



Transcript

COSAN 4Q25

Operator:

Good morning, everyone and thank you for waiting. Welcome to COSAN's fourth quarter 2025 earnings release conference Call. Simultaneous translation will be available during the session by clicking on Interpretation, the button with a globe at the bottom of the screen, and choosing your preferred language, Portuguese or English. If you are listening to the conference call in English, you have the option to mute the original audio in Portuguese by clicking on mute original audio.

The conference call is being recorded and will be available on the company's IR website www.cosan.com.br during the company's presentation, attendees will be on a listen only mode. The Q&A session will begin once the presentation is concluded. Please note that the information contained in this presentation and in statements that may be made during the conference call regarding COSAN's business prospects, projections and operating and financial goals are based on beliefs and assumptions of the Company's Executive Board as well as information currently available.

Forward looking considerations are not a guarantee of performance as they involve risks, uncertainties and assumptions and refer to future events that may depend on circumstances that may or may not materialize. Investors should bear in mind that overall economic circumstances, market conditions and other operating factors may affect COSAN's future performance and lead to results that differ materially from those expressed in such forward-looking statements. I'll now turn it over to Mr. Fernando Tinel.

Fernando Tinel:

Good morning, everyone and welcome to COSAN's fourth quarter 2025 earnings call. I'd like to begin by drawing your attention to our standard disclaimer regarding forward-looking statements, estimates and projections that may be discussed during this conference call.

Turning to the next slide, I will start the presentation with COSAN's financial highlights. Managed EBITDA totaled 7.8 billion BRL in the quarter, broadly in line with Q4 2024. For the full year, managed EBITDA reached 26.5 billion BRL, representing a decline compared to 2024, mainly driven by RAÍZEN and RADAR, as we will discuss in more detail later.

Moving to the next item, COSAN S.A. reported an adjusted net loss of 0.7 billion BRL in the quarter, primarily driven by improved financial results. On a full year basis, the company posted an adjusted net loss of 4 billion BRL, explained mainly by lower equity income from our businesses, particularly due to the weaker performance of RAÍZEN's sugar, ethanol and bioenergy segment.

Regarding dividends and interest on equity received, we recorded 479 million BRL in the quarter, primarily from COMPASS and RADAR. For the full year of 2025, total cash received amounted to 2.6 billion BRL compared to 4.3 billion BRL in 2024. This decrease reflects the absence of dividends from MOOVE in what an atypical year for the company was as well as a lower contribution from COMPASS given that 2024 included an extraordinary distribution related to the reversal of a tax provision ICMS subsidy at COMGÁS.

Now turning to our leverage metrics, starting this quarter, we began reporting expanded net debt which includes local debt bonds and the preferred equity structure of COSAN DEZ. Expanded net debt decreased to 9.8 billion BRL, a reduction of nearly 14 billion BRL which we will discuss in more detail later.

From a DSCR perspective and considering a trailing twelve-month analysis, we continue to capture elevated financial expenses as well as the phase out of dividends previously paid by COMPASS. As a result, the indicator declined over the year, closing at 0.9x.

To conclude our highlights, I'd like to point out the improvement in our safety indicator this quarter which showed a significant reduction compared to the previous quarter. There were no fatalities and the results reiterate our strong commitment to safety which remains a nonnegotiable value across all of our operations.

Moving to the next slide, we present the operational performance of our businesses starting with RUMO. We reported higher transport volumes supported by a strong commercial effort and a very disciplined cost management approach. As a result, there was an upturn in EBITDA despite the challenging year, and we delivered a 4% increase compared to 2024.

At COMPASS, I would like to highlight the increase in gas distribution volumes over the year which was driven by the residential segment and supported by a solid pace of new connections, milder temperatures that extended throughout much of 2025 and improved performance in the commercial segment, particularly the food service sector.

At EDGE, we reported higher volumes marketed to the free market, reaffirming the significant opportunity that exists in Brazil's free gas market. For the year the company delivered EBITDA in line with 2024 and on a recurring basis COMPASS achieved 11% EBITDA growth.

At MOOVE, the quarter was marked by a greater market share in Brazil which reached 14.5% for the year according to IBP data. Despite the decrease in total global volume sold, the recovery pace of Brazil's industrial capacity, now operating under a multi-site configuration, was the key operational highlight and a critical factor in advancing the execution of the plan to enhance the new ecosystem implemented after the fire.

Lastly, we recognized 934 million BRL in our financial statements related to the full receipt of the insurance indemnity. Financial performance was solid as evidenced by the 2025 EBITDA which came in slightly above 2024 levels.

At RADAR, the year was characterized by lower property sales volume and a portfolio revaluation with more moderate growth as expected, which resulted in EBITDA being 6% lower than the prior period.

Finally, at RAÍZEN, fuel distribution was the highlight of the quarter with volume and margin expansion in Brazil driven by strong commercial efforts, disciplined cost management and government support in addressing illegal players, as well as the performance recovery in Argentina following maintenance shutdowns.

On the other hand, crushing pace was slower and sugar prices were lower which resulted in adjusted EBITDA declining by 2% on a quarter on quarter basis despite the improvement in distribution.

Next, we present a summary of the most relevant transactions executed throughout 2025 which played a key role in strengthening our capital structure. In the first half of the year, we completed the sale of our stake in Vale, raising 9 billion BRL, which was fully allocated to debt prepayments.

In September 2025 we announced public equity offerings anchored by BTG holding and Perfin Infra, which injected 10.5 billion BRL into COSAN's cash position. In December 2025, we carried out a partial sale of RUMO shares in conjunction with the execution of a total return swap in addition to the renegotiation of the preferred equity structure at COSAN DEZ. Altogether, these transactions generated more than 22 billion BRL from capital markets with a clear focus on reducing the company's leverage.

Turning to debt management, we made significant progress this quarter, reducing expanded net debt to 9.8 billion BRL. This result reflects the liability management initiatives carried out throughout 2025 combined with the company's capitalization process.

The DSCR decreased by 0.1x in the quarter, driven by the lower dividend levels received on a trailing twelve-month basis and still elevated financial expenses. Regarding the amortization schedule, we present a pro-form view already reflecting the prepayment transactions announced in January and February 2026 which will further reduce the company's gross debt by more than 6.2 billion BRL. At quarter end, the average cost of Debt stood at CDI+0.97% representing a 43-basis point reduction compared to the fourth quarter 2024, while the average maturity remains stable at 5.8 years.

On the next slide and as we move toward the conclusion of our presentation, we provide a managerial view of cash movements, highlighting the main sources of liquidity, particularly the capitalization at COSAN and the RUMO transaction as well as the corresponding uses of cash. Closing the year with a cash position of 16 billion BRL.

This concludes our earnings presentation. Thank you all very much for joining us.

Operator:

We will now begin the Q&A session with Mr. Marcelo Martins, Mr. Rafael Bergman and Mr. Fernando Tinel. To ask questions, please click on the raise hand icon at the bottom of the screen to join the queue. When your name is announced, a prompt to activate your microphone will appear on the screen. Please unmute your microphone and proceed with your question.

We kindly request that attendees limit their questions to one. If you are listening to the conference call in English, please ask your questions in writing by clicking on the Q&A button.

Questions in writing sent via the Q&A button will be answered after the conference by COSAN's IR team. A survey regarding the earnings presentation for the fourth quarter 2025 is available by scanning the QR code on the screen. Please take the time to answer it and help us improve our future earnings release presentations. Thank you.

The first question is from Mr. Gabriel Barra from Citi. You may proceed, Mr. Barra.

Gabriel Barra- CITI:

Hello everyone. Good morning. Good morning, Marcelo, Rafael and Tinel. We can only ask one question and one of the things we've been discussing with investors about COSAN that has led to a lot of questions is the future and RAÍZEN's capital structure. Recently there have been some material facts about potential capitalization, a discussion with bondholders and the company's credit. So, my question is a bit more comprehensive. Could you tell us a bit more about the conversations with Shell and what are you thinking about RAÍZEN, the portfolio deleveraging the company and COSAN's focus on making the company more resilient on the balance sheet side. So, if you could give us some updates and how are you thinking about strategy with regards to RAÍZEN?

Marcelo Martins:

Thank you. Hi, good morning, Barra. Thank you for the question. Let me take the opportunity to answer your question just to recap things a bit. As the market knows, we have been saying this very openly and publicly. We have been in conversations to find a solution for RAÍZEN's capital structure for a while now.

Everyone knows that we made a huge effort to deal with COSAN's capital structure last year. That was a priority because we were concerned that there may have been some contamination from Raízen circumstances to COSAN. And every step we took last year, from capitalization to all the liability management moves, was to protect COSAN first, so that there was no question about that and at the same time to address the capital structure of our main businesses. So, on the way to get here and in going through this capitalization there have been many conversations, and they are half the time they required conversations about RAÍZEN. So, when we concluded the capitalization with the current partners, something that was made very clear was how we were going to address RAÍZEN's circumstances from now on. And one of the main negotiation points were that we should prioritize COSAN's leveraging and in looking for a solution for RAÍZEN that should not have an impact on resolving COSAN's capital structure.

So, we made it very clear to the markets that we had a considerable limitation, despite our willingness to provide funds to Raízen, but we would be limited to a certain amount of funds that were contributed when capital was increased. So, we made all the assumptions clear to the market because we knew that because of that statement, there would have been questions about how feasible it would be for COSAN to match Shell 1 to 1 in the capital increase at Raízen. So, we spent at least the last six months discussing this very actively.

And if you consider my time in the last six months, at least 70 to 80% of that has been spent on discussing RAÍZEN, which goes to show how important the company is, but also how

engaged we are in trying to find a way out. Even considering our capital contribution limitations. We did raise many alternatives, we brought them to the table in the last six months. Actually, even before that, we were discussing options, and those options were assessed by the partners, especially Shell, and especially in the last couple of months and we couldn't come to an agreement about what COSAN's stake would be.

In the last month, we were able to at least measure capital commitment. Shell made it clear that there would be a limitation on their side. They were flexible on COSAN's, matching them one-to-one. But the way we got to an alternative meant that there would be a limitation on our making a contribution according to the terms that are being discussed now. First, because that capital contribution wouldn't have been enough for us to have a capital structure without a conversion level, that is being debated. And we also consider separating the businesses and maybe selling a stake in one of them. So, we looked into all of that. Conversations were very intense, as I said, until we got to the point that the structure that should be shared with the market wouldn't include COSAN's participation based on the terms that were defined for these discussions with the market.

So, that was informed to the market. A material fact was published last week, and the terms of the negotiation with the creditors were discussed at a very high level. And those discussions are ongoing, they are progressing. And COSAN is not taking that much of a part at the moment because of the non-capital contribution, considering the current structure.

So, what we believe is that creditors are highly engaged, including Shell. There's also Aguassanta making a considerable contribution. So, that led to a well-structured conversation with creditors. And we believe that should lead to progress and a satisfactory solution for the market that will resolve RAÍZEN's problem once and for all. So, there are two main points. The solution has to be definitive, and we do believe that there is that possibility. And the capital structure that comes from that definitive solution has to be suitable for the different businesses in the company.

That is also being discussed. They're very different businesses, as you all know. Their cash generation is very different, and they require different capital structures. So that will be vital so that we can have sustainable company. So, we're not directly involved right now because we're not going to take part in the capitalization.

But as shareholders and board members, we have been monitoring how things are progressing. And in the next few weeks we should have some news concerning the plan to find the right solution for the company.

Gabriel Barra- CITI:

Great, Marcelo, thank you for the answer.

Operator:

The next question is from Thiago Duarte from BTG Pactual. Please go ahead. Mr. Duarte.

Thiago Duarte- BTG:

Hello. Good morning. Hi, Marcelo. Rafa. Pleasure to talk to you. If possible, Marcelo and Rafa. Could you talk about what was discussed with the market at the end of the capitalization at the end of last year and in light of this quarter's results, could you also focus on one of the topics, which is efficiency gains and expense reductions at the Holdco level, which was 88 million BRL. Are you looking at gaining any efficiency at that specific line item?

Also, I know you asked us to ask a single question, but I also want to ask about MOOVE. Can you tell us, can you give us some visibility on whether the plant will be going back to production after the fire and how they're going to build up their capacity at that plant? Thank you.

Rafael Bergman:

Hi Thiago. Good morning. This is Rafael. I'll take your questions.

We'll start with the second one about Moove. The first point is to make it clear about production capacity. MOOVE has recovered its capacity completely, 100%. The challenge that MOOVE has been facing and has been addressing satisfactorily has to do with a new logistics strategy in a multi-site strategy to recover margins in terms of efficiency, but in terms of volume, we have resumed our full capacity and that has allowed MOOVE to also recover its market share, which is a key sign of the recovery.

Now going into 2026 will pose challenges in terms of costs to MOOVE because of inefficiencies that were created due to the need to change strategy. So, we won't start 2026 at historical profitability levels that we've had, especially in 2023 and 2024. But that is MOOVE's objective for the year, to gradually go back to its historical profit levels. And that will happen by addressing remaining inefficiencies, focusing on a premium mix of products, high quality services, which is what MOOVE has been delivering. It does have a fantastic record as you have seen over time. So that's what we'll start doing in 2026. And the team obviously is very excited with this, with the prospect coming out of a very tough year but also proving that the team's resilience and adaptability. Now, as for our commitment when we capitalize the company and the decisions we made, we've been very consistent. I like that expression to walk the talk.

And in terms of efficiency, the fourth quarter hasn't shown any relevant gains yet. We've just started making the changes in the fourth quarter. The most relevant to the structure have already been made in terms of the size of the team. We have 40, 45 fewer people at Holdco. And there's also a matter of efficiency and discussing the scope for the holding company at this point in time, you know it will no longer be to go into new businesses because the partners that have come into COSAN have members that have been appointed to the company's operating board. So, the holding company's role is being adapted to make sure that the new partners' contributions can happen directly at the operating company. So, this is an ongoing journey. It's happening gradually, but it is very deliberate.

Now one of the main aspects that were discussed is that capitalization was not the end of that story. In fact, it is the beginning, the first step of that journey, that deleveraging journey. Because the intention is to materially deliver COSAN. The capitalization has helped considerably, but now we will continue to talk about the portfolio as we have shared with you and more concretely in terms of the intention of that process, I mean, it's a very short period

of time that we've been able to mobilize not only COSAN's team, but COMPASS team to start the secondary public offering of shares.

I can't talk about that because of the silent period, but I just want to reiterate the intention and the commitment of this broader strategy to simplify and deleverage the holding company because we believe that's the best way to create value for our shareholders.

Thiago Duarte- BTG:

Excellent, Rafael. Thank you.

Operator:

The next question is from Matheus Enfeldt from UBS. Please go ahead.

Matheus Enfeldt- UBS:

Hello, Marcelo, Rafa and Tinel. Thank you for your time. If we can focus on holding the company strategy as a follow up to the previous question, what is the end game of deleveraging the company and how quickly do you want to do that? Because the holding company is going now to 2x the debt service coverage ratio. So, what is the end goal in the short term? Do you want to get to 4x the debt service coverage ratio? Do you want to cut the debt by half? And when do you think the HoldCo will get to the level you want for the HoldCo? In the short term and also considering a long-term portfolio for COSAN. Thank you.

Marcelo Martins:

Hi, Matheus, this is Marcelo. Well, our objective is to bring the holding company's debt to zero, because that leverage doesn't make any sense. In the past, we could justify it by expanding the portfolio. There were also leveraging issues for control purposes, but that's no longer on the table because the portfolio is ready. We're now cleaning up our structure to become more efficient, as Rafa said. But our main goal is to bring the holding company's leverage down to zero at some point. When do we think that's going to happen? After we have executed our strategy to divest some of our assets efficiently.

