

Cosan S.A.

Interim financial statements

(Free translation from the original prepared in Portuguese)

As of March 31, 2020



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A free translation from Portuguese into English of Independent Auditor's Review Report on Individual and consolidated Interim Financial Information prepared in Brazilian currency in accordance with NBC TG 21 and IAS 34 and the rules issued by the Brazilian Securities Commission (CVM), applicable to the preparation of Quarterly Information (ITR)

Independent auditor's review report on quarterly information

To
Shareholders, Board of Director and Officers of
Cosan S.A.
São Paulo - SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of - Cosan S.A. ("Company") for the quarter ended March 31, 2020, comprising the statement of financial position as of March 31, 2020 and the related statements of profit or loss, of comprehensive income, of changes in equity and of cash flows for the three month period then ended, including the explanatory notes.

Management is responsible for preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 - *Demonstrações intermediárias*, and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review engagements (NBC TR 2410 - *Revisão de Informações Intermediárias Executada pelo Auditor da Entidade* and ISRE 2410 - Review of Interim Financial Information performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and the consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying

individual and consolidated interim financial information included in the quarterly information referred to above are not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information Form (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission.

Other matters

Statements of value added

The abovementioned quarterly information includes the statement of value added (SVA) for the three month period ended March 31, 2020, prepared under Company's Management responsibility and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 - *Demonstração do Valor Adicionado*. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall interim financial information.

Audit and review of the corresponding amounts

The figure from individual and consolidated statement of financial position, as of December 31, 2019 and the individual and consolidated interim financial information for the period ended March 31, 2019, presented for comparison purposes, originally prepared prior to the adjustments arising from the discontinued transaction described in Note 23, were conducted under the responsibility of another auditor, which issued audit and review reports without modification, dated February 14, 2020 and May 13, 2019, respectively. As part of our interim review of the individual and consolidated interim financial information as of March 31, 2020, we also reviewed the adjustments described in Note 23 that were made to change the individual and consolidated interim financial information as of March 31, 2019. In our conclusion, such adjustments are appropriate and have been correctly effected. We were not hired to audit, review or apply any other procedures on the Company's individual and consolidated interim financial information for the period ended March 31, 2019 and therefore do not express any opinion or any form of assurance about the individual and consolidated interim financial information as of March 31, 2019 taken as a whole.

São Paulo, May 29, 2020.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP034519/O-6

Marcos Alexandre S. Pupo
Accountant CRC-1SP221749/O-0

Statements of
financial position
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

	Note	Parent Company		Consolidated	
		March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Assets					
Cash and cash equivalents	5.1	912,503	3,490,707	3,339,443	6,076,644
Marketable securities	5.2	1,077,030	910,064	1,827,038	1,363,048
Trade receivables	5.3	-	-	1,655,875	1,400,498
Derivative financial instruments	5.8	-	-	139,322	144,422
Inventories	7	-	-	609,059	538,797
Receivables from related parties	5.5	377,113	354,285	105,345	93,590
Income tax receivable		72,986	47,151	95,359	73,356
Other current tax receivable	6	34,349	33,307	656,665	602,927
Dividends and interest on capital receivable		38,834	22,684	39,335	22,684
Other financial assets	5.4	533,268	708,783	602,384	773,629
Other current assets		248,655	137,952	401,942	247,096
Total current assets		3,294,738	5,704,933	9,471,767	11,336,691
Trade receivables	5.3	-	-	12,558	14,613
Deferred income tax and social contribution	12	-	-	408,902	432,920
Receivables from related parties	5.5	395,877	423,707	78,313	78,320
Other non-current tax receivable	6	41,737	41,516	66,570	63,181
Judicial deposits	13	348,429	349,416	497,512	527,230
Derivative financial instruments	5.8	2,664,818	1,359,821	3,249,368	1,755,957
Other financial assets	5.4	-	-	2,771	69,791
Other non-current assets		154,972	158,981	222,786	214,118
Investments in associates	8	11,399,027	10,299,665	328,914	325,695
Investments in joint ventures	9	2,371,278	2,395,437	8,012,619	7,548,960
Contract assets		-	-	690,780	600,541
Right-of-use assets		26,745	18,685	75,994	51,405
Property, plant and equipment	10.1	58,823	57,316	399,199	380,037
Intangible assets	10.2	2,991	3,299	9,663,033	9,465,681
Total non-current assets		17,464,697	15,107,843	23,709,319	21,528,449
Total assets		20,759,435	20,812,776	33,181,086	32,865,140

The accompanying notes are an integral part of these interim financial statements.

