

**Local Conference Call 2Q
and 2021 Earnings Results
Kepler Weber (KEPL3) July
29th, 2021**

COMPANY PARTICIPANTS

Piero Abbondi – CEO
Paulo Polezi – CFO and IR
Director

PRESENTATION

OPERATOR:

Good morning, ladies and gentlemen, and thank you for waiting. Welcome to the Kepler Weber conference call to discuss the results of the second quarter of 2021.



With us today are **Mr. Piero Abbondi, CEO** and **Mr. Paulo Polezi, CFO of Investor's Relations Director**.

This event is being recorded and participants will only hear the company's presentation and then we will open for the Q&A session, when further instructions will be provided. If you need assistance during the call, please press *1 if you need help from the operator.

This event is also being broadcast simultaneously via webcast and can be accessed at www.kepler.com.br/ri, where the presentation is available for download. The slides presentation will be controlled by you. The recording of this event will be available on the Company's website shortly after the ending of this conference call.

Before proceeding, we'd like to remind you that forward-looking statements made during this call are based on Kepler Weber's business assumptions, operational and financial projections and targets regarding the future of the business. Forward-looking statements should not be taken as guarantee of performance.

These considerations involve market conditions and the Brazilian economy, industry and international markets and therefore are subject to change because they relate to future events and depend on circumstances that may or may not occur. Investors should understand that general economic conditions, industry conditions and other operating factors could also affect the future of Kepler Weber and may cause results that materially differ from those expressed in such forward-looking statements.

Now I would like to pass the floor to Mr. Piero Abbondi, who

will conduct the first part of the presentation.

MR. PIERO ABBONDI

Let's go to slide 3. Good morning everybody, it's a pleasure to be with you for the teleconference of Kepler Weber results. We start with the highlights of the quarter, being the first net revenue that increased 158% in comparison to the second quarter of 20. This is our best 2nd historical quarter in net revenues.

Key highlights 2Q21 and 6M21				
	Net Revenues	Adjusted EBITDA	Adjusted Net Income	
2Q21	242.7 +158.2% Against 2Q20	24.0 +224.3% Against 2Q20 9.9% Adjusted Ebitda Margin	13.5 +582.1% Against 2Q20 5.8% Adjusted Net Margin	
6M21	478.8 +116.2% Against 6M20	59.4 +139.5% Against 6M20 12.4% Adjusted Ebitda Margin	32.4 +449.2% Against 6M20 6.8% Adjusted Net Margin	

The continuity of the favorable environment of the Brazilian agribusiness, together with the commercial performance of our business was crucial to this result. Likewise, in the external market we saw a great demand from countries that we are operating, especially Latin America. Paulo will detail the performance of every segment.

Another highlight of the second quarter was the adjusted EBITDA reaching R\$ 24.0 million and an increase of R\$ 16.6 million. This performance was not greater because of the strong increase in raw materials in the second semester of 20

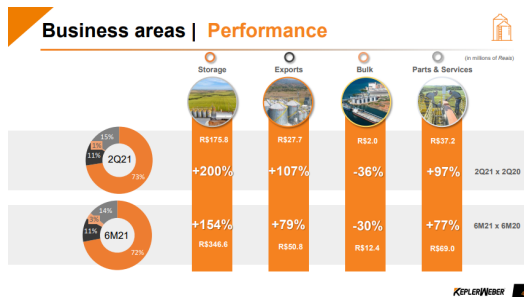
that impacted the profitability of the quarter.

In the second quarter of 2020, our EBITDA was boosted by the exclusion of ICMS from the PIS and Cofins tax base, an extemporaneous event. When this effect was normalized, the EBITDA showed an increase of 224.3% in relation to the second quarter of 2020. Likewise, the EBITDA margin adjusted increased two points percentual, reaching 9.9%.

The net profit, the adjusted net profit, increased 582%, reaching R\$ 13.5 million. I also highlight the conclusion of the subscription of the bonus of 2014 in last July, adding R\$ 141 million to our cash that now totalizes R\$ 423.2 million. Paulo will talk about the segments of our business.