Because we need to optimize the sale of interest in our portfolio so that we can intelligently get to our end goal by building value. So, there's no date to bring the leveraging to zero. But obviously we want to create more efficiency, get to an acceptable level of debt service coverage ratio. We're not there yet, but we believe we will be there soon when we start to implement our deleveraging strategy. There are also market conditions that is key to be able to deleverage and within the portfolio as a whole, we will consider our options. Now let me just make it clear again, at this point in time, we're not saying that a specific asset is to be sold to bring that leverage down to zero. Nothing like that is happening, we're not talking about selling anything significant from any business in the portfolio. I just want to make that point very clear to the market. So having announced the COMPASS Public offering, then we'll do it when the time is right, when we have defined things, we will share it with the market, how we're going to do it, where the funds are going to come from, and how the process is going to take place. We're just beginning the process, and we will keep the market informed.

So, the key message is the holding company as it doesn't make sense anymore. We will be making the system more efficient, as Rafael said, and we will reduce leverage and execute on sale of interest when the time is right, depending on the amounts that are on the table to affect those transactions. No shareholders are pressuring us to come to a deal at any price. That's a key point because I hear a lot of speculation in the market that we're going to sell X percent of one company or another company. And it feels like we're going to sell assets for an amount that doesn't make sense so that we can deliver quickly. That doesn't make sense and it's not being done and it's not going to be done. I just want to make that very clear.

We are still committed to bring leveraging down to zero. That is key. We have made that commitment and that's one of the reasons why we're not investing any funds at RAÍZEN, because that is our priority. We want to get to our end goal in a timely fashion, but effectively.

Matheus Enfeldt- UBS:

Can I ask a follow up question, Marcelo? Is that something that is not on the table being discussed at that end or something that you have already decided that is not going to happen?

Marcelo Martins:

In terms of assets that won't be sold, do you mean?

Matheus Enfeldt- UBS:

Yeah.

Marcelo Martins:

We're not excluding any assets at all right now, but we're not prioritizing any assets either. As the media has been speculating recently. I just want to deny the fact that we have decided on an asset that will be sold partially or completely to deal with the leveraging issue. That information is wrong, COSAN does not have that goal right now.

Matheus Enfeldt- UBS:

Thank you. Thank you for clarifying.

Operator:

The next question is from Regis Cardoso from XP. Please go ahead, Mr. Cardoso.

Regis Cardoso- XP Investimentos:

Good morning, Marcelo and Bergman and Tinel. My question is about what you've just said, Marcelo. There have been lots of news recently about potentially selling RUMO and the price of shares are undervalued. So, could you comment? Because of RUMO. How does RUMO fit in your divestment process? You have shares that are associated to a shareholder's agreement.

Were they not associated to them? If you could elaborate a bit more on what will make sense. How far will COSAN go? How far won't it go? What are the boundary conditions?

Marcelo Martins:

Hi, Regis. There have been no changes to our governance. Things are as they are, always have been. There are some potential interested parties. And they're trying to create RUMO in the market to bring prices down.

So just to make it clear, we are not thinking about this operation that was in the media yesterday. Absolutely not. Which doesn't mean we might not consider selling a stake at RUMO. As I said, we'll consider selling stakes at assets in a timely fashion. We'll do it when the time is right. When the structure is right, when the time is right to execute that strategy.

So, that strategy is progressing. Nothing has been defined on specific percentages of any business to be sold. So, this current speculation that we are involved in selling our full stake at RUMO is wrong. That is not true. I just want to make it very clear to the market. Again.

Regis Cardoso- XP Investimentos:

Thank you, Marcelo.

Operator:

The next question is from Bruno Amorim from Goldman Sachs. Bruno, please go ahead.

Bruno Amorim- Goldman Sachs:

Hi, good morning. Thank you for taking my questions. My question is to Bergman.

Could you remind us about the debt foreign exchange hedging policy? In the release you said that one of the measures to reduce that was the impact of the FX variation. Could you talk about your hedging strategy if that debt that spiked to the dollar has been fully hedged and if looking forward, we'll continue to see the impact of foreign exchange and market to market on lines, any other lines of the P&L?

Rafael Bergman:

Hi, Bruno. Thank you for the question. Well, going back to our strategy to reduce leveraging, that was a repayment of the debt. That had a higher cost and that weren't as interesting for the company. So, in doing that, we repaid some debentures and three bonds here at COSAN. So, right now we don't have the exposure of those three bonds. And what the exposure that's left in foreign currency is the perpetual bonds, which are all familiar with. And what we have been doing in terms of foreign exchange hedging is the three-year FX protection. So, we don't hedge the principle fully. That's the policy. And we've been having satisfactory results in terms of being tolerant of any fluctuations, because that's a perpetual debt. So, we don't have a specific timeline to deal with it. But it's been working for COSAN. So that's my answer to your question for the time being.

Bruno Amorim- Goldman Sachs:

Great. Thank you. Have a good day.

Operator:

The next question is from Bruno Montanari, Morgan Stanley. Please go ahead, Bruno.

Bruno Montanari- Morgan Stanley:

Good morning, thank you for taking my question.

If we can go back to what Marcelo said about not selling your full stakes in one single asset, but are you thinking of a minimum stake that you'd like to hold at each of your assets. And in terms of RAÍZEN, would spinning off the business be a non-negotiable for you before going ahead with anything you might do in restructuring RAÍZEN?

Marcelo Martins:

I'm not sure I understood your question, Bruno. Could you ask it again?

Bruno Montanari- Morgan Stanley:

Separating the businesses, does that have to happen for you to continue to restructure RAÍZEN in your negotiations with Shell?

Marcelo Martins:

Bruno, the reason why we're not taking part is because we believe the structure that was presented and that will have to be discussed and approved over time wouldn't fully solve RAÍZEN's capital structure issues. So not separating the businesses is a problem for us. What does that mean?

Separating the businesses means that the businesses would have to have separate capital structures because they have separate cash generation and obviously their capital allocation nature is also different. So, to us, for the business to be sustainable and efficient, that would have to happen. But we're not saying that is a non-negotiable condition because right now COSAN is not contributing to any capital. So, we can't impose any conditions that Shell or creditors would have to accept. We're not going to go over anything that's acceptable to Shell and the creditors.

What we are discussing is what COSAN would believe to be suitable in terms of capital structure and a permanent solution for RAÍZEN's leveraging issue that would justify COSAN going in, considering all of COSAN's restrictions and limitation on fund availability for the time being.

As to your other question, we haven't defined a minimum stake that we want to keep for each of the businesses. If market conditions are right, if there is an actual interest and the multiples are suitable for a specific asset, then we can sell a considerable stake in a business. Now if those are not the terms, then we will definitely not sell any stake in any business. So, any speculation about the size of any divestment in whatever business is wrong because we have not formally started any process that might mean we're going to sell X, Y or Z stake at any of the assets. So, right now we are considering every single business as a potential target to be sold partially. But we haven't defined which business will be sold at what percentage.

Bruno Montanari- Morgan Stanley:

That was very clear. Thank you.

Operator:

The next question is from Lucas Ferreira from JP Morgan. You may proceed. Mr. Ferreira.

Lucas Ferreira- JP Morgan:

Hi, good morning. About RADAR, could you give us an update on you have moved towards divestments? Have there been any conversations, any progress in those negotiations? Because that's a considerable divestment for the current size of the debt. So, any updates? Thank you.

Rafael Bergman:

Hi Lucas. We're still recycling the portfolio. We're continuing with our management. That's part of Pedro's routine. And as Marcelo said, obviously we're looking into the portfolio to see if there are any accretive opportunities for COSAN's shareholders, considering what might be relevant over time. There is no concrete news for the time being and whenever there are any, we will share it with the market. Thank you.

Lucas Ferreira- JP Morgan:

Thanks, Rafael.

Operator:

This concludes the Q&A session and Cosan's fourth quarter 2025 earnings release video conference. For further questions, please contact the Investor Relations department. Thank you so much for joining us and have a great day!