

Operator:

Good morning, ladies and gentlemen. At this time, we welcome you to Kepler Weber's live meeting for the CEO succession plan.

We are very pleased to announce the participants of today's meeting. Among them, we welcome Mr. Bernardo Nogueira, who is taking over as CEO of the Company. We also welcome Mr. Piero Abbondi, our previous CEO, and now a member of the Board of Directors. In addition, we are honored to have with us Mr. Paulo Polezi, CFO and Investor Relations Director, who will be available exclusively to answer questions.

Please note that the presentation is being recorded and translated simultaneously. The translation is available by clicking on the interpretation button. For those listening to the videoconference in English, there is the option to mute the original audio.

During the Company's presentation, all participants will be in listen-only mode. Ensuing this, we will begin the question and answer session. Should you wish to pose a question, click on the 'raise hand' icon. When you are announced, a prompt to activate your microphone will appear on the screen, and you can activate your microphone to ask a question.

Some of the forward-looking statements made during the conference business prospects, operational and financial targets are forecast made by the Company, and they may or may not occur. Investors should understand that political, macroeconomic and other operational factors could impact the future of the Company and lead to results that differ from those expressed in the forward-looking statements.

I would now like to turn the floor over to Mr. Paulo Polezi.

Paulo Polezi:

Thank you, operator, and a good morning to all of you. Welcome to our live meeting to speak about the succession for the CEO.

I am extremely pleased for the moment that we have built. Next to me, we have Piero, and we have prepared a special material. We are both going to conduct the meeting, and at the end, we will be very happy to entertain any questions that you may have.

First of all, before I give the floor, I would like to congratulate Piero for the process that was built in the Company in the last few years, the transition process that was extremely well-planned. The Company is performing very well, and of course, it could not be different because of the covenants we have set forth. Thank you.

And my votes of success to Bernardo. We are together with Bernardo, as he will continue on. So a great deal of success on this new journey.

I will give the floor, we are going to speak to Piero, and I wish you all a very good conference.

Piero Abbondi:

Thank you, Paulo. A good morning to everybody. It is a pleasure to be here with you to share the process that we have undergone. It is no novelty. We have made these announcements since last year, when we initiated the process. And my leave in the market was also announced, but the call here is to explore with you jointly this process so that you all have full clarity and understanding of this process that we are undertaking.

First of all, I would like to say that I think this is the right time for the transition for several reasons. On my behalf, personally, I am going to turn 65 in June. And I think it's extremely appropriate at

this moment of my life because I do have personal projects, to step down especially when it comes to executive activities to a new generation of executives in the Company, and this has been done throughout the period.

And on behalf of the Company, it is a very fortuitous moment. The Company is well positioned. We have a well-prepared Board of Directors. We have the COs. We have an excellent managerial group. Therefore, the Company is at cruise speed, and this is the right time to do this.

This is a process that has been carried out carefully, professionally avoiding any sort of turbulence. We have everything to continue to perform and grow as we have done in the last few years. I am going to refer to this in greater details. I will share with you the presentation on this plan.

The plan began way back in 2022 at the Board of Directors, so that the Board of Directors could understand and we could jointly create this transition plan. This was communicated at the beginning of 2023, both in-house and to the market.

The process took the entire year, where we have been working jointly with Bernardo and, of course, with all of the in-house teams, and it has culminated in the 2H23, with the consent of the Executive Board. We have a well-prepared team that, of course, is working in a very integrated fashion. And yesterday, I renounced, and we had the election of Bernardo as the new CEO of Kepler Weber.

I am not going to be absent from Kepler, of course, quite the contrary, I am simply stepping down from executive activities, but I will continue on as a member of the Board of Directors, as a member of the Board of Directors of Procer where we invested in the digital area, and Paulo and Bernardo are also members of the Board alongside with me.

And I will be coordinating two committees: the Strategy Group for Finance, which is very important. We are going to discuss the future of the Organization, the destination of our cash, our investments. We are going to discuss how to invest and when. And another highly important committee, Compliance and Sustainability. Therefore, that is how I will make my contribution during the coming year.

Having said that, this is the transition plan that we came up with. And I would like to explore the situation that the Company is in at present. I am not going to go into details. Those who are with us are fully aware of our achievements, the landmarks that we have had in the last few years. But perhaps I would like to begin speaking about the succession that we have mentioned since 2022.

When I took office in 2018, I was 58. I thought, "I am not going to be here for another 20 years, we have to create professional management", and this was done through time. I am not going to dwell on the timeline of Kepler Weber. You know about this, the acquisition of Procer, we had two significant awards. We are part of Great Place to Work, and last year, we were elected at the 11th best company in Rio Grande do Sul as the best place to work in.

And we also have the issue of growth, the focus on product differentiation. The part of services that is an important foundation of the Company. The drivers that we follow with the present day market that has an enormous potential and the added value that we have in our more sophisticated equipment, the digital journey that we are undergoing jointly with Procer.

These are the business structure that culminated at the end of last year, and we are building the Kepler Weber plan 2030, that will set forth the direction for the Company in coming years. I would like to underscore that at the top. You will see that we have people mentioned often. When we began this journey, this has always been a significant focus for the Board, for the Company, a focus on sustainability of the business, not only in terms of profitability, sustainability, but also to guarantee growth robustness and market diversification to move away from the cycles that we face in agribusiness. 2022 showed us that Kepler is not only part of agribusiness, but it is part of the entire chain ports and terminals and equipment.

But what is very important is people, of course. And this is what we have been working on. And the process culminates with the development of people and will continue on with Bernardo in whom we have great confidence.

So you have the Organizational model, the management model. We have worked with leadership development, not only with the CEO, but all of the directors, with the executive group, the management group of the Company that literally carries the load. We began this succession process and, of course, have ended with new committees at Board level that will give us greater proximity with a day-to-day management.

Having said that, therefore, I would like to thank the entire Board of Kepler for their professionalism, Paulo, Bernardo, who are here with me. I am fully convinced that the Company is in excellent hands, with a fantastic team, and Kepler will continue on with its victorious trajectory, delivering very good results.

And when we speak about profitability and sustainability, and growth and robustness of course, I think this slide says it all. We have a sound profitability. You can observe the growth in the last 5 years, with a growth of 21% for the entire year, a significant growth.

And if we look at the distribution of colors, we can perceive that, in the last few years, we have a greater balance between segments. Kepler is a company present in the farms, in businesses and agribusiness, industry, animal protein, ethanol, biodiesel in several aspects, ports and terminals. Brazil has a deficit in transportation, and replacement and services. This segment has taken on a role of leadership and allows us to have a better balance. So through this slide, we show you a few figures of our main pillars of development for the Organization. You see that we are delivering and we will continue to deliver in this.

With that, I would like to give the floor to Bernardo. Thank you for your attention, and further ahead, we can converse a little more in the question-and-answer session.

Bernardo Nogueira:

Very well, Piero. I would like to begin by truly congratulating you for your management, for the excellence and incredible results. When people congratulate me, I say, "no, please congratulate Piero for his 5 years". And besides the transformation you carried out in the Organization, the robustness, congratulations for your professionalism, your devotion as a leader during the entire period and especially now at the end. Thank you for the mentorship and your closeness.

I would also like to thank Paulo who is here, the entire executive team and all the associates and employment for the support and of course, the Board of Directors for their confidence. Many of you follow up on Kepler, which is an exceptional company, iconic. The main business is agribusiness in Brazil. We are celebrating almost our centenary, it's 100 years of excellence, of proximity to the customer. And for me, therefore, it is an honor to lead this organization.

We have a team with orange blood. The commitment, the engagement of the team is exceptional. We have 1,400 years of experience only in the commercial team. Yesterday, the leader celebrated 35 years in the Company, which means that we have extremely engaged people with Kepler. It's a company that has customers that are the crème de la crème of agribusiness. I am going to only mention a few, Coamo, Cocamar, SLC, Bom Futuro, Amaggi, the forefront of agribusiness is either exclusive customers or they have a certain passion for Kepler Weber.

It is an honor to be here and continue on with this history of success. Yesterday, they asked me about my goal and my ground goal is to continue the journey of robustness that Piero brought about operational excellence, commitment with control, with growth, with people to continue to do this, do it very well.

And the second point, 80% or 90% of the time is to continue carrying out excellent work in this centenary company. I was watching a presentation yesterday that said, what is important is not to focus on what will change, but instead focus on what will not change. What will not change is our protagonism in Brazil, and we are going to work a great deal to enhance our leadership in this segment. That will be our focus. There is a second part of the challenge that I truly believe in.

The work of Piero was to create that robustness to attain that level of excellence, which nowadays enables us to explore other opportunities, new avenues, new fronts. Part of my agenda, therefore, will be to explore those new opportunities.

When we speak about new opportunities, of course, we are not going to move away from our core. But as part of our core, we have opportunities not only of generic value for the customers, but better connecting with them. And I will give you an example. The example we carried out is investment with Procer. We have 15% of the Brazilian capacity that is now connected. And we offer a signature process with the customers. We work with artificial intelligence, remote monitoring. So the customers can better preserve their production.

We also help them to care for their banking account through technology with 1,700 connected units. So this is the innovation agenda to add value to be connected with the customer and have recurrence to take the Company to a completely new level. Many have mentioned that for some months, we have been working with Piero and Paulo on the lease model. We call it PDS. We are thinking about different name, perhaps rental leases, we do accept suggestions. But this is a project for recurrency to add value to people and to move away from value.

We have everything in our hands to be able to carry out this work presently, and we have already done a great deal. We have reached 300 municipalities in Brazil that have the best capacity. We know where steady capacity is, the proportion of productivity and where we should work in Brazil. We have already mapped this out.

We have more than 10,000 customers that are storing. Last year, we invoiced to 3,000 and some customers. So we do have customers demanding our projects. We have knowledge of all of the engineering, what a good project represents. We have more than 100 in-house people implementing projects, 1,500 outsourced people also working on these projects.

The project has cost R\$50 million. We still have 7 months for the full implementation, but we have the expertise to do this. So we are working with our new distribution centers and our assets and we do have the capacity to work with the maintenance of these centers, everything very well managed. Once again, we have all of the right attributes to experiment and test this rental or lease model.

What is important to mention is that it's not a goal to use the Kepler Weber capital fully, not 100%. We have several funds and vehicles that are interested in joining us as investors. So we see Kepler making the most of all of this know-how, all of this knowledge. We are going to structure all of this. We will be contributing part of our capital, but our main asset, of course, is the knowledge. As was announced in the magazine Valor, we have approved two pilot projects to experiment and test these concepts and see if they can represent another generation of revenues to add to the robustness and sustainability of our businesses.

I would like to conclude here, and I believe we can now go on to the question-and-answer session for a conversation.

Felipe Lenza, Citi:

Good morning. I would like to congratulate all of you, the entire team. Congratulations to Bernardo for the new position. It could not be in better hands. I have two questions at my end. The first refers to your expansion plans, your models for silos and your outlook for the income of revenue. These

programs are very disseminated in markets like Argentina. Does it make sense to do this domestically?

My second question, as you mentioned, the Company has mentioned the expansion in the article in Valor. What are you going to do with those silos, and how are you going to enforce them throughout the country? I believe there's a very good synergy among your expansion plans, and you will add a great deal perhaps with cross-selling. So if you could give us more color in terms of the scenario, the panorama of this expansion.

Bernardo Nogueira:

Thank you for the questions. Felipe, I will try to summarize the response and I invite you for a more in-depth conversation as we have several topics here. The focus, as I mentioned previously, is management to continue on with the robustness and everything we have achieved in the last few years through Piero. Just that is a significant amount of work for 70 hours a week.

And perhaps, we have two additional points of focus, something we had already been doing, but that we can speed up at present. First, proximity of the entire Company with the customer. It's very important that the entire financial area understands the needs of the customer, the scientific area, understands the importance of implementation. So it's the goal to bring the Company closer to the customer day after day, and to synchronize and create a fine-tuning among all areas in the Company.

We have several different changes from sales until the implementation of the project and the more integrated all of this, the better the communication, the greater our success. So there is work that will be under the leadership of Piero at level 1 and two of the Organization, and we will continue to strengthen the leaders.

In terms of those rentals or lease, we truly believe in this, once again, we have all of the attributes for the Company to do this. It's like Blockbuster that could have created Netflix, but did not. We do have the opportunity of creating this in scale. And of course, we are going to test this. We are going to implement this with a great deal of responsibility. We have more than 70,000 shareholders. So we will be very cautious, but we are going to test this. And we will offer you more details as the process becomes more mature.

About the silo bag. This is a technology that is broadly disseminated in Brazil, perhaps stronger in Argentina and this is not competition with our traditional business. Silo bag is a palliative. I am not going to call it a necessary evil, but it's something that is used in moments of need. It is something temporary until we can make investment for a more permanent structure. I speak a great deal with the customer. And of course, several of them have difficulties with labor. The silo bag, it's basically a step backward, you need more people, you need more equipment. The operation tends to be quite complex and costly in terms of OPEX, but sometimes it is necessary.

What are we going to do with this? We are speaking with suppliers of the equipment and the plastic, the material that is used on the silo bag, this is a one-time use material, it is sold, and then it is disposed of, but we are in contact with the main suppliers of silo bag, and we are assessing partnerships, cross-selling perhaps offering the bag through our distribution centers. This could be remunerated and could help us to gain better access to the customers.

Presently, we are limited to that. We will evolve, perhaps a new structure will come about, but it's a way of making the most of the markets without entering other markets that have lower margins than ours.

You spoke about the international part. Kepler has been exporting for 50 years, and we grew to 50 countries. We have projects in Pakistan. We had a delivery in Ukraine, a new delivery. So we do continue to thrive in the international market, with a focus of having leadership in Latin America. Paraguay is doing very well with rainfall and a good harvest. And for the time being, that is our

focus. There was a change in the leadership of the international business as soon as something novel comes about, we will, of course, disclose it.

Piero Abbondi:

Let me help you, simply to complete the part of the autonomous accounts. This is very complex. It is something that is very broad. We are working with preservation. We are going to evolve with that in the operation. The operation of the dryer, we have several dryers connected. We are going to begin to deliver that type of management to help the producers to operate the dryer during the harvest, then we have the maintenance of the equipment where Procer, of course, will be responsible.

But we are going to support the customer in maintenance for the long term through annual contracts. We have already negotiated the price, it's just an issue of carrying out the deliveries. And we work with modules in the plant. The customer begins to automate partially, so this is something we will do jointly with Procer and of course, with our equipment. The synergy between both is very important.

But doubtlessly, we are going to offer this through modules, so it becomes more palatable in terms of complexity and financially as well. As you mentioned, the demand from our customers in terms of availability of labor is enormous, and we are going to try to service that market need as soon as possible.

Felipe Lenza:

That was wonderful. Thank you very much. And congratulations for the management so far and much luck going forward.

Fernanda Urbano, XP:

Good morning. Thank you for the information, thank you for the presentation. And of course, my votes of success to Piero and Bernardo. You have already referred to this, but my question is about the commercial strategy for core segments in the Company which is the rationale you have looking forward? Will there be any changes or any additional issues you have not mentioned?

Bernardo Nogueira:

Fernanda, thank you for the question. We will summarize the commercial strategy. Of course, we want to be where the customer is, and to be available at the moment of purchase. And this applies to the different segments. We have the farmer, the milling part. We want to be close to the customer in time, when the time comes to negotiate, which is very important. We also want to be connected permanently to our customers.

A very assertive strategy of Kepler has been the regional distribution centers. For example, in the hinterlands of Pará, we have planted our bag. We have done the same in the hinterlands of Bahia and customers of the region, say, I will choose Kepler because I know they have equipment, training, spare parts, at factory price directly from the distributor.

This, of course, is an edge for the customers. So our strategy is proximity, constant connection with the customers today, for example, or in 2023, we sent more than 40,000 messages directly to our customers' messages on the right moment and the right way of carrying out drying, messages on safety, standards, novelty, equipment, which means that we are constantly in contact with the customers. We have that physical proximity with the distribution centers and a highly qualified team, with seasoned professionals with very long relationships.

This morning, we held a call with the team more than 150 professionals throughout Brazil. And this proximity, of course, has enormous value, and we are reinforcing this enhancing it year after year.

So the commercial strategy includes all of this and also includes some new aspects that we are developing. For example, 3 weeks ago, we announced the first Seeds of Knowledge as we have called them remote teaching on drying on the dryer per se. And throughout 2024, we are going to launch more than 40 videos like this one and training for all of the customers and the entire process to guarantee efficiency, security and a good productivity for our customers. We have several tools to keep connected to the customer. Procer is another example, the digital part.

I think this is a summary of the commercial strategy, proximity and permanent connection, continuously generating value for our customers.

Paulo Polezi:

If we could follow up on your question, you asked about our core segments. In the last few years, Fernanda, we have seen a migration of opportunities from the farms to agribusiness. And as the commercial team addresses all of these initiatives mentioned by Bernardo, we have the in-house operational part that is quite heavy, quite broad.

And Piero showed the trajectory of the Company to have a flex plant presently. It was not that way in the past, and thanks to this, we are able to allow the industry to accompany the different movements. Were it not for this, we could not have increased our share in the last few years in ports and terminals, having different engineering, different projects. That is the result of our efforts, always led by the commercial team, and we are going to continue doing this.

This is a result of our investment, a CAPEX program that we have accelerated in the last few years to bring about more capacity. We have a flex plan in Campo Grande and others that enables us to make changes rapidly to follow up on the market and follow up on the results of diversification. It's a heavy system, a very complete system, but we are devoted to it.

Fernanda Urbano:

Very good. Thank you very much for the answers.

Operator:

The question-and-answer session ends here. We would like to return the floor to Mr. Piero, Bernardo and Paulo for their closing remarks.

Paulo Polezi:

I simply wanted to once again thank you for your presence, for those who are attending this. In less than a month, we will be sharing the results of the 1Q. Once again, I would like to congratulate Piero for his management, and I give you the floor for the closing remarks.

Bernardo Nogueira:

Thank you, Paulo. The same here. It's an honor to represent Kepler and to continue on with this journey of sustainability and growth and contribution to the Brazilian agribusiness. It's an enormous feeling of responsibility, of gratitude.

Piero, once again, thank you for everything. Thank you for remaining with us at this through speed for leading the committees, it will be very important to have your presence and wisdom shared with the Organization. Thank you.

Piero Abbondi:

I would like to thank all of you for your interest, for your attention in our Company. I would like to especially express my thanks to all of our employees, our management group. And as I have said,

that orange blood always stands out. When we have to make a decision, we always think about what is best for the Company, and we see that everybody wears the Company hat. My thanks to the Board of Directors for their professionalism, the way they have managed the Company.

I thank Paulo and Bernardo, I wish you a great deal of success, and we are very comfortable with the way this transition process has been conducted, a careful and professional transition. As a company, we are very well positioned, in a robust market where the opportunities are enormous. I am convinced that, in the next 5 years, we will harvest what we have already planted, and that we are going to continue to develop.

Markets change. Who would say 10 years ago that we would have the digital follow-up of silos. So we want to evolve further. The Company will have to renew itself to face the new market demands, and I am convinced that the market, the Company and the team are well prepared for this.

Thank you.

Operator:

We thank the investors for their interest and for attending the call. At this point, we would like to conclude the call and wish all of you a very good day. The video conference on the succession plan for Kepler Weber ends here. Should you have any additional doubts, please send your questions to the IR team. Once again, we thank you for your attendance. Have a very good day.

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