Transcription

COSAN 2Q26

Operator:

Good morning, everyone and thank you for waiting. Welcome to COSAN's conference call to discuss the financial information for the second quarter of 2026. For those who need simultaneous translation, this feature is available on the platform. To access it, simply click the Interpretation button through the globe icon at the bottom of the screen and select your preferred language, Portuguese or English.

For those listening to the conference call in English, there are there is an option to mute the original Portuguese audio by clicking Mute Original Audio. Please note that this conference call is being recorded and is available on the company's website at cosan.com.br during the company's presentation, all participants will have their microphones disabled. We will then begin the question-and-answer session.

We would like to emphasize that the information contained in this presentation and any statements that may be made during the conference's call regarding Cosan's business outlook, projections and operating and financial targets are based on the beliefs and assumptions of the Company's management as well as information currently available. Forward looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions as they refer to future events and therefore depend on circumstances that may or may not occur. Investors should understand that general economic conditions, 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 will now turn the floor over to Mr. Fernando Tinel.

Fernando Tinel (Head of Investor Relations):

Good morning, everyone and thank you for joining our second quarter 2026 earnings call. Before we begin, I would like to refer to you our standard disclaimer regarding estimates and statements, as well as trends and projections that may be addressed during this conference call.

Starting with the highlights for the first half of 2026, I would like to emphasize COMPASS IPO successfully carried out through a secondary offering of shares which generated 2.3

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billion BRL in the net proceeds for COSAN and represented another important step in the execution of our strategy to strengthen our capital structure.

Moving on to our next initiatives, we announced the sale of a portion of RADAR's land portfolio located in Mato Grosso. The transaction was signed for 1.85 billion BRL, of which approximately 586 million BRL corresponds to COSAN's indirect stake to be received at closing. I would like to remind you that completion of the transaction remains subject to customary conditions precedent and is expected to occur by October 30, 2026. Still, in the context of divestments, COSAN recently announced an exclusive letter of intent for the full divestment of its stake in the Terminal of Uso Privado Porto São Luís. The proposal includes 300 million BRL to be paid at closing, in addition to the possibility of an indicative earnout of 50 million BRL per additional berth linked to the future expansion of the port's capacity.

It is worth noting that completion of the transaction remains subject to the fulfillment of customary conditions precedent for this type of transaction. These initiatives, together with debt prepayments totaling nearly 9 billion BRL through June, reinforce our deleveraging path and the optimization of our capital structure as evidenced by the 20% reduction in expanded net debt compared to the first quarter of 2026, as well as by approximately 36% in decrease in general and administrative expenses representing savings of 49 million BRL in the first six months of 2026 compared to the same period of 2025.

In addition, we just announced the delisting of COSAN’s ADSs traded on the NYSE with the objective of pursuing the deregistration with the SEC in the future, once again aiming to further simplify the holding company. Finally, RAÍZEN had its out of court reorganization plan approved with the adherence of 81.6% of its financial creditors, representing another fundamental step in the company's turnaround process. Still on this slide and now moving to COSAN’s main financial indicators in 2Q26 we ended the period with a negative net income of 320 million BRL, showing a significant improvement compared to the same period of the previous year, mainly driven by better financial results, lower effective income tax and social contribution expense, the reduction in general and administrative expenses, and finally the nonrecognition of RAÍZEN’s results, as already mentioned in the previous quarter. These effects more than offset the one-off negative impact of 233 million BRL related to the impairment of TUP São Luís.

As for dividends and interest on capital, we received 399 million BRL from investees in the quarter essentially composed of COMPASS. Moving to the next indicator, we reduced expended net debt to 9.2 billion BRL 20% below 1Q26, reinforcing the continuous deleveraging process at the holding company. I will comment on the main drivers of this performance later. To conclude the highlights, I would like to address the debt service coverage ratio which temporarily ended the quarter at 0.2x on an LTM basis, negatively impacted by the seasonality of dividends and equivalent distributions captured over the last 12 months, while still not fully reflecting the debt reduction initiatives and consequently the reduction in financial expenses. Starting this quarter, we are providing a projection for this metric looking toward December 2026 in order to provide greater visibility that we reached

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an inflection point this quarter and how the indicator should evolve through the end of the fiscal year.

