Operator:

Hello, ladies and gentlemen. Good morning. Welcome to the earnings videoconference of Kepler Weber to discuss the results of the 1Q25. Present with us today are Mr. Bernardo Nogueira, CEO; and Mr. Renato Arroyo, Financial and Investor Relations Director.

We would like to inform you that the presentation is being recorded and translated simultaneously. The translation option is available by clicking on the 'interpretation' button. For those following the videoconference in English, it is possible to mute the original audio in Portuguese by clicking on 'mute original audio'.

During the Company's presentation, all participants will have their microphone disabled. Then, we will start the questions-and-answer session. To ask questions, click on the 'raise hand' icon. When you are announced, you will be prompted to turn on your microphone, and you will be able to ask your questions.

We would like to clarify that any forward-looking statements that may be made during this videoconference regarding the business prospects of Kepler Weber, its operating and financial targets constitute projections by the Company's management, and these may or may not occur. Investors should understand that political and macroeconomic factors as well as other operating factors could affect the future performance of the Company and could lead to results that differ materially from the expectations expressed in such forward-looking statements.

We will now show you a video about Kepler Weber's product launches in 2025. These products are the KW Select cleaning machine and the CTF Reel horizontal conveyor. These launches strengthen the Company's leadership and expand its competitive advantages, which currently has 27 registered patents, and 46% of the revenues come from new products and their versioning. After the video, we will hand over to Mr. Bernardo Nogueira to begin the presentation of the results for the 1Q25.

Bernardo Nogueira:

Good morning, everyone. It's a great honor to be here with you today to present the results for the 1Q25.

Our net revenue amounted to R$357.2 million. EBITDA reached R$52.9 million with a margin of 14.8%. Net income reached R$25.6 million, a margin of 7.2%. We continue generating cash with discipline in managing expenses, and we maintain a financial structure, which is very solid.

In the 1Q25, the Farms segment recorded R$131 million in revenues, accounting for 37% of our net income. Agribusiness amounted to R$100 million and International Business reached R$41 million. Ports & Terminals amounted to R$10 million, reflecting longer cycles. And Replacement & Services had the largest growth, reaching R$73 million due to the recurring expenses and installed base. The growth of 21% and 5% in International Business reinforces the strategy of diversification of the Company.

This is a summary of our portfolio with a focus on the most strategic projects that were arranged. And this shows the strategic projects representing part of the portfolio, which is aligned with the same period of 2024. The purpose is to show the good commercial dynamics and the new agreements and new contracts, reinforcing the solidity of our pipeline.

And now I turn the floor to our CFO, Renato, to present the EBITDA and the other financial indicators.

Renato Arroyo:

Good morning, everyone. It's a pleasure to be here with you to present the results of the 1Q25 of Kepler Weber.

EBITDA was R$52.9 million with a margin of 14.8%. The main drop came from the gross profit line due to the reduction of average prices and the composition of mixes among segments.

In the 1Q, we realized R$21.2 million in investments, a reduction of 19% in relation to the 4Q24, as expected after a very long cycle of investments of last year. Investments continue to be concentrated, especially in the expansion of the manufacturing capacity that accounted for 35% of the CAPEX for the quarter.

Among the main projects, we would like to highlight the acquisition of eccentric press with a feeder and a new elevator for the line of the painting unit in the unit of Campo Grande. We also allocated 22% of the investment to new products that will be used to increase the revenues for the next semesters: 80% for information technology and 35% for the sustaining of the operation with a balanced operation aligned with our strategic plan.

We ended the 1Q25 with R$337 million of gross cash and 54.6% in net cash with a solid and flexible net cash. So we have a lower cycle of low seasonality, with new investments and reinforcing the value for the shareholders as we show with the distribution of dividends.

ROIC was 28.8%, reflecting the solid allocation of capital of the Company. The variation of the indication is connected to the margins and the increase of investments as a result of what we made with working capital.

This is the growing level of return to the shareholders. We reached a payout of 75% in 2024, maintaining the growth trend in the past years. In April, we distributed R$70 million in dividends, accounting R$0.40 per share. And we show the cash regime with an increase significance after 2021, reinforcing our discipline in allocating capital and the priority to maintain growing returns to our shareholders.

And we are now going to discuss the business cycle of Kepler Weber about our investment thesis and also a little bit more about the prospects for 2025.

