were asking. I think there was a noise in the background. So I understood FRE, but you're saying DE. So I'm sorry about that, Carlos.

Carlos Gomez-Lopez - HSBC Securities (USA) Inc. - Analyst

No, no, my fault. I hope it's better now.

Alexandre Teixeira Saigh - *Patria Investments Ltd - Chief Executive Officer, Director*

No, no, I'm sorry. We were not listening very well to your question. So on the DE side, what we do is the following. We give an FRE number, which is the one that I just gave you, \$225 million to \$245 million for 2026, \$260 million to \$190 million for 2027. We also give them a share count number, which is 158 million shares to 160 million shares for '26 and '27.

And we also give a performance-related earnings number. We do not give a per year number because it's very hard, as I was, I think, answering one of the questions here today to pinpoint exactly which quarter, which year that performance fees is going to be generated. So we gave a three-year guidance. The three-year guidance was \$120 million to \$140 million of performance fees. As of the end of 2025, we generated approximately \$60 million, \$62 million of performance fees. So for 2026 and 2027, there's \$60 million to \$80 million to go, okay?

And we -- it's very hard again to predict exactly what quarter or even one year. So that's why we gave a three-year guidance. We are one year into the guidance. We have another two years to go. If we take into the low end of the range, which is now \$60 million to go of performance fees, we predict that Infrastructure Fund III is the one that will probably generate the highest probability to generate performance fees.

And we estimate that there is a non-unrealized performance fees in that fund of \$20 million. So that's \$20 million out of the \$60 million. And the other \$40 million should come from other funds that we have several funds that are maturing to generate performance fees in several different asset classes. So we don't give specific DE per share on a quarter-by-quarter basis or year-by-year basis because of this nature of our performance fees if I managed to answer your question.

Carlos Gomez-Lopez - *HSBC Securities (USA) Inc. - Analyst*

No, you have answered that question. And last one, do you expect the tax rate, which is down again about 5% or so to stay in those levels?

Alexandre Teixeira Saigh - *Patria Investments Ltd - Chief Executive Officer, Director*

Our guidance on tax is around 10% tax rate. That's our guidance. We're currently being able to have a lower tax rate several different reasons. One specifically for 2025 is because we had a tax credit in the UK. But we don't see that as a recurring tax credit for 2026, 2027. So we should, as we move into 2026, 2027 to see approximately a 10% tax rate. And Ana, do you want to comment on that as well, please?

Ana Russo - *Patria Investments Ltd - Chief Financial Officer*

Yes. Our tax rate, there are two impacts when you look into our tax rate is also the size of the performance also impact our effective tax rate because some of the revenue sometimes comes from jurisdiction which have a favorable tax rate. So you also have to take that into consideration when compared year-over-year.

But when we look into over time, and as Alexandre mentioned, and I mentioned in my remarks, is actually this year was actually had a favorable impact of a credit on the UK. And therefore, we foresee for the next three years that at the end of the three-year period, it would reach approximately 10%. So it's going to increase over time to reach approximately 10% as we increase revenue and income in jurisdictions and pay more tax as we -- as our mix of M&A that enters and also our revenue. So this has been our guidance and we're looking to our plan.

Operator

Fernanda Sayao, J.P. Morgan.

Fernanda Sayão - *Banco J.P. Morgan S.A. (Research) - Analyst*

You've been growing very aggressively on the real estate business. Could you elaborate a little bit more on the strategy here? And how dependent do you think that lower rates is to grow this business?

Alexandre Teixeira Saigh - *Patria Investments Ltd - Chief Executive Officer, Director*

Thank you, Fernanda. Thanks for your question. And well, we are extremely excited with our real estate business in general, not only in Brazil, but in LatAm. And we are the largest real estate investment trust manager in Brazil as of now and scale in this asset class does matter. Yes, I think it's -- we've been successfully fundraising and there are several ways that we can fundraise. It is an asset class in general that is interest rate dependent.

Yes, it is in general. We see that as interest rates do raise, you have a slower pace of fundraising as interest rates start showing a trend of decreasing, which is the case of Brazil, which is -- we saw that in Chile last year, we see the fundraising increasing, increasing. So it is dependent. Interest rates -- when interest rates increased in Brazil, using Brazil as an example, fundraising then the pace of fundraising decreased and vice versa now, we see that the Brazilian Central Bank will most probably reduce interest rates in Brazil this year as the yield curve also shows that.

And our fundraising pace, at least in Brazil should increase. It should be better fundraising environment for our Brazilian real estate investment trusts. In addition, Fernanda, what we also see that given the size of our funds in Brazil, -- we -- a lot of investors look to us. And of course, we are talking also proactively with investors in exchanging their assets for shares of the fund. So it's an asset exchange.

If you have a portfolio of real estate and you want to exit that portfolio, maybe you don't want to sell the whole real estate 100%, you can actually get shares of the fund and you can sell 10% now, 20% then because we have large funds that do have a sizable and very reasonable daily liquidity. It's also very interesting for families when they do inheritance planning.

You have one real estate or a portfolio of real estate and you have two or three sons or daughters, you don't have to sell the whole thing and you don't have to give real estate divided by 3, you can give shares of a fund which for inheritance purposes and planning is very, very intelligent. So we see a lot of not only institutional investors looking for our funds as a liquidity path, exchanging their portfolio with shares of our funds.

We also see families and family offices looking for our funds in order to have better family inheritance planning. So all of that together, I think we see that 2026 should be a better year in Brazil for fundraising for the real estate investment trust versus '25. '25 was already a good year, and we already started doing this exchange of assets for shares of the fund. But I think we see even more so in 2026. So yes, I think we're excited about that asset class, and I think that adds to our enthusiasm with fundraising for 2026, Fernanda. I hope I answered your question.

Operator

I'm showing no further questions at this time. I'd like to turn it back to Alex Saigh for any closing remarks.

Alexandre Teixeira Saigh - *Patria Investments Ltd - Chief Executive Officer, Director*

Great. Thank you very much for your patience and keeping on with us for long 1.5 hour here and your support is very much appreciated. I hope to see all of you in person during the year. I think there are several conferences that you already invited, and thank you very much for the invitation. And here we go. Hope to continue delivering as we are extremely confident in our numbers, and we start the year with a very strong momentum. And hopefully, that momentum is going to translate into even better fundraising that we gave the guidance and also fee earnings AUM and revenues, et cetera. Thanks a lot. Have a good day. Bye-bye.

Operator

This concludes today's conference call. Thank you for participating, and you may now disconnect.

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