Moving now to the performance of our investees this quarter, in the second quarter of 2026, Rumo delivered strong operational performance having transported 23.8 billion RTK in the period, a 9% increase compared to 2Q25, mainly driven by the expansion of the grain portfolio in the north and south operations. As a result, our EBITDA reached 2.3 billion BRL, broadly stable compared to the same period of the previous year. Excluding the impacts from insurance indemnities for loss of profits and the reclassification of equity income, our EBITDA would have grown by 4%.

At COMPASS, distributed volume remained stable compared to the same period of the previous year. Lower industrial consumption in the chemical, steel and ceramics sectors was offset by the good performance of the residential and commercial segments which delivered higher margins. As a result, together with load optimization initiatives carried out by Edge throughout the quarter, EBITDA increased by 5% year over year.

At MOOVE, our EBITDA more than doubled compared to the first quarter of 2026 amid the supply crisis caused by the closure of the Strait of Hormuz. The result mainly reflected the company's inventory management strategy focused on profitability, which led to higher sales volume and growth in operating revenue. Compared to the same period of last year, EBITDA was 6% lower due to non-recurring comparison base that included the recognition of insurance indemnities and other one off effects related to the fire at the industrial complex in Rio de Janeiro.

Finally, at RADAR, the quarter's performance was impacted by the revaluation of part of the portfolio in view of the announced land disposal and by the reduction in net operating revenue mainly explained by lower ATR prices observed in the period, which directly impacted the contribution from leases.

Moving now to indebtedness, in the second quarter of 2026, we ended the quarter with expanded gross debt of 16.5 billion BRL, a reduction of approximately 9 billion BRL compared to the fourth quarter of 2025 and 2.7 billion BRL compared to the immediately preceding quarter. This result reflected the liability management agenda we began in 2025 and have continued to execute throughout this year, including full prepayment of the bonds maturing in 2029, 2030 and 2031, as well as the early amortization of debentures and commercial notes. Combined, these movements totaled approximately 8.8 billion BRL in principal payments since the beginning of the year.

In addition to the reduction in gross debt, moving now to the amortization schedule, these initiatives also contributed to reducing the concentration of maturities in the coming years. In particular, this quarter we reduced amortizations scheduled for 2028 by more than 2.5 billion BRL. As a result, at the end of the period, debt had an average term of 6.2 years and an average cost of CDI plus 1.15% per year. The effects of these measures can also be seen in the evolution of the expanded net debt, as shown in the chart below, we moved from 11.5

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billion BRL at the end of the first quarter to 9.2 billion BRL at the close of the second quarter. This movement was mainly driven by proceeds from COMPASS's IPO, dividends received from investees and cash yield on financial investments.

In addition, considering the recurring effects and the impact of the initiatives mentioned above, we have begun to operate at a lower level of financial expenses and without relevant non-recurring impacts. Together, these results reinforce the progress made in executing the agenda to optimize and simplify our capital structure throughout the first half of the year.

As we approach the end of our presentation, we will address the net service coverage ratio and the main factors that influenced this indicator during the quarter. In the second quarter of 2026, we reached an inflection point for this metric which ended the period at 0.2 times down 0.2 times compared to the immediately preceding quarter. This variation mainly reflects the seasonality of dividends and interest on capital received from investees with a greater concentration of distributions in the second half of the year. In addition to the fact that we are still not fully capturing the benefit from the reduction in financial expenses in a meaningful way.

In addition, the company is now disclosing a projection for this ratio to be measured at the end of 2026. We expect to reach a range between 0.8 times and 1.2 times by year end based on the following main assumptions. Dividends and equivalent distributions received and to be received in 2026 are estimated between 1.2 and 1.8 billion BRL, including those arising from the sale of RADAR in the amount of up to 586 million BRL. The projection also incorporates the effects of the liability management actions carried out since the beginning of the year which have not yet been fully reflected in the indicator.