MR. PAULO POLEZI

Thank you, Piero, good morning. In slide 4, we show the evolution of our business areas. In storage we celebrate a new leap in billings that increased 200% in the quarter comparing to the same period of 2020 and 154% in relation to the first semester of 20. The storage segment is still responsible for the growth of the company with mid-sized and large-sized projects being delivered in the terms.



The macro-economic conditions favorable, the agricultural commodity is in high and the increase of the purchase power of our clients explain this performance. At the end of the quarter, we closed sales that will contribute to the second semester of 21.

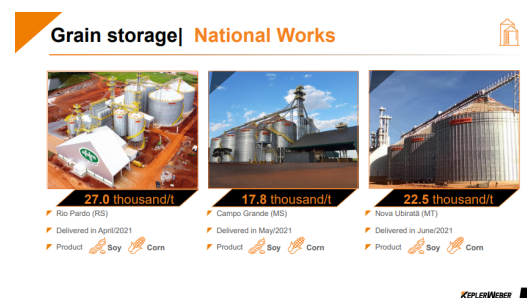
Our exports also had a great performance, increasing 107% in relation to the second quarter 20 and 79% in relation to the first semester of last year. We will take the opportunities as of the second semester 20 due to the increase of Brazil's competitiveness with the devaluation of real. When we look to this exchange variation, we have an increment of 61.2% with new orders in the first semester, especially from Paraguay, Peru and Argentina.

In bulks, our business directed to ports and terminals had a reduction of 36% in relation to the second quarter 20 and a reduction of 30% in relation to the semester. The purchase decisions in this area of this business are discontinued and the period for installation of the projects are longer. We had also the sales to a large player in the ethanol and corn industry and

the sales to a large company in the port segment. And this will be delivered diluted along 2022.

And finally, Parts and Services, we had an increase of 97% in relation to the first quarter 20 and 77% as of the first semester of 2020. We are expanding through the creation of five DCs strategically distributed in Brazil. This is also a result of the constant increase in sales of security items to comply with the regulations.

In slide 5, we have some projects delivered in this quarter. The Rio Pardo in Rio Grande do Sul, delivered in April 21, is more because it's the first turnkey work with integrated management of all tasks. Campo Grande, Mato Grosso do Sul, delivered in May, we highlight the agility of the deliveries of our plants, together with the project implementation management that allowed the installation of equipment on time.



Nova Ubiratã, in Mato Grosso do Sul, delivered in June to store soybean and corn, even with tight terms and all the difficulty in the supply chain, was possible to be delivered on time.

Grain storage | Export



36 thousand/t

Argentina (Salto)
Delivered in May/2021
Product: Wheat



18.5 thousand/t

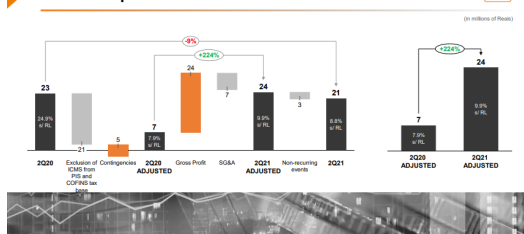
Paraguay (Asunción)
Delivered in June/2021
Product: Soy, Corn

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The Salto project in Argentina to storage is an old client that doubled its capacity of 18 thousand tons to 36 thousand tons. We have the production of a new plant that allowed us to install on time.

In slide 7, we show the EBITDA evolution with two views. The first view, EBITDA conventional, generating R\$ 21 million in the quarter, a reduction of 9% in relation to the result of R\$ 23 million. The EBITDA margin closed the quarter with 8.8% due to the strong increase of costs of raw material, especially steel. The cost increases were faster than our speed to adjust the prices with the clients, partially affecting the profitability of deliveries in this quarter.

EBITDA | 2Q21



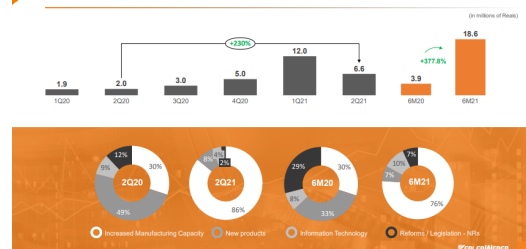
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As Piero mentioned, the second quarter of last year we had an EBITDA margin of 24.9% due to the non-recurrent event of tax credits resulting from the

exclusion of ICMS from the PIS and Cofins tax base in the value of 21 million, that boosted the EBITDA at that time. With the adjusted EBITDA, when we disregard the non-recurrent events and the tax events of last year, this amount goes to R\$ 24 million, with an increase of 224% in relation to the adjusted EBITDA of the 2Q20. EBITDA margin adjusted was 9.9%, two percentage points increase.

In slide 8, we show the evolution in Capex Investments. Investments reached R\$ 6.6 million, 230% increase in relation to the second quarter of 20. The resources application was 5.7 million to modernization and expansion of capacity, 0.5 in the development of new products and 0.3 million to comply with regulatory measures for technology. We had invested 14.2 million in modernization and capacity, 1.2 million in new products, 1.8 million to comply with the regulation and 1.4 million in information technology.

Investments | CAPEX

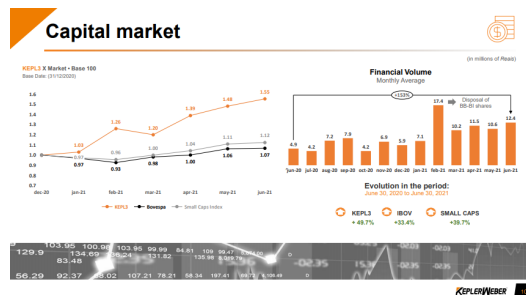


The cash position was robust, closing June with the gross balance of R\$ 395.5 million and net cash of R\$ 387.5 million. This quarter there was R\$ 141

million entering, referring to the subscription bonus of 2014 and payment of 25.4 million of dividends that, with the increase in sales and the favorable position generate a gross balance of R\$ 395 million in cash.



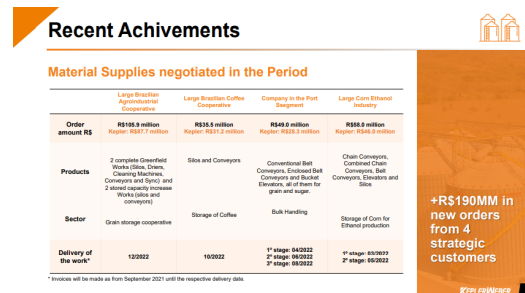
In slide 10 shows the liquidity of this action, Kepler 3, that went from 153% in the financial volume in relation to June 20, trading in average R\$ 12.4 million a day.



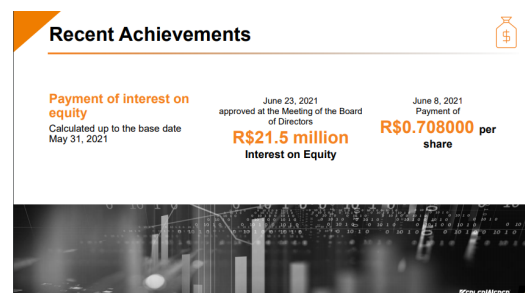
Slide 11 shows the conditions of the program to build and expand storage, the PCA plan. This was disclosed by the Ministry of Agriculture. This offered amount went from 2.2 billion in 2020 to 4.1 billion in 2021, 84.5% increase. This amount is enough to increase up to 5 million tons of the installed capacity and approximately 500 storage plants, 12 years term with three years of bonus with an interest rate of 5.5%.