Statements of
financial position

(In thousands of Brazilian Reais - R\$, unless otherwise stated)

	Note	Parent Company		Consolidated	
		March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Liabilities					
Loans, borrowings and debentures	5.6	-	1,161,406	1,133,178	2,373,199
Leases		1,428	2,038	9,536	7,583
Derivative financial instruments	5.8	-	-	4,424	-
Trade payables	5.7	1,478	5,175	1,820,402	1,676,725
Salaries and wages		20,158	34,140	113,135	164,115
Income tax payables		4,917	1,191	129,818	416,090
Other taxes payable	11	122,736	143,091	383,253	351,895
Dividends payable		588,753	588,752	598,740	590,204
Payables to related parties	5.5	315,251	430,531	245,919	260,236
Other financial liabilities		-	-	141,168	132,927
Other current liabilities		146,994	70,909	237,116	193,102
Total current liabilities		1,201,715	2,437,233	4,808,689	6,166,076
Loans, borrowings and debentures	5.6	-	566,054	12,398,800	10,983,851
Leases		26,593	17,592	73,436	50,320
Preferred shareholders payable in subsidiaries		618,935	611,537	618,935	611,537
Derivative financial instruments	5.8	112,698	47,985	147,447	49,785
Other taxes payable	11	141,616	141,349	147,643	147,490
Provision for legal proceedings	13	299,406	301,378	873,993	873,228
Provision for uncovered liability of associates	8	342,119	152,827	-	-
Payables to related parties	5.5	6,947,805	5,549,607	-	-
Post-employment benefits	21	181	184	707,966	704,919
Deferred tax liabilities	12	5,992	158,954	1,334,315	1,558,742
Other non-current liabilities		241,601	274,342	643,996	657,976
Total non-current liabilities		8,736,946	7,821,809	16,946,531	15,637,848
Total liabilities		9,938,661	10,259,042	21,755,220	21,803,924
Shareholders' equity					
Share capital	14	5,045,214	5,045,214	5,045,214	5,045,214
Treasury shares		(402,476)	(112,785)	(402,476)	(112,785)
Capital reserve		(911,381)	(958,001)	(911,381)	(958,001)
Other equity		58,360	(349,501)	58,360	(349,501)
Profit reserve		6,928,807	6,928,807	6,928,807	6,928,807
Retained earnings		102,250	-	102,250	-
Equity attributable to:					
Owners of the Company		10,820,774	10,553,734	10,820,774	10,553,734
Non-controlling interests	8.3	-	-	605,092	507,482
Total shareholders' equity		10,820,774	10,553,734	11,425,866	11,061,216
Total shareholders' equity and liabilities		20,759,435	20,812,776	33,181,086	32,865,140

The accompanying notes are an integral part of these interim financial statements.

Statement of profit or loss
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