Operator:

Before beginning the Q&A session, Bernardo Nogueira, CEO; and Renato Arroyo, CFO and IRO, will share some information about Kepler Weber.

Bernardo Nogueira:

Good morning, everyone. It's an honor to be here with you sharing the results for the 1Q25. And this is the material we prepared for you, which is simple and direct, and it helps to explain the cycle of the Agribusiness.

We know that in Agribusiness, especially what happens in Brazil, we see cyclic growth. So we brought some information about where we stand in the cycle and how this is aligned with our strategy, with our thesis, the management and what we are doing at this moment, and lastly, which is the return for the shareholders that we expect considering the cycle and expectations for 2025. So I am going to present some slides, and then we will open the Q&A session.

The first one is very important to share with you because these are the main drivers of our business. So basically, we are operating in the Agribusiness. So we have the crop, which is very important. So we see 2023 reaching 320 million tons.

According to the level of importance, we would like to mention the soybeans price that would affect all the chain. We see that back in 2023, we stood at US$28.70. And we have also the price of the corn which was US$10.53. And then we have the moments in the years of 2024 and 2025.

It's important for us to observe this because we wanted to talk about the cycle and how this behaves and is aligned with our revenues and profitability. Today, in the 1Q25, we compare the results in comparison to the 1Q24, especially those periods. And we see that in the 1Q24 this was based on sales that were made, especially from April to October 2023. That was a record crop at very high prices. We managed to capture a lot of value at that time; margins which were very interesting.

The revenue that we report for the 1Q25 is a result of the sales that had materialized along 2024, especially from April to October. And there was crop failure, so there was a bit of frustration, especially in Mato Grosso, Matopiba, in the Cerrado area. And there was a drop in the price of the corn and the soybeans of about 20% for the soybeans, and then the interests were more favorable at the time.

But the business condition that was generated during the sales, and as we see the revenues that were reported by the Company, we see that we have a tighter scenario considering the clients. And as a consequence, we see the result also in our margins.

When we look at the cycle timing, of course, we are talking about 2025. So we are beginning this season of sales from April to October. And we go back to the scenario of super crop, and this is what we hear in the media quite often, the 330 million tons being confirmed. So this is a favorable point for us. So this is something favorable in terms of volume.

And the challenge that we have ahead of us for 2025, which has already been contracted for 2025, is related to the price of commodities, especially soybeans. So there was also a reduction at US$21 per bag. And we also see a positive trend for the corn, as we see for our clients, and this is also very positive, an increase in the corn. And we also see a high level of interest rates. So the sales that are materialized in 2025 will lead to revenue for the 2H of the year and the portfolio for 2026.

And this is what we conclude considering this material. This is a conclusion based on the first slide. So we moved from a very positive cycle with a very large crop and very attractive prices to a moment where we have a crop failure and the prices have reported a drop. And in 2025, we have something that we would consider to be intermediate, super crop and the prices are a bit decreased when we consider soybeans and corn.

Now moving on to the next slide. We can see the major cycles. And if we think about those cycles and how we would align them with our thesis, as we have mentioned in the previous year, we mentioned that Brazil was the biggest protagonist in the food production, but we also have the storage deficit. So this is maintained. We know that this basis is still very strong. Even though we have a downturn in many segments, our revenues is very much in line with what we saw last year. And the volume produced is even higher than what we reported last year, higher than the last 3 or 4 years. So we have a consistent demand as a result of what we have been mentioning, which is also related to the storage deficit. So this is something we would like to stress.

Our order backlog is in line with what we had in 2024. And based on what we said in terms of cycle on the previous slide, our expectation for December 2025 is to start 2026 with order backlog at a higher level than what we reported in 2025. So this is something that we understand to be happening for the future.

Another point of our investment thesis is the industrialization of the Agribusiness field. So we understand the Agribusiness is becoming ever more professional, evermore professionalized, driven by biofuel, especially. So we see a revolution in the corn ethanol and also biodiesel coming from soybeans. We have two valid contracts that we have just signed in April. So this was the largest contract in the past 5 years, with a company in the South of Brazil, and we are going to disclose this to the market with more details. But the prospect is excellent, and this is what is going to materialize in the 2H25. So this is the thesis we have. It is solid, and we are very confident that we are going to be successful in the market we operate.