With recent accomplishments, in slide 12, we have four important contracts. In the storage segment, the sales to launch Brazilian cooperative and to a coffee Brazilian Cooperative of large port in the total amount of 180 million; in the bulk segment, the sales to a major player in the ethanol and corn industry and a large company in the port segment, with an amount of 74.3 million.

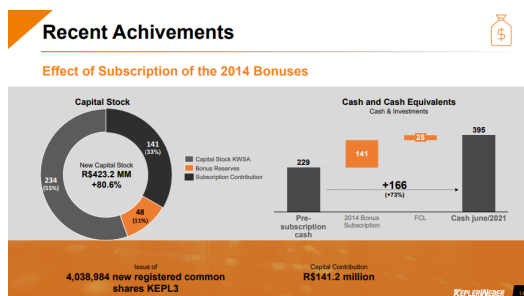


As another recent accomplishment, in June 23, 21 million were approved from JCP and the payment was on July 8th.

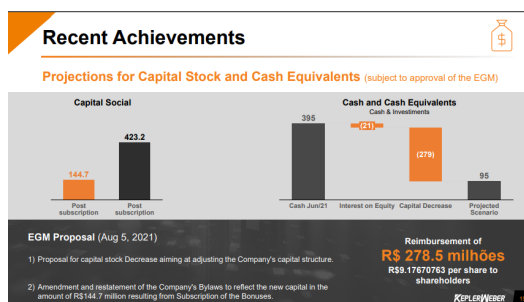


In slide 14, we show the increase in social capital that

reached 423 million, resulting from the bonus subscription of 2014, generating more than 4 million in new ordinary shares, together with cash generation of R\$ 25 million, the availability were positively impacted with the addition of 141 million bonus, closing with a gross balance of 395 million.



To adequate the capital structure of the Company, the Administration Board and Fiscal Committee approved the proposal to reduce the social capital in the amount of 278 million, subject to the approval of the General Assembly in August 5. Now I give the floor back to Piero.



MR. PIERO ABBONDI

Thank you, Paulo. In slide 16, before going to the question-and-answer session, I'd like to reinforce the recent

achievements and talk about the perspectives for the rest of the year of 2021. In relation to recent achievements, first I'd like to highlight the solid results that exceeded our expectations, even in a scenario of inflationary pressure. We also want to highlight our orders portfolio that is expanding in the third quarter and more recently was expanded with the new relevant sales that together sum up more than 190 million.



Finally, the proposal of capital reduction forward to the General Assembly is a way to retribute the trust of our shareholders and investors. As for the perspectives of 2021, as we showed, the announcement of Plano Safra 2021/2022 will bring the highest nominal value allocated to PCA consolidates our good perspectives for the future, R\$ 4.1 billion allocated to the expansion of warehouses, corresponding to 500 units with five million tons of grains.

We continue focusing on innovation, we launched KW MAX system, an innovative drying system and we created an area of new business to accelerate our digital journey. We will continue to focus in

delivering robust increasing revenues, with healthy margin expectations, however subject to some volatility due to the inflationary pressure of metal inputs.

The entry of new orders will allow the stability and better previsibility of Kepler's operation, with good perspectives for 2022. Covid-19 is still the focus of attention in the Company, with structured actions to preserve the health and well-being of our collaborators, our greatest asset.

Now slide 17, in this context that Kepler is showing record in results, it's with a great pleasure that I invite you for a special event, our Kepler Day 2021 on August 27th.



On this day, we will share with you how we see the evolution of the sector and the Company. We will talk about strategy innovation, deliveries and future. We count on your participation of all analysts, investors and other stakeholders, so we have a very fruitful morning. With this I close the presentation of the results of the second quarter of

2021. Please, operator, we can continue with the Q&A session.



Q&A SESSION

OPERATOR:

Now we will start the Q&A session. If you want to ask a question, please press *1. If you want to leave the queue, please press *2.

Once again, if you want to ask a question, please press *1.

Our first question comes from Catherine Kiselar, from Banco do Brasil. Please, Catherine. Catherine, you can ask your question.

MRS. CATHERINE KISELAR

Good morning, Piero, Paulo, everyone. Can you hear me? Well, thank you. My first question is what is the position of the Company for 2021 and your expectations for the future?

MR. PIERO ABBONDI

Thank you, Catherine, for your question, it is really important. Good morning again. As for the Plano Safra, we are very positive. Last year we allocated 2.2 billion and this year 4.1, 85% increase divided between the two lines, lines for storage plant up to 6 thousand tons, the interest rate was above 6%, and above this capacity 7% with the 2-year term, which is reasonable for our type of business. We are very positive, a significant increase in resources, showing the concern with a post-harvest storage in Brazil, which is one of the priorities of the Ministry of Agriculture.

Now, concerning the impact on our business, we believe that this will be very positive, with this 85% increase in resources and keeping our market share we will have a greater mark at the end corresponding revenues. However, we are talking about the storage segment for the domestic market, we are not talking about exports, but solid bulk and terminals and they are a segment which is of parts and services that has a different dynamic from the storage segment. But anyway, we are positive, and we believe that we will see this same increase in our revenues. Thank you.

MRS. CATHERINE KISELAR

Thank you, Piero. Another question about costs. Recently it was disclosed a survey showing that companies of capital goods are suffering this impact. What is the Kepler estimate for this market?

MR. PAULO POLEZI

Catherine, good morning, this is Paulo, thank you for your question. Well, Catherine, we continue monitoring very closely the supply chain. We noticed a general improve in supply, but it's not totally stable, one or other case requires close attention, but anyway, we see great improvement in the last three months, but even facing all these problems that made the chain unstable, it's important to highlight that Kepler did not delay any delivery and when we noticed the first signs at the end of 2020, the Company took some actions and one of them was to create an internal task force embracing all operational areas to be more agile in our services and assertive in our actions, so the clients will not be harmed by the problems in the supply chain, but we follow the same concept, we are still vigilant and keeping our process under control. If, for any reason, the instability comes back, we are prepared.

MR. PIERO ABBONDI

I'd like to add, and it is important, we had a very robust market, a very good market, but also, we had important challenges, the pandemic and this problem in the supply chain, both in prices and supplies were important, but shows that we are prepared to overcome the challenges and, as Paulo mentioned, no client had any problem. The Kepler team is very good, and we were able to achieve the results, so I'd like to highlight the robustness of the company's team. I think this was a stress test to the organization.

MRS. CATHERINE KISELAR

Thank you very much, but I have another question. What are the perspectives in relation to the normality of the suppliers? Can you elaborate on this, please?

MR. PAULO POLEZI

Well, Catherine, I will answer this. We have an internal area working with market in supply intelligence trying to forecast. The main driver to follow this area is production and steel consumption, especially in China, it's a relevant driver, but in general the demand continues globally high, and this gives us some warning points, especially with the recent events. First we

saw the removal of the tax refund for some materials to foster the local economy in China, this was important, and we also saw a reduction in their production, due to environmental issues and scarcity of electric power, the inventory of iron ore was reduced and so, due to all these factors, our view is that we will have a reduction in the volatility of prices, but we cannot say that we won't have any other increases in the second semester. If so, they will tend to be lower than in the first semester, which is somehow positive to our business.

MRS. CATHERINE KISELAR

Thank you very much for your answers.

OPERATOR

Just reminding you, if you want to ask a question, please press *1. Our next question comes from... sorry, okay, you may continue. Our next question comes from Catherine Kiselar, from Banco do Brasil. Please, Catherine.

MRS. CATHERINE KISELAR

We have some additional questions. Can you talk about some acquisitions like the

Seletron? And also, the plans of the company, please?

MR. PIERO ABBONDI

Thank you, Catherine, for your question, because it directs to our efforts to continue to build a premium company. Kepler has a robust brand; it's an innovative company and we are building the future with these two initiatives and then Paulo will talk about future opportunities.

As our digital platform, SYNC, we accede more than 100 clients that had the onboard electronics. We are waiting for another series of projects that will be connected. These clients will be monitored, the operation, the dryers, the cleaning machines and storage and our efforts now are to follow these clients and to deliver this management to them and convert them into recurrent revenues, clients paying per month for the support that we will provide to the operation and in inventory management.

When we talk about grains, grains are living beings, they have their dynamic, so it's important to have this management when they are in the silo that can be one year, to keep the quality and sales conditions of this product.

Now, we are also structuring our operational center that will follow these clients and will give feedback, suggestions on

control and operation of the client. So, the challenge is not just the platform, but having recurrent services. We are advancing in this digital journey.

Concerning Seletron, it was an acquisition of brand and technology of optical selection machines, we are emphasizing the digital selection machine as advanced technology, we are working on three formats to bring these machines to Brazil with competitive costs, we are closing strategic partnerships, we structure the representatives and sales forces that represent our current sales force, we are providing technical assistance in the installed plants of our Seletron and this puts us closer to the client and we also segmented the market for this service, we have the sales force working with this client, Minas Gerais, São Paulo, beans, Paraná, beans, coffee and grains and these are some events and Ceará we have coffee and cashew nuts, so this will open doors not only for now but for the future, with possible monitoring and selection with different parameters, not only concerning format and color, but in the future, we can have new formats for selection that will add values to our post-harvest plants. Now I'll give the floor to Paulo to talk about inorganic growth opportunities.

SR. PAULO POLEZI

Catherine, in this inorganic growth area, well, how do we work? We pursue the potential transactions, especially related to digitalization, as the SYNC platform that we have already, we want to expand it. We cannot foresee if the opportunities we are pursuing will materialize, but we have good opportunities.

We also have a potential to have M&A operations in new territories. If concrete opportunity comes up, we will analyze it carefully, we are very disciplined and we have the commitment with the return, so we want something that will bring growth and return. Without that we would rather look for other alternatives to grow, okay?

MR. PIERO ABBONDI

Just one more point. We are planning the Kepler Day on August to explore the digital issues. It is related to our power, but we have several other growth measures that we need to monitor and on Kepler Day we will share more about these digital opportunities.

MR. PAULO POLEZI

Thank you, Piero, for your spoiler, okay? We can share this on our Kepler Day.

MRS. CATHERINE KISELAR

Thank you for the answers, congratulations for your results and have a nice day.

MR. PIERO ABBONDI

Thank you, Catherine. Have a nice day.

OPERATOR

So, just remembering, if you want to ask a question, please press *1. Since we have no more questions, we will now take the questions via the internet and webcast.

MR. PAULO POLEZI

Thank you. The first question is from Erico Salute. The question is, "how do you intend to improve the repass of prices and inputs in future contracts? Piero, please?"

MR. PIERO ABBONDI

Since we saw this price movement, especially still in the second semester of 2020, we quickly adjusted our prices. This is an obligation as a market leader with 40% of share, we have to take the lead and we increased the prices and at every steel increase in prices, we've been very successful in

the implementation of this price increase for two reasons. First, because the market is robust, so it's easier to repass the prices because the market is stronger and also because these are significant increases and if any competitor does not repass the price will feel the results with very harmed returns. So, what we saw was an increase in prices in the entire segment and we believe that our price list today is well-aligned with the inputs, and we are quite comfortable. I will give the floor now to Paulo, because there is another interesting question, which is the sales price dynamics, revenue and costs of raw material. It's a question from another participant, so Paulo will answer it.

MR. PAULO POLEZI

Okay. One more question here. The person is called John, "in relation to margins, when with the invoice the sales will be with the increase that is comparable to the increasing raw material? Due to this cycle, between the order and the invoicing is long, how can we see the price adjustments in next year?"

I will start, Piero. So, as Piero was explaining, the Company has already positioned itself in relation to price due to the current context, with historical margins in the same standard of the Company, same level, and these increases in price will

depend on internal terms, the delivery terms are expanded, but we work so we start to see an improvement of the margin in the third quarter and in the fourth quarter.

Now, as the question said, if you have this adjustment this year or next year, it will depend if the deliveries will keep the same terms. We see a recovery in the third quarter, in the fourth quarter and we will capture this recovery this year. Piero, would you like to add?

MR. PIERO ABBONDI

Well, just adding that we are always monitoring this and when we mentioned the trend in raw material, if we see a certain instability in steel prices, I believe we will accelerate this recovery, because to have healthier margins and the sales in this first semester had healthy margins and the second semester will be very good. We are very optimist and keeping the exchange rate and the global demand of steel, as you mentioned, Paulo, we see that we will be back to normality quickly.

OPERATOR:

Well, now the next question from José Paulo Souto, "concerning the reduction of social capital, the resources distributed to the shareholders

would come from the Company's cash?"

SR. PIERO ABBONDI

Yes, João Paulo, as we presented, the company was working with a robust cash position, and we had the bonus of the distribution. We had the bonus since 2014 with these new shares, they input capital to the company, 141 million, aiming the adequation of the capital structure and the scenario for cash planning, investments, of future investments, so this allowed us to do this distribution so we will use the cash resources of the company. With this distribution, the Company will have a more adequate cash position and we will look for a healthy leverage in the mid and long term for have this capital structure.

But also, we have the important event of returning of the investments of the shareholders and today we have R\$ 10 per share. We will use the cash resources and as necessary we will review this availability with a funding line, if necessary.

One question coming from Luis, "what is the financial complexity of having hedge on the steel price?"

MR. PIERO ABBONDI

Well, it's an interesting question, because this is our main focus, especially in costs. It still is the most important item in terms of cost, and we follow it daily, but first it's... objective answer relating to hedge, there is no financial mechanisms to have a hedge in steel. We have indirect ways. We thought of many, many ways, but the steel, the global price in Brazil and the exchange rate. The exchange rate would be a way of doing this hedge, but it depends on price.

We are looking for the operational hedge. First, we have a contract with suppliers that guarantee some stable conditions in price over time, but it depends on the period and on the market, but we are being successful. And second, we will work with the inventories. We had a two-month inventory and with this turbulence we reduced to slightly more than one month and now we are rebuilding because we have an order portfolio that is very robust, so there are two ways of having this coverage, but more difficult in this time, when you have this steel scarcity, the market had the difficulty to supply it, but in normal conditions, what we usually do is to close an order for future delivery, what we do is we receive the first payment from the client that guarantees up to the time we buy the steel, so with this order entry we guarantee that we have the steel in house for future

delivery. We are working with this and probably with the normality in supply that we are foreseeing, we will be able to have this more natural hedge, as to say, it's a complex answer, but we need to follow close the exchange rate in the steel market, okay?

MR. PAULO POLEZI

One more question coming from Mr. Israel Roberto, asking "why did cutoff date was canceled?"

The date of capital reduction proposal was on the following day of the assembly, 278.5 million capital reduction, the date was August 16th, and we received a suggestion from the B3 and following the legal term, 60 days the Company should wait to define the cutoff date, so we are following the B3 orientation and after this period we will update and inform the new cutoff date, okay?

OPERATOR

We are closing now the Q&A session. We go back to Mr. Piero Abbondi, CEO, for his final considerations.

MR. PIERO ABBONDI

Thank you. Well, with this we close our earnings call of the second quarter. We are

very happy with the results, the challenges were big, but we believe we will have a good second semester. I'd like to thank again the Kepler teams that in all areas work hard to overcome all the challenges. I'd like to thank you for the interest in our Company and invite you again for the Kepler Day on August 27, where we have more time to explore these issues on our digital journey that is very promising. Thank you very much and have a nice day.

OPERATOR

With this we conclude Kepler Weber's conference call. Thank you for your participation and have a nice day.