	Note	Parent Company		Consolidated	
		March 31, 2020	March 31, 2019 (Restated) ¹	March 31, 2020	March 31, 2019 (Restated) ¹
Net sales	16	-	-	3,506,512	3,094,390
Cost of sales	17	-	-	(2,486,377)	(2,325,282)
Gross profit		-	-	1,020,135	769,108
Selling expenses	17	-	-	(279,396)	(261,287)
General and administrative expenses	17	(34,922)	(32,022)	(171,225)	(158,259)
Other (expense) income, net	18	(74,548)	15,745	(35,954)	20,234
Operating expenses		(109,470)	(16,277)	(486,575)	(399,312)
(Loss) income before equity in earnings of investees, finance results and taxes		(109,470)	(16,277)	533,560	369,796
Interest in earnings of associates	8	435,575	434,786	820	(32,866)
Interest in earnings of joint ventures	9	(24,159)	(25,829)	191,344	303,833
Equity in earnings of investees		411,416	408,957	192,164	270,967
Finance expense		(291,755)	(154,698)	(748,020)	(320,018)
Finance income		60,779	99,369	265,649	137,361
Foreign exchange, net		(1,406,185)	(26,843)	(1,538,025)	(42,356)
Derivatives		1,284,503	60,751	1,397,199	89,904
Finance results, net	19	(352,658)	(21,421)	(623,197)	(135,109)
Profit before taxes		(50,712)	371,259	102,527	505,654
Current		-	-	(125,231)	(131,249)
Deferred		152,962	30,258	139,409	60,422
Income tax (expenses) benefits	12	152,962	30,258	14,178	(70,827)
Profit (loss) from continuing operations		102,250	401,517	116,705	434,827
Profit (loss) from discontinued operation, net of tax		-	(5,807)	-	(5,807)
Profit for the period		102,250	395,710	116,705	429,020
Total net income attributable to:					
Owners of the Company		102,250	395,710	102,250	395,710
Non-controlling interests		-	-	14,455	33,310
		102,250	395,710	116,705	429,020
Earnings per share	15				
Basic earnings per share		R\$0.2621	R\$0.9993	R\$0.2621	R\$0.9993
Diluted earnings per share		R\$0.2590	R\$0.9961	R\$0.2590	R\$0.9961
Earnings per share - Discontinuing operations					
Basic earnings per share		R\$0.2621	R\$1.0139	R\$0.2621	R\$1.0139
Diluted earnings per share		R\$0.2590	R\$1.0108	R\$0.2590	R\$1.0108

The accompanying notes are an integral part of these interim financial statements.

¹ For detailed information see Note 23

Consolidated statement
other comprehensive income
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

	Parent Company		Consolidated	
	March 31, 2020	March 31, 2019 (Restated) ¹	March 31, 2020	March 31, 2019 (Restated) ¹
Profit for the period	102,250	395,710	116,705	429,020
Other comprehensive income				
Items that are or may subsequently be reclassified to profit or loss:				
Foreign currency translation effect	563,497	(4,338)	610,682	(8,034)
Gain (loss) on cash flow hedge in joint ventures	(155,635)	(179,877)	(155,635)	(179,877)
Fair value realization of financial assets	(1)	11	(1)	11
	407,861	(184,204)	455,046	(187,900)
Total other comprehensive income (loss), net of tax	407,861	(184,204)	455,046	(187,900)
Comprehensive income - Continued operation	510,111	217,313	571,751	246,927
Comprehensive income - Discontinued operation	-	(5,807)	-	(5,807)
Total comprehensive income	510,111	211,506	571,751	241,120
Total comprehensive income attributable to:				
Owners of the Company	510,111	211,506	524,566	211,506
Non-controlling interests	-	-	47,185	29,614
	510,111	211,506	571,751	241,120

The accompanying notes are an integral part of these interim financial statements.

¹ For detailed information see Note 23

Statement of changes in equity
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