These effects include the reduction in financial expenses resulting from prepayments, cash yield on financial investments and the cash impact of derivatives related to debt. It is worth reinforcing that potential new divestments that are still under valuation by the company are not considered in this metric.

Considering all the factors previously discussed, we believe that this indicator should converge by the end of 2026 to levels closer to those historically observed by the company within the published guidance range. With that, I conclude our presentation of the second quarter 2026 results and thank you all for joining us.

Operator:

I will now hand it over to Mr. Marcelo Martins for his first remarks.

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Marcelo Martins (CEO):

Good morning. Once again, thank you for being here.

I do believe that for this quarter we have a set of positive news. They show that we are in alignment with our strategy in our communications with the market regarding the continuity of our simplification efforts at COSAN. So let me go over the main points and let me talk about the management changes. In my opinion, this is a very positive piece of news for the market. But of course, it's not as constructive if we think that some people who are a part of our history are leaving us now.

Of course, our goal is to walk towards a leaner COSAN, a COSAN that is more aligned with the moment in history that we're experiencing, something in line with our business and our portfolio with a significant reduction of admin expenses. We haven't reached the end of this process yet. However, I do believe we are making good progress in this direction. So, we announced the sale of this port and of course this is something that the market expected.

We were already in negotiation with a party with a binding proposal. We also sold property from RADAR, especially in Mato Grosso. This also has to do with their goal of reducing this portfolio, something we had also announced to the market. And another big piece of news right now is the approval of RAÍZEN. Please remember that we had over 80% of approval from creditors. And when we completed around three months since we began the negotiation processes with creditors, we also saw exceptional results. So, we had some of our best historical results, especially in the distribution of fuels.

And let me share something that we haven't published to the market, but which is also important. We had a survey at the company, and we saw that our team was on board with the recent changes. And we saw great alignment with our desire and our strategy to improve our results looking forward to not only do we want to have a healthy business, but we want a business that is in line with the goals of the shareholders that are going to be by our side as soon as we convert this debt.

So, we are on a path to improving our structure, our capital structure, which is significantly important for a business that has the potential to keep generating consistent results to this market. We also achieved significant reductions of admin expenses for COSAN. Again, this is another goal that we're searching for. This is very much in line with what we wanted for this moment. Of course, we want to keep working on this.

We also announced that the delisting of COSAN shares outside of Brazil, this was another goal. When we think about this, cost relative to general expenses at COSAN does not make sense any longer. These were significant costs, so it made sense for us to walk the path of delisting so that we could generate more efficiency for COSAN.

Interno

So I believe we shared very positive pieces of news with the market and we do expect to see other positive news in the next quarters as we have been announcing to the market.

Let me just spend a little while talking about the changes in management. Maria Rita and Rafael decided to leave the company. And this happened while we were doing optimization and reducing admin expenses and restructuring our holding. And even though this is undesirable, because both of these people have contributed historically to us. Rafael has been in the group for 25 years, including Shell and Rita has been here for 18 years, almost 20 years. So, of course, these people contributed a lot to the business. Everyone here knows this. I don't have to repeat it. So, it is unfortunate that this is happening right now. But this is also in alignment with our intention to reduce expenditure and make COSAN more simple.

This is another important step, we're bringing Cezário back. Not only is he known to us, but he has done exceptional work at the company in the past. He spent eight years with us. He left in 2017. So, nine years later, he is now back to the company and he knows it well. He knows the business well. Some time has passed, but of course he is respected by lots of people here and he is welcome back. Cezário, welcome back. Good luck. I know you're extremely competent, just like Rafael and Maria Rita and I would like to tell everyone that the sacrifices that we're experiencing right now are a full share of our goals to improve COSAN and improve its structure so that we can keep rebalancing our capital structure. So, we are going to keep expecting this kind of investment and we're going to keep expecting this kind of efficiency.