And the second part is the strategy. For us, it was very clear. Considering this low cycle, we understand that we made the right investments. So we got ready for this moment. We have been making consistent movements to diversify our portfolio, and we see our Replacement & Services and International Business growing, the Replacement & Services growing by 28%, and Ports & Terminals account for 6% nowadays. And this helps us to sustain our business at the moment when the cycle is lower.

Another important point of our strategy, we presented 2 launches that are happening in Agrishow this week. And that's a result of the results of research and development and everything that adds value to our clients. We see the percentage of products that were launched in the last 5 years moved from 6.5% in 2019 to 46% in 2024. So we are going to continue innovating, bringing in new products to our clients and generating value to our shareholders.

Another point we would like to highlight that have been communicated in the last couple of days and we also reinforced is the data monetization. So we have more than 2,000 units connected today, about R$2 billion, considering corn, soybeans, wheat. And now we are connecting the chain and generating value. We celebrated the agreement that we signed with XP, and we are very optimistic with everything that is ahead of us in the next years, in the next months. So this is related to strategy.

We are very confident that we have the right strategy in terms of management. In 2016, Kepler adopted the Lean philosophy, and we are very loyal to the Lean methodology that brings in continuous improvement and more efficiency in all production chain. An example that we would like to highlight is that since we have been getting ready into the low-cycle moments since the 2H24, and this was something that we even commented with you at the end of the year, and we made important reductions in our SG&A at 7%, so 7% considering the inflation. And we are going to continue searching for efficiency on a constant basis.

Another important point in relation to the management is that we are going to take good care of our clients. So we saw an evolution in our NPS from 36, pre-pandemic levels, to 72 now in 2024. In 2024, we had a 1% share. And this is based on the excellence in the service we provide.

We know that 70% of the clients have already purchased Kepler products in the past, so it's a repurchase that we are being very successful. So we want the clients to return and be satisfied at all times. So the thesis is clear, solid. The strategy continues to be very loyal and very focused on the efficiency, also in the low cycles that we are facing.

And this graph is very illustrative. So we mentioned this on Kepler Day, but I think it's important to mention it again because we have EBITDA at about 15% in the 1Q and many people asked, "Is this good or bad? What is exactly happening?" So we try to bring some perspective for you.

Based on what we said in relation to the cycles, we see that the soybean prices, in the orange line, so we see that is considered the price of dollars per unit. So we see soybeans at US$9, US$10 up to 2020. And we had a fantastic cycle of commodities after the pandemic. So the price of the soybeans skyrocketed up to 2023. And then there was a return to the levels of US$11. And now we are back to US$10 for the soybeans. We would like to remind you that soybeans is what gives us oxygen and enthusiasm in the Agribusiness.

Down below, we can see Selic. As a reminder, this is where the interest rates were in different years, and this is what we noticed from this analysis. We had 15% of EBITDA. Is it good or bad? We have to compare it to a historical moment that we had. So when we look at a similar moment, that would be the period from 2015 to 2017 when USD were at this level and the interest rates are at the level that we record today, 12%, 13%. And then we see that the EBITDA had an average of 0, -5%.

And the EBITDA that we reported now, looking at the 1Q25, we believe that 2025 will be even better than the 1Q. We are working hard so that we can improve the reported results. So let's assume that we are going to repeat the 15% for the 1Q. We can see that there was a jump, even considering the situation of the market in 2017. We see that the cycle level is different. So we stood at a different level in terms of profitability now. And as a consequence, this also results in the generation of cash and generation of dividends.

And so I turn the floor to Renato for him to conclude.

Renato Arroyo:

Good morning again. A point that makes the Company very proud is that the Company is one of the largest payers of dividends in Brazil, the largest in 2024 in the Agribusiness, and we paid 75% of payout, and we nearly reached 9.2% last year.

So something which is relevant to mention now and providing some color on what the Company is doing, the Company expects to be another good payer of dividends. We have already paid R$70 million in dividends on April 16, and R$52 million are extraordinary dividends. So that shows the capacity of the Company to generate operational cash. And visualize that this is going to continue for the future. Even with adverse moment, we can foresee that we are going to generate operating cash by paying this amount of dividends.

Another positive is that the Company is going to close the 1Q with R$55 million in net cash. And considering the seasonality of the business, the 1Q is usually the quarter that has the lowest net cash for the Company. The Company made investments at R$70 million. So that shows that in this adverse moment, we are of comfort to say that we have the operational robustness to make the right investments of the Company and feel comfortable not to be pressured by the increase of expenses and higher interest rates.

And something else that was mentioned beforehand by Bernardo is the diversification, the focus that we have in executing our KW 2030. And the first point is to look after our clients. 70% are recurring customers. And as we grow our NPS, this makes us more likely to have more sales in the future.

Another point, which is part of our strategy, is the market expansion. We go deeper into our business in the biofuel business, Agribusiness, and we like to disclose that we have just signed an agreement that is going to generate revenues for the 2H. It's the largest agreement in the past 5 years of the Company. And we also signed an agreement with XP, and this is the first step for the data monetization for the Company.

So we see that 2025 will be a 1H of the year with tighter margins, as we mentioned, as we saw in the 1Q, and we can foresee improvement as of the 3Q, and we expect the 2H25 to report higher volumes of sales considering the larger crop that is being harvested now that will provide better negotiations for the future.

Now I would like to open the Q&A session. Thank you very much for those attending the meeting, and we would like to thank our major shareholders. It's a pleasure to talk to all of you.

Lucas Laghi, XP:

Good morning. I have a topic I would like to discuss with you. Thinking of the dynamic of pricing for the Company, we see the revenue dropping year-on-year, not because of volume, as you mentioned, but because of lower prices that impacted this lower profitability when we compare it with the 1Q24. So if we make a calculation of which would be the return on capital in 2025, we reach to an annualized level of 14% in terms of return on capital invested. Unfortunately, the current situation, it would not pay for the cost of capital that we have in Brazil. So I would like to understand what the limit for the pricing would be, and how do you think about this limit when you do the pricing of the product?

So does it make sense to think about this return on capital perspective? Or is there any way to run at a lower level that would be lower than the cost of capital that would be appropriate for today, as you share with the client this worse context of profitability of the industry and the Agribusiness in general in Brazil? So what's the rationale of the Company in relation to pricing, considering the context of ROI and the cost of capital that we see in Brazil?

Renato Arroyo:

Thank you, Lucas, for the question. I believe that this is a very relevant question. And let's provide some color on this, some more context.

So considering the Agribusiness and Farms and other segments as well, Replacement & Services and Ports & Terminals, when we talk about Ports & Terminal and International Business, we do not have such a consolidated pressure on prices. We do not see the drop in price in a significant way. We see that the margins have been stable when compared to the 1Q24, even with the growth in the segments. It's important to mention that 60% are on Agribusiness and Industry and Farms, and the remaining would be the other segments.

In terms of Farms and Agribusiness, yes, we feel price pressure. So we see that the gross margins have dropped by 15% when we compare it with the 1Q24. The annual

ROIC stands at 28%. But when we look at the quarter specifically, we can see that the ROIC is a bit lower.

So there are two context to consider. We cannot look only at the quarter alone. We always consider the 12 last months considering the seasonality of our business. So we have a concentration focused on the 3Q and 4Q for our business.

But yes, we see that as the crop is being harvested, and if the crop is better, if the corn price is better, we are going to have better dynamics for negotiation in terms of pricing. Today, we are impacted in the Farms segment because of the restriction in credits because there are no PCA releases, the credit, which is more structured in the Agribusiness, such as CRAs and LCAs.

So we see that the pressure is much focused on prices because there are higher levels of interest and scarcity. But as we have new crops and the commodity prices are improved, we can have a better pricing.

It's very valid what you said. Your point is very relevant. But we have to look at an annualized basis, considering the nature of the business.

Lucas Laghi:

This was just an exercise to consider what would be the worst-case scenario, because even with a weaker quarter, I wanted to ask, if we ignore the seasonality, what would the result be. So the returns would still be higher than the cap price. Thank you.

Kiepher Kennedy, Citi:

Good morning. Thank you very much for taking my questions. I have 2 questions on my side. One is related to the comments that Bernardo made during his presentation. He said that the Company expects or has been working hard so that 2025 can be a better year than what we saw in the 1Q25. So I would like to understand if there is any sign and evidence that would make the Company believe that. Can we look into the order backlog for the future in a different way, considering the segments that reported worse results? And what can we expect?

And the second question, Renato mentioned this new agreement that is likely to be relevant for the 2H25. I would like to understand a bit more about this agreement, what would be its characteristics, whatever you could disclose in terms of profitability so that we can have some color on that. Thank you.

Bernardo Nogueira:

Kiepher, thank you for the question. Yes, we have clear signs of an acceleration in sales, and signs start from our CRA. We have registered all the sales that have been made, the volume of business which are being negotiated, and the conversions of all those negotiations into the portfolio.

So at the end of April, our portfolio is the same as the portfolio we had in 2024 in terms of volume, with important new entries in the beginning of the funnel. So that would lead us to believe that the volumes of April, May and June will be higher than what we reported last year. So the whole environment is more favorable. We see that in 2025 than what we reported in the previous year. So the signs are very clear.

And now in relation to the questions about the agreement, we are going to provide more details about it in the future. It's the largest business we closed in the last 5 years in the segment of ethanol, production of ethanol using cereals, and more details will be provided later.

But we can say now that the revenue is likely to be recorded in the 2H, 20%, and the profitability is planned to happen a bit higher than what we are presenting now in the 1Q. So a profitability that would lead us to more healthy levels in the 2H.

Renato Arroyo:

Just to add, this agreement, as Bernardo mentioned, in next month, we are going to disclose it together with the Company we made business with. And a large part of the revenue, we will have revenues in the 3Q and 4Q, and the revenues are associated with what we mentioned before. So the revenues are likely to be materialized in the 3Q and 4Q. So I think it's a very important agreement to the Company. It's an agreement which is important for us to provide the basis of sustaining sustainability for the 2H25.

João Tomás, Valor Investimentos (via webcast):

Coffee production has high margins and high level of investments. Considering this promising scenario, what are the initiatives that Kepler has been adopting in order to increase its presence in the sector of coffee? I am from Espírito Santo and I have been observing that many silos are not Kepler’s. How do you see this business opportunity?

Bernardo Nogueira:

Coffee is undergoing a fantastic cycle. That is true. As a coincidence, I was with the superintendent of Cooxupé last year, which is the largest exporter of coffee in the planet, and some major silos in the world were manufactured by Kepler. So we see this acceleration of the market of coffee in a very positive way.

This is not a traditional segment of Kepler. So we are more on the path of soybean and corn. These would be our flagships. So we see the coffee market as something that would interest us. We already offer storage equipment, and we also have dryers for coffee drying. And there is something related to the manufacturing of coffee, which is not yet in the organic pathway in the short term.

But without a doubt, we are going to go for the opportunities in Espírito Santo, and we are going to have our brand more present in those fields.

Ronaldo Bueno (via webcast):

What is Kepler projecting with the cost of sales and net income in the next quarters?

Renato Arroyo:

Ronaldo, good morning. Thank you very much for the question. We see that we reported a growth of the CPV when we compare year-on-year, an increase of 8%. But if we think about absolute numbers, the growth was only 5% when we look at real terms. So we had an increase in volume by 4%. So in effective terms, the increase in the COGS is basically connected to inflation and the increase in volume.

When we look at the ratio, the percentage of the COGS that we see reported, we see an increase of 8%, but the effect is due to the drop in price more than a cost increase. Our costs are maintained stable, well controlled. We have a team which has been working hard on costs. And we work with suppliers. We have made improvements in this field. So we want to maintain cost at similar levels, those we recorded last year. And we have a pricing dynamics that will be better in the next negotiations that will allow us to bring this percentage at a lower level.

Reinaldo Verissimo (via webcast):

How are you evaluating the format that Safra plan 2025, 2026 has been designed nowadays? An increase in interest rate may affect the appetite of investors for investment. And considering the drop in Ports & Terminals, what are the measures that have been adopted to mitigate the scenario and resume the growth in this segment?

Renato Arroyo:

First of all, thank you very much for the question. So first of all, the last crop had a PCA approved by R$8 billion, but it ended up to be R$3 billion. So we had a rate of 7.5% and 8.5%, but the money did not materialize in the calculation, and that keeps the investment down.

What we heard from the banks, and we always maintain this contact in order to understand when the next PCA is going to happen, so we understand that resources are going to reach the edge. And it's very important that this money should reach the edge.

In terms of cost, this is always going to be a differential in terms of interest rates when we compare it to Selic rate. If Selic rate was about 11%, the PCA stood at 8%. And we understand that what will happen is a fee or a rate about 11% make the investment to happen again and make the money reaching the edge. So it's a positive way we look at that, considering the plan that is going to be approved in relation to the previous year.

Another point that we see is that the governmental agents talk about inflation associated to food prices. So because we lack storage resources, inflation can increase. So governments and development agencies may approve more money for the edge.

In relation to Ports & Terminals, it's important to mention that there was an increase in the margin in terms of percentage in spite of the drop in sales. I would like to say that in terms of Ports & Terminals, they are major projects. In 2024, we had 3 or 4 projects that concentrated relevant values, and we do not have this concentration now. So we have a pipeline of negotiation, which is very large for Ports & Terminals, and this may generate revenues at the end of the quarter or in 2026.

I do not know if Bernardo would like to add some.

Bernardo Nogueira:

Yes. Without a doubt, as we saw during the presentation of cycles, interest rates have a very high impact on our business. In addition to the points that Bernardo described, we have the purpose of accelerating the RS. So we have retrofitting of high volume. We had a growth in the 1Q, so this was intentional, and also related to International Business.

We saw a growth of nearly 70% of domestic business in 2024 and revenues increasing by 5% in the 1Q, but sales in International Business are growing more than 20% this quarter. And we are going to sustain the revenues of the 2H with growing domestic businesses.

And another important point in relation to interest rates, nobody would believe that we would include Argentina in the same sentence. So we see an improvement in economic fiscal situation of our neighbor. And by the way, I have planned a trip to Argentina. So we came from zero in the past 5 years, last year, we invoiced R$5 million, and this year, we intend to reach R$20 million to R$40 million in Argentina as a result of the higher fiscal stability in the country.

Carlos Pádua (via webcast):

Good morning. The prospects for the deliveries by the Company in the next quarters are with improvements. Is there any reversion of the drop in income as it happened this quarter?

Bernardo Nogueira:

Thank you for the question. We see, Carlos, that there has been an acceleration of the volumes. We have to consider that we have the seasonality in our business. As I said before, sales in our order backlog are very similar to what we had to 2024. So revenues are going to be close to the Company's volumes. Maybe volumes will be even higher with lower prices. So in terms of BRL, they are in line with what we had in 2024.

So we expect that in the next quarters, the profitability will report something very similar. We expect an improvement for the 2Q. Of course, it's not going to be a big jump, showing a transformation, but rather, we expect to end 2025 at a level higher than we saw in the 1Q25.

Lucas Henrique; Pedro Lima (via webcast):

How do you see the tax war between China and the United States? Do you see any opportunities for Kepler?

Bernardo Nogueira:

Lucas and Pedro, thank you very much for the million-dollar question. The standard answer would be we still do not have all the information. We do not know exactly what's going to happen. But in general terms, I think there are some pathways that can be taken considering what's happening between China and the United States.

One, if there is a distance materializing between the United States and China, if there is a distance between China and the United States, specialists say that then Brazil may be favored because soybean purchases may be directed to Brazil, proteins, corn, and that would increase the domestic price. And therefore, we are going to generate more investments. We will generate more cash. And that would be a positive scenario.

Another scenario, let's say that China and the United States get tired with the war and come to an agreement and everything will be close to what's happening today. I am not going to give my personal opinion, but this scenario has high probabilities as well.

Saulo Santana (via webcast):

Could you provide an update on the program of share buyback and if the announcement of dividend will happen still in 2025?

Renato Arroyo:

Thank you, Saulo, for the question. Our share buyback ended in March 2025. And at present, we do not have a share buyback in place, but this is something that can be considered by the Board of the Company in the future. In relation to dividends, as I mentioned, we have distributed R$52 million in extraordinary dividends, interim dividends. And usually, the Company does an analysis of the operating cash of the Company and proposes intermediate dividends.

So we expect to have those discussions in the future. Again, the willingness of the Company is to continue paying the level of dividends it has in the past few years. And we understand that, with the improvement in the 2H in terms of operating cash, we will have room to do so.

So we intend to be a company that provides dividends at a constant basis. If we look at the history of the Company, we expect we have the capacity of generating interim dividends for the year.

Pedro Fagundes, NFL Capital (via webcast):

This new major agreement is not in the advances from clients in the balance sheet, right? And could you provide an update on the sales of new technology products via Procer?

Renato Arroyo:

I will start answering the question about advances with clients. Good morning, Pedro. No, it's not in the client advances. It may be present in the next quarter since there will be payment advances. The R$120 million that we have in our balance sheet is not configured like that.

It's important to provide some color as well. We see that the consumption of current capital comes from a decrease in payment of customers. So this is something seasonal. But as sales are improved, and considering the seasonality of the business, more advances will likely to be in the line. So these are the vectors that are going to increase this client advances, because the dynamics of our business is to make advances considering the projects.

And now Procer.

Bernardo Nogueira:

Thank you for the question. We are very enthusiastic with Procer. We can say from the year of acquisition in 2023 and up to now, we had 100% growth in Procer, and it was based on 3 pillars. And the one that provided this growth is the synergy with the commercial area of Kepler.

Just to give you a clear example, Procer had 10 people in the field of sales, and Kepler has 120. And now Procer has more than 100 people accelerating sales and generating value. And this is the synergy we have been able to deliver.

The second point of growth with Procer, we expect to grow in our portfolio. We say that Procer is the Apple Watch of silos, and now we are bringing to the market other technology products, electronics, that would generate value, and they are related to our clients in the operation of transport and the storage of grains, electronic panels, 3D sensors that would provide safety to the operations. All those products are being launched and are brought into operations and will accelerate Procer's growth for this year and for next year as well.

And the third front, which is very important for Procer for the development of our strategy that justified our proximity was the generation of value in different states.

So Procer being this Apple Watch, it has unique information about the Agribusiness in Brazil. And with this, we are able to connect different lengths of the chain. So we made an agreement with XP this week. We announced the agreement last year. And this is a way to generate value by means of this platform associated with Procer. We are also in connection with the insurance company, logistics companies, and they all show their interest to have this connectivity in order to improve their operations.

So this is a layer of value, which we are not going to see a lot of revenue this year, but this is a very important strategic pillar that will bring good results in the end of 2025, probably, and in the beginning of 2026.

Operator:

The question-and-answer session has come to an end. I would like to turn the floor to Mr. Bernardo for his final remarks.

Bernardo Nogueira:

Thank you very much for the time, for being here with us, exchanging ideas about where we are with our dear Kepler. And to wrap up, I would like to go back talking about the solidity of our thesis. We continue believing in Brazil as a world protagonist in food production, a clear leader with extraordinary competitive advantages and operating in the area of, which is so important, such as grain storage and handling. We are very happy to be in this market. We are very happy with the strategy we adopted.

I would like to reinforce that we have made assertive investments in the past years for digitalization, diversification, launch of new products and strategies that put us in different places in similar cycles. So we can see that those investments show that the low cycle in the markets are structurally higher. We are at a different level, at a higher level. 30 years ago, results fluctuated a lot, and we are going to fluctuate less. This is our expectation.

So I reinforce our commitment with the Lean methodology, our constant search for efficiency, continuous improvement, and this is part of our DNA. There's a Japanese sentence, which is Kaizen. Kaizen means continuous improvement, which is part of the Lean methodology. And we have more than 1,000 kaizens in the year that are introduced by our own employees at different levels of our plant, in logistics, everybody is trying to do their best to be more efficient. And this is so nice. We are going to continue to be loyal to this Lean culture, generating good management.

And lastly, I would like to thank the ‘Orange Blood team’, those who fly the flag from morning till night and met 400 more clients than we had in the same period of last year and serving well all those clients. Thank you very much for this wonderful team.

And thank you to the 1,100 clients for the confidence you have placed on us. We understand that each project is a dream come true. It is a very important hallmark. So we are very proud to be with you. Thank you so much for the confidence you had on us.

And I would like to thank our more than 80,000 shareholders. As Renato mentioned, we have new shareholders that joined in, in the 1Q. So welcome you all, and it's very important to count on your trust, and we are going to continue working hard to improve even more.

Thank you so much, and see you next quarter.

Operator:

Kepler Weber's videoconference has come to an end. If you have any questions, send your question to the Investor Relations team using the e-mail ir.kepler@kepler.com.br. Thank you very much, and have a wonderful day.