	Capital reserve					Profit reserve					Total	Non-controlling interest (Note 8.3)	Total equity
	Common stock	Treasury share	Other capital reserve	Capital transactions	Others equity components	Legal	Statutory reserve	Unrealized earning	Retained earning	Profit reserve			
Balance as at January 01, 2020	5,045,214	(112,785)	737	(958,738)	(349,501)	121,270	6,288,472	171,021	348,044	-	10,553,734	507,482	11,061,216
Net income for the period	-	-	-	-	-	-	-	-	-	102,250	102,250	14,455	116,705
Other comprehensive income - Note 14													
Loss on cash flow hedge in joint ventures	-	-	-	-	(155,635)	-	-	-	-	-	(155,635)	-	(155,635)
Foreign currency translation effects	-	-	-	-	563,497	-	-	-	-	-	563,497	47,185	610,682
Change in fair value of financial assets	-	-	-	-	(1)	-	-	-	-	-	(1)	-	(1)
Total other comprehensive income for the period	-	-	-	-	407,861	-	-	-	-	102,250	510,111	61,640	571,751
Contributions by and distributions to owners of the Company:													
Increase capital	-	-	-	-	-	-	-	-	-	-	-	6,666	6,666
Share options exercised - Cash settlement	-	1,081	(1,081)	-	-	-	-	-	-	-	-	-	-
Dividends declared and paid by subsidiaries (note 8.3)	-	-	-	-	-	-	-	-	-	-	-	(1,145)	(1,145)
Redeem entity's shares (Note 14)	-	(290,772)	-	-	-	-	-	-	-	-	(290,772)	-	(290,772)
Share-based payment transactions	-	-	-	3,132	-	-	-	-	-	-	3,132	18	3,150
Total contributions by and distributions to owners of the Company	-	(289,691)	(1,081)	3,132	-	-	-	-	-	-	(287,640)	5,539	(282,101)
Transactions with owners of the Company													
Change of shareholding interest in subsidiary (Note 8.1 and 8.3)	-	-	-	44,569	-	-	-	-	-	-	44,569	30,431	75,000
Total transactions with shareholders	-	-	-	44,569	-	-	-	-	-	-	44,569	30,431	75,000
Balance as at March 31, 2020	5,045,214	(402,476)	(344)	(911,037)	58,360	121,270	6,288,472	171,021	348,044	102,250	10,820,774	605,092	11,425,866

The accompanying notes are an integral part of these interim financial statements.

Statement of changes in equity
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

			Capital reserve		Other equity components	Profit reserve				Profit reserve	Total	Non-controlling interest	Total equity
	Common stock	Treasury share	Other capital reserve	Capital transactions		Legal	Statutory reserve	Unrealized earning	Retained earning				
Balance as at January 01, 2019	4,418,476	(627,913)	367,979	23,195	(95,994)	82,616	4,560,371	171,021	1,028,964	-	9,928,715	994,418	10,923,133
Net income for the period	-	-	-	-	-	-	-	-	-	395,710	395,710	33,310	429,020
Other comprehensive income - Note 14													
Gain on cash flow hedge in joint ventures	-	-	-	-	(179,877)	-	-	-	-	-	(179,877)	-	(179,877)
Foreign currency translation effects	-	-	-	-	(4,338)	-	-	-	-	-	(4,338)	(3,696)	(8,034)
Change in fair value of financial assets	-	-	-	-	11	-	-	-	-	-	11	-	11
Total other comprehensive income for the period, net	-	-	-	-	(184,204)	-	-	-	-	395,710	211,506	29,614	241,120
Contributions by and distributions to owners of the Company:													
Share-based payment transactions	-	-	-	2,405	-	-	-	-	-	-	2,405	83	2,488
Total contributions by and distributions to owners of the Company	-	-	-	2,405	-	-	-	-	-	-	2,405	83	2,488
Transactions with owners of the Company													
Goodwill on acquisition of additional interest in indirect subsidiary Comgás	-	-	-	(822,689)	-	-	-	-	-	-	(822,689)	(776,548)	(1,599,237)
Effect of capital contribution to Moove, by non-controlling interests	-	-	-	124,910	-	-	-	-	-	-	124,910	437,078	561,988
Total transactions with shareholders	-	-	-	(697,779)	-	-	-	-	-	-	(697,779)	(339,470)	(1,037,249)
Balance as at March 31, 2019	4,418,476	(627,913)	367,979	(672,179)	(280,198)	82,616	4,560,371	171,021	1,028,964	395,710	9,444,847	684,645	10,129,492

The accompanying notes are an integral part of these interim financial statements.

Statement of cash flows
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

	Note	Parent Company		Consolidated	
		March 31, 2020	At March 31, 2019 (Restated) ¹	March 31, 2020	At March 31, 2019 (Restated) ¹
Cash flows from operating activities					
Profit before taxes		(50,712)	371,259	102,527	505,654
Adjustments for:					
Depreciation and amortization	17	2,814	3,311	143,520	139,186
Interest in earnings of subsidiaries	8	(435,575)	(434,786)	(820)	32,866
Interest in earnings of joint ventures	9	24,159	25,829	(191,344)	(303,833)
Loss on disposals assets		-	-	1,781	5,859
Share-based payment transactions		2,208	1,933	3,145	2,488
Provision for legal proceedings		7,288	21,232	6,945	23,238
Indexation charges, interest and exchange, net		375,470	35,893	659,776	170,444
Provisions for employee benefits		(750)	3,579	16,298	17,171
Allowance for doubtful accounts		-	-	7,686	2,816
Other		66,339	(57,440)	45,728	(106,584)
		(8,759)	(29,190)	795,242	489,305
Changes in:					
Trade receivables		-	-	(32,984)	(281,212)
Inventories		-	-	(30,050)	(20,553)
Other current tax receivable		(13,210)	10,204	(20,875)	123,130
Income tax receivable		(22,247)	(10,032)	(402,541)	(49,434)
Related parties, net		(221,814)	(3,310)	(7,506)	(6,207)
Trade payables		(3,770)	(2,711)	6,442	64,518
Salaries and wages		(13,233)	(14,726)	(69,409)	(63,296)
Provision for legal proceedings		(2,469)	684	(5,327)	(1,904)
Other financial assets		-	-	(34,758)	4,576
Judicial deposits		(1,130)	(663)	27,983	(2,744)
Discontinued operation		-	-	-	4,899
Contractual obligations in assigning credit rights	18	(132,200)	-	(132,200)	-
Gas paid and not used		-	-	-	78,593
Post-employment benefits		-	-	(10,903)	(8,893)
Other assets and liabilities, net		(3,686)	1,290	(121,388)	(93,197)
		(413,759)	(19,264)	(833,516)	(251,724)
Net cash generated by operating activities		(422,518)	(48,454)	(38,274)	237,581
Cash flows from investing activities					
Capital contribution in subsidiaries and associates	8.1	(11,142)	(26,145)	(1,142)	(26,045)
Acquisition of subsidiary, net of cash acquired	8.2	-	-	(90,247)	-
Marketable securities		(158,652)	37,394	(449,198)	204,725
Cash received on sale of fixed assets, and intangible assets		-	-	-	28
Dividends received from subsidiaries and associates		-	7,045	-	-
Dividends received from jointly controlled entity		-	34,170	-	230,470
Acquisition of property, plant and equipment, intangible assets, contract assets and right-of-use assets		(3,072)	(767)	(258,645)	(151,000)
Discontinued operation	23	-	-	-	579
Net cash generated by (used in) investing activities		(172,866)	51,697	(799,232)	258,757
Cash flows from financing activities					

Statement of cash flows
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

Loans, borrowings and debentures raised	5.6	-	1,692,647	76,108	1,711,983
Amortization of principal on loans, borrowings and debentures	5.6	(1,700,000)	-	(1,950,907)	(108,529)
Payment of interest on loans, borrowings and debentures	5.6	(35,203)	-	(199,603)	(151,857)
Amortization of principal on leases		(167)	(1,077)	(2,358)	(1,936)
Payment of interest on leases		(208)	-	(937)	(301)
Payment of derivative financial instruments		(36,078)	(53,222)	(13,727)	(74,743)
Receipt of derivative financial instruments		79,857	48,328	106,243	84,049
Capital contribution from non-controlling interest		-	-	6,666	-
Capital contribution from non-controlling shareholders	8.3	-	-	75,000	434,000
Related parties		-	(122,291)	(17,063)	-
Receipt of consideration asset	5.4	-	-	65,478	-
Payments to redeem entity's shