



Acquisition of a minority stake in Vale

October 7, 2022

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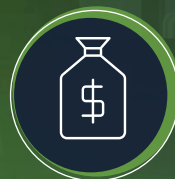
A new step in our capital allocation strategy and
portfolio diversification



Acquisition of a
significant minority
stake in Vale



Unique and irreplicable asset, exposed to strong currencies and strategically positioned in a space in which Brazil has a competitive and comparative advantage



Transaction structured to limit risks and provide Cosan with optionality



Transaction in line with our EESG values, with an emphasis on the energy transition and decarbonization process

Strategic rationale

Investment in line with Cosan's strategy of portfolio diversification and capital allocation



With a significant minority stake, Cosan intends to contribute to value creation with current shareholders and the company's Management



Unique and irreplicable asset operating in the natural resources value chain



Vale has great competitive and comparative advantage in the sector in which it operates



Exposure to strong currencies



Vale as a relevant player in the energy transition and decarbonization

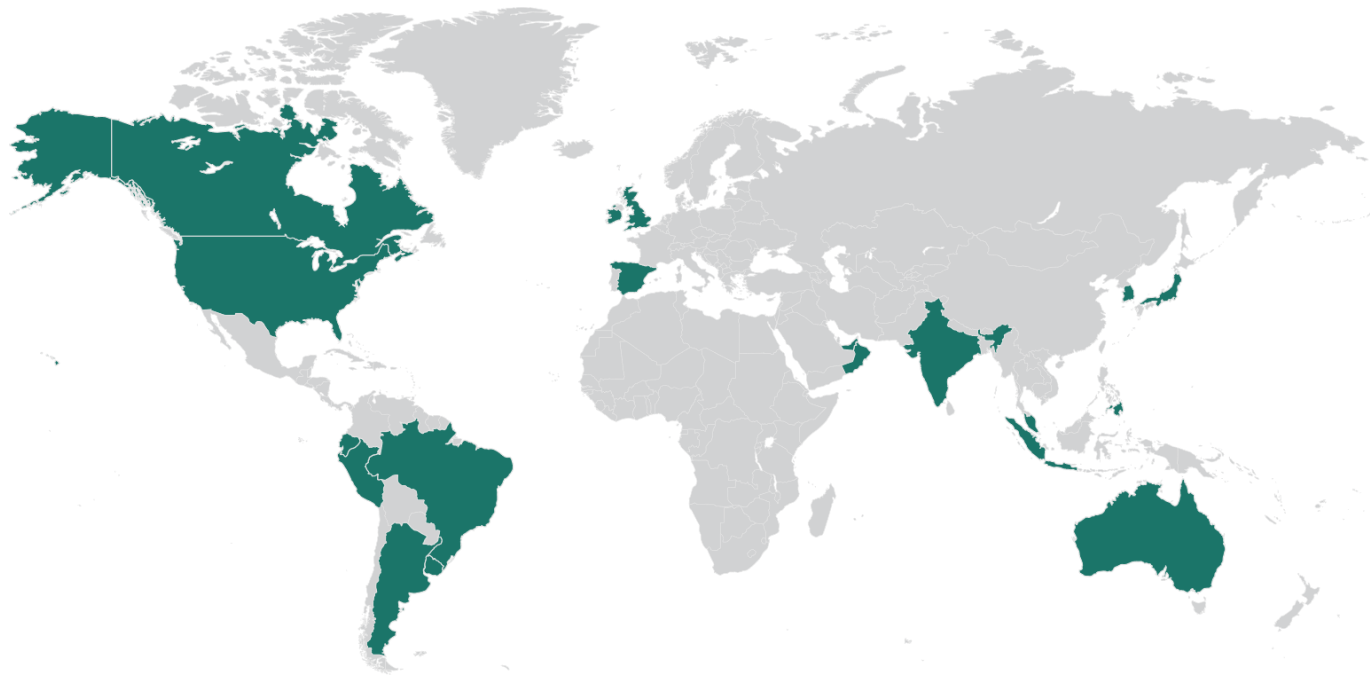
Transaction summary

Structured to limit risks and offer optionality to Cosan shareholders

- Acquisition of a significant minority stake
 - A 4.9% stake with **voting rights**: 1.5% through direct shares purchase and 3.4% through a derivatives structure which hedges our position in Vale (*collar*)