Once again, I would like to thank both of these folks for their historical dedication and their extreme competence. Welcome, Cezário.

We can now start the Q&A session. Thank you.

Operator:

Let’s start the questions and answers session. We have Mr. Marcelo Martins, Mr. Rafael Bergman and Mr. Fernando Tinel.

To ask questions please click the button to raise your hand at the bottom of your screen. When we call your name, you're going to see a request to unmute. Please unmute and ask your question.

Please stick to one question per participant. If you're listening to interpretation in English, please use the Q&A button for questions in English. If you ask a question in writing through the Q&A button, then we're going to answer your question after this earnings release presentation.

So, let's go to our first question from Gabriel Barra, Citi. Please go ahead, Gabriel.

Interno

Gabriel Barra (Citi):

Good morning, Marcelo, Rafael and Tinel. Thank you for taking my question.

So, I'm going to focus on one question, but it's a broad one. It's about capital allocation and how to simplify the holding company. I think Marcelo spent a while today talking about these processes that you're working on to improve SG&A and to make our structure simpler. This is extremely important for the company and it brings us questions too. Could you please dive deeper into it? I would love to understand your moves regarding Rumo and MOOVE.

Regarding Rumo, I would love to understand how you look at this asset in the current capital structure for the company. We've seen news regarding a potential sale. We've been asking you about this for a while. So, I would love to understand if for the company, a minority stake would be better, if selling the 30% would be better. And regarding MOOVE, what about results? What do you think about this company right now? Would you consider selling this asset in the future? Maybe having an IPO? How do you look at MOOVE in the simplification efforts for the whole holding?

Thank you.

Marcelo Martins (CEO):

Thank you. This is Marcelo speaking.

So, starting with Rumo, we've announced to the market that we are going to be selling some of our stake in this business, so we're moving forward with it. It is going according to plan, we're talking to potential buyers. We don't have any further news to share with the market right now. When we do have something that we deem relevant, then we will let the market know. As we received binding proposals and as we near a conclusion here, we're going to be sharing news with the market.

Regarding MOOVE, we saw an exceptional quarter. This was to be expected. We truly believe in their ability to generate results. We knew that the big issue of the fire last year would be surpassed, would be overcome because of the execution that the team showed, especially commercially speaking in such a hard year, but they were in full alignment with what we expected from them.

Talking about an IPO for MOOVE is not appropriate right now. We don't think there's space for this in the market right now. So, we're not considering this and we don't expect to sell our stake at MOOVE at the moment. We're very happy and we're fully supportive of their management's initiatives. They generated results that we consider are extremely strong, extremely robust, especially after such a tough year last year. They didn't drop the ball. You

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know, some players in this market doubted that we would be able to pull through, but we were sure that we would because of the team. So, no, we do not consider selling our stake right now.

Gabriel Barra (Citi):

Thank you, Marcelo. Very clear.

Operator:

Next question from Thiago Duarte, BTG Pactual. Please unmute, Mr. Duarte.

Thiago Duarte (BTG Pactual):

Good morning, Marcelo. Rafael, Tinel.

I'm also going to stick to one question. I'd love to talk about G&A. It seems like two full quarters have passed since the strategic rearrangement for your group. And when we look at the first quarter, we see around 170 million BRL for G&A. And this is not too far from what you were mentioning to the market during the follow on in October to November of last year.

So, my question is, could you be a bit bolder? You just announced the delisting of ADSs, etc. So, could we be a little bit more ambitious regarding what you believe would be a recurring G&A for the company if we think about the cost of the holding?

Thank you.

Rafael Bergman (CFO):

Hello, Thiago. Good morning, this is Rafael.

Yes, we've been experiencing good results with the expenditure management efforts. This has been a mission for our team overall. And what we announced on Friday has to do with really enjoying these savings. As we simplify our scope at the Holding because the governance of these companies is performed within each of these companies and the team in the Holding that was looking into this has already been structured. And as I leave, as Rita leaves and as Cezário comes in, we're going to really bring together these two areas which is going to really accelerate savings.

Interno

By the way, welcome Cezário. Cezário, my friend who's back home now.

But yes, the delisting is something that really helps us reduce expenditures over time. For this year, 2026, we're still keeping our SEC obligations. The end of the delisting process is the deregistration, and this is not happening right now. But then, yes, activities are going to become simpler, especially regarding documentation and controls. This is going to be allowed by the delisting. So, to answer your question, yes, we could be more ambitious with the cost reduction because we're already seeing it.

Everything we're doing here goes in this direction. We use each and every opportunity to reduce costs, because this is indeed a cost layer that has become something significant for COSAN shareholders, and we no longer need some of this structure.

Thank you, Thiago.

Marcelo Martins (CEO):

Thiago, let me add something.

Yes, it is our ambition and it is our will to present additional reductions. This is a clear goal of ours and we should pursue it. So, yes, this is possible. As Rafael said, it is possible that we'll get lower numbers. Our internal numbers are already considerably lower than this. And this is a trend that we expect for upcoming years. It won't stop here. We should see additional reductions for the next year.

So the overall expectation from this market is for us to show more efficiency, and we're definitely pursuing this.

Thank you.

Thiago Duarte (BTG Pactual):

Thank you.

Operator:

Next question from Isabella Simonato from Bank of America. Ms. Simonato, please unmute.

Isabella Simonato (Bank of America):

Interno

Good morning, Marcelo, Rafael and Tinel. Thank you for taking my question. I have two questions.

Number one, regarding the interest coverage ratio, it's interesting you were talking about the guidance, and I do think this leads to significant improvements for the second quarter. Here's my question. Could we think about a level of financial expenses that are similar or even better than the second quarter because of liability management and because of the cash that you got from deals in the second quarter, should we expect this ratio to improve significantly? That's my first question.

Here's my second question. If we go back to the earnings release presentation for the last quarter, I think, regarding the future of the Holding, not only the deleveraging that you plan on continue, but also, as mentioned, things related to Rumo and the stake you want to have for each one of these assets. So, my question is, we see simplification efforts and we see the potential removal of the Holding. Could this have to do with a deleveraging of assets? Or in your mind, would this happen through another kind of structure? Is there another way to get even closer to operating assets in the group?

Thank you.

Rafael Bergman (CFO):

Hello Isa, this is Rafael.

Let me start with your second question, which is easier. I don't think we have any news regarding this process. There's consistency in our simplification efforts, as Marcelo was saying in his first remarks. Except for that, anything I could say would be speculation. So, I won't go into this.

Regarding the coverage ratio, I believe yes, there is a trend to improve it. This is why we decided to start showing this forecast. And we're going to see some effects that are going to contribute to this. Number one, the seasonality of dividends. This harmed our indicators for the beginning of this year, but as we are near the end of the year, according to the planning that we have for these businesses, then dividends will go back to normal to the standard levels that we expect to see. I would like to stress that the biggest source of deleveraging for COSAN is not necessarily an increase in dividends from these businesses. I'm not saying that this won't happen because we do see improvement in their performance. But the biggest source of deleveraging is obviously our portfolio changes.

So, in this sense, whatever we have already done or announced for this year has partial contribution for the ratio this year because in COMPASS the last 12 months. So, the resources from the secondary sale that we had for the IPO COMPASS will be seen in the third quarter. With the RADAR portfolio sales, we'll probably conclude transactions at the beginning of the last quarter of this year.

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And even if we announce our intention to sell the part, which could happen in the future, we're only going to reap a partial contribution from all of this. And this goes to show that we have reached a point of inflection for this indicator.

So, yes, to answer your question, there is a significant contribution from these changes, but this is only partially captured in the forecasts that we have for this year.

Thank you, Isabella.

Isabella Simonato (Bank of America):

Thank you.

Operator:

Next question from Matheus Enfeldt, UBS. Please go ahead and unmute, Matheus.