 - Additional 1.6% stake with **economic rights only**: a second derivatives structure, also hedging our position in Vale (*forward + collar*)
 - Option to convert the second derivative structure (with economic rights) into a voting derivative structure after CADE's approval
 - If the conversion takes place, Cosan will own 6.5% of Vale's common shares, with 5% protected against downside risk of Vale's shares (*collar*)
- The transaction will be financed by a combination of long-term non-recourse lines of credit:
 - Collar financing (**derivatives**): JPMorgan and Citi
 - Bridge loan to be refinanced with an **equity structure with preferred shares** (non-debt): Bradesco and Itaú

Vale

Unique and irreplicable asset operating in the natural resources value chain



US\$55bn
Revenue



US\$34bn
EBITDA

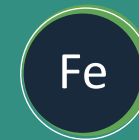


~US\$62bn
market value,
with strong liquidity on
B3 and NYSE



Operating in
21
countries

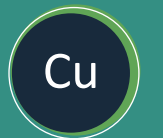
Global producer



2nd largest
Iron ore
309 Mt – 16% mkt share



5th largest
Refined nickel
105 kt – 6% mkt share



12th largest
Mined copper
297 kt – 2% mkt share

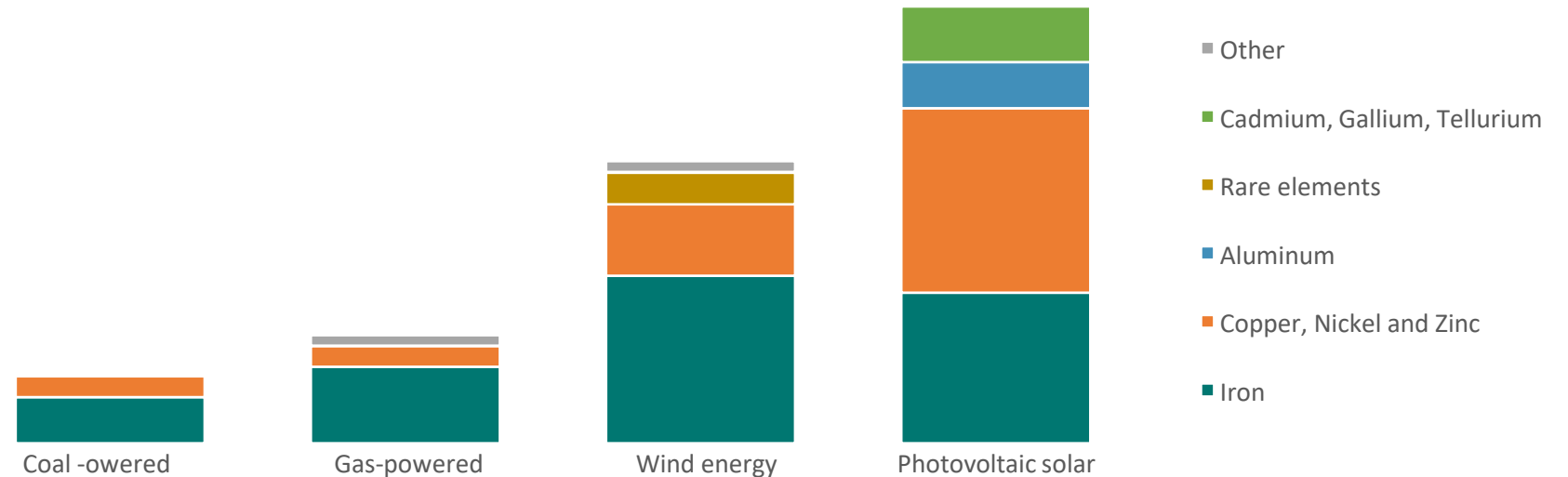
Vale

Entering at a favorable moment to create value for Cosan's portfolio

- An asset with a mix of essential products for the economy and the energy transition
- The quality of iron ore and base metals reserves is essential to enable steel decarbonization and electrification process
- Portfolio quality leads to higher premiums

Energy transition requires highly intensive metals consumption

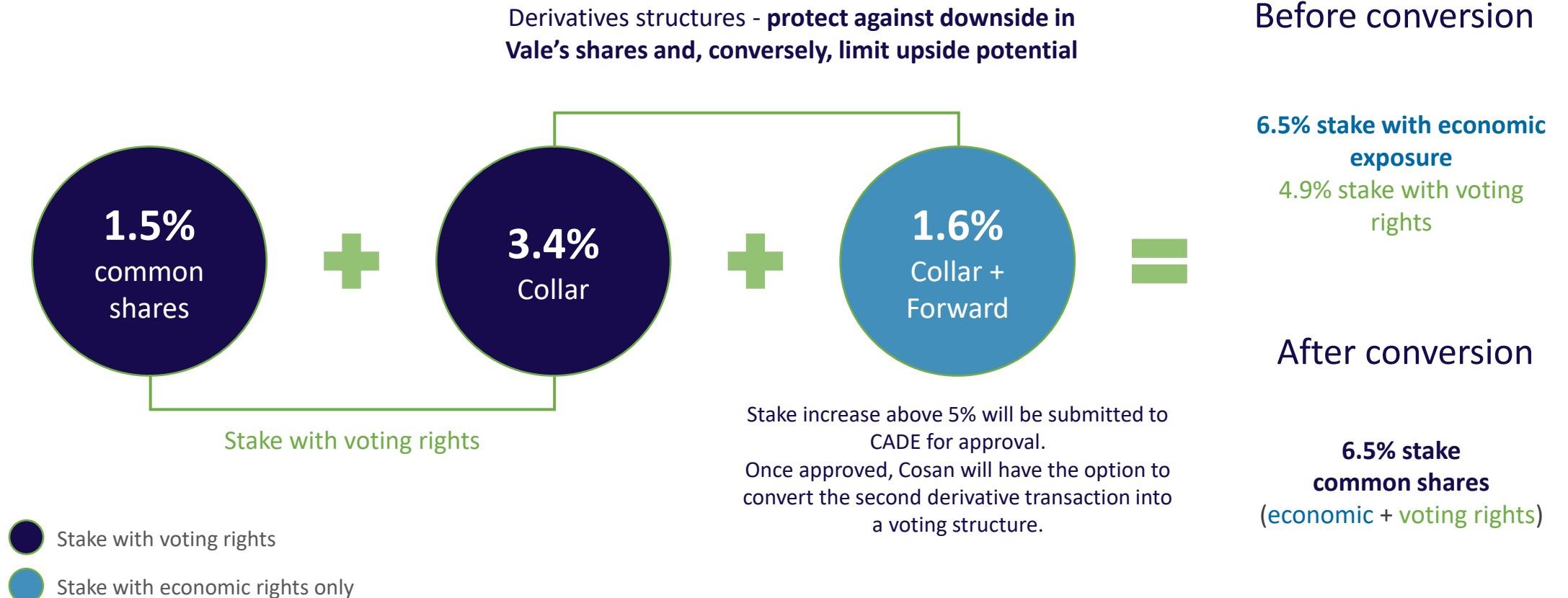
Power generation - material intensity (ton of Cu eq. per terawatt-hour)



Transaction structure

Financial structure with derivatives grants economic exposure of 6.5% in Vale, limit risks...

- Acquisition of a stake through direct purchase of shares and derivatives structure:



Transaction structure

... brings optionality to Cosan

- Cosan's optionalities: Reaffirming the investment thesis regarding the asset, protecting the interests of our shareholders and limiting potential losses
 - **Dismantling** of derivatives structures through the sale of shares belonging to the structures (collateral) to financing banks without credit risk for Cosan
 - **Refinancing** (extending) the derivatives structures or
 - **Payment** of collar financing, dismantling the derivative operation and being exposed to Vale's shares

Cosan will not need to issue shares to finance the payment of the collar financing

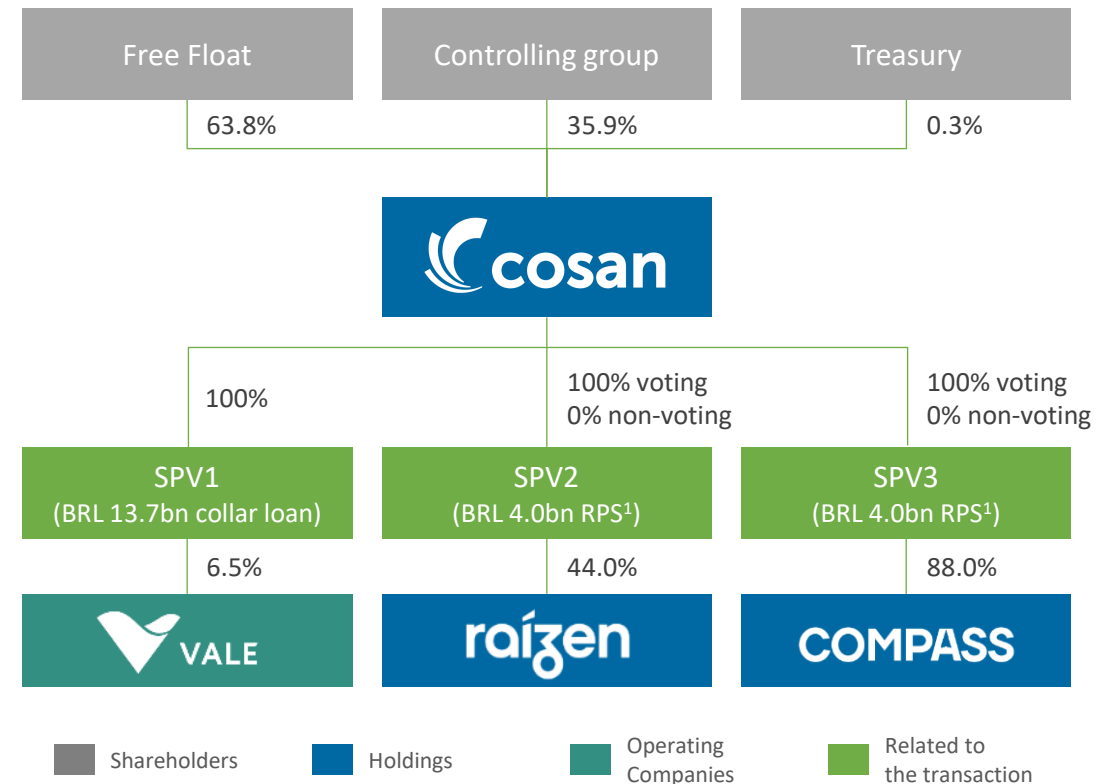
Transaction structure

Financing

Long-term credit lines and non-recourse financing structure

- Financing the operation through long-term credit lines:
 - BRL 8 billion in bridge loan refinanced through equity operation – preferred shares (RPS¹) of holdings that will own the shares of Raízen and Compass
 - Approximately BRL 13 bilion, remainder of the operation, financed through a derivatives structure of up to 5 years guaranteed by Vale's own shares

Structure post-structuring of preferred shares



¹ RPS: redeemable preferred shares

Transaction structure

Financing

Leverage maintained at adequate levels with several payment alternatives in the derivatives structure

- Maintenance of leverage at appropriate levels
 - In distinct moments:
 - i. Initially, increase in gross debt offset by the inclusion of shares as securities
 - ii. In a second step, the asset will be classified as equity investment with an increase in net debt offset by increase in EBIDTA (equity equivalence)
 - Bridge loan will be refinanced by an equity transaction (preferred shares) that do not affect Cosan's indebtedness
- Several options for payment of collar financing:
 - Dividends from companies in Cosan's current portfolio and from Vale
 - Liability management through local and foreign debt markets and extension of the derivatives structure
 - Sale of minority stakes in assets in the coming years
 - **Cosan will not need to issue shares to finance the payment of the collar financing**
- Operation does not affect the investment plans of the subsidiaries

Conclusion

Efficient capital allocation with optionality



Operation consistent with our strategy of investing in unique and irreplicable assets in which Brazil is strategically positioned with competitive and comparative advantage



Financial structure of the operation limits risks and provides Cosan with optionality



Investment opportunity that increases the diversity of our portfolio, at the right time to generate value



We remain committed to our usual capital discipline, ensuring the long-term success of the portfolio while maintaining an adequate level of leverage



In line with our EESG values, with emphasis on the energy transition and decarbonization



THANK YOU.

October 07, 2022