Matheus Enfeldt (UBS):

Good morning. Congratulations, Rafael and Rita for your history in this group.

I have a question about RADAR. Regarding the announcement, I would love to understand your strategies to monetize RADAR in a better way. Are you still going to sell clusters and increase dividends?

I would love to understand how this split from one of their assets is going to help with this kind of change and the potential of this first change. I would love to understand where you're putting your efforts to monetize this asset.

My second question is on MOOVE. Yes, it's clear to understand the resilience of the results that we saw in the last earnings release presentation. But I would love to talk about fuel. How is this going back to normal in the future? Of course we saw some strong results, we had some sectorial tailwinds that may not repeat, but when we think about 2027, 1.3 to 1.5% of EBITDA. So, it's hard to think about the 500 million in the quarter compared to that and understand how this would go back to normal from now on.

So, I would love to understand the normalization of MOOVE, either upwards or downwards. I think we're feeling a bit lost regarding recurring results for MOOVE from now on.

Thank you.

Interno

Rafael Bergman (CFO):

Hi Matheus, this is Rafael.

Regarding RADAR, the intention for this spinoff has to do with efficiency. It's about corporate efficiency, because we want to eliminate a corporate structure, a corporate layer, because each corporate layer means more work for the holding. And of course this is an important change. But we've been doing a lot of other things to eliminate different corporate entities, or even corporate entities abroad if they are useless. And this has been improving our team's work and our journey to reduce expenses.

Now, having said that, the changes with RADAR that we have announced are in line with what we had mentioned. It is a very valuable portfolio when it comes to the quality of these assets, as we have the opportunity to do so, we also have the intention to monetize this portfolio, but of course we take valuation into account. We don't have any intentions to liquidate assets at any cost. We don't need to do this since this is a high-quality portfolio, as we see the opportunity, we're going to use our intention to continue on our monetization journey.

Regarding MOOVE, we have a very constructive storytelling here, if we think about what the team has been doing. Yes, in the second quarter there were tailwinds, you're right. But MOOVE's team has been consistently showing an ability to adapt to complex scenarios and to generate values not only to clients, but also to shareholders. It's not the first time this has happened. The team has to face an adverse scenario, but they're able to adapt really well. In the second quarter, I believe that the team was able to work with this scenario in advance, the scenario of restrictions when it comes to supply. They were able to make the necessary changes to ensure supply for our clients and of course, this led to benefits in profitability because we had enough products to supply our clients with during an adverse circumstance. As the costs of raw materials go up, this is obviously going to have an impact on the profitability of this company from now on, so I do believe the last quarter was really strong.

However, if we compare our journey to the last quarters, we are talking about evolution. We have operational evolution, commercial evolution. So, we expect consistent consistency from MOOVE from now on. We're going to see better or worse quarters, but we do believe that they are going to surpass our expectations.

It's important to say that even in the scenario of an increase in working capital because of the high costs of raw materials, in addition to delivering results, MOOVE was also able to deliver 1.4 times leveraging one of the lowest levels since the acquisition of PetroChoice, which is a landmark for the footprint of this company. This goes to show that this team has the discipline to execute a growth strategy with profitability and good risk management for leveraging.

Interno

Thank you.

Matheus Enfeldt (UBS):

Thank you. Very clear.

Operator:

This is the end of our question and answers session. Let me now hand it over to Mr. Rafael Bergman for his closing remarks.

Rafael Bergman (CFO):

Let me take this opportunity to thank you on my behalf and on behalf of Maria Rita. Thank you for your support during this journey. We wish Marcelo, Cezário and everyone at COSAN an extremely successful journey. We believe in the company's journey and the measures that we took during this quarter are in line with that.

Finally, I would like to thank our shareholders and analysts for their support. Analysts have been contributing with very straightforward conversations and questions for us. Thank you.

Thank you all once again. I wish you all the success.

Operator:

This is the end of the earnings release presentation for the 2Q26 for COSAN. Our investor relations department is available to answer further questions.

Thank you all for being here and have a great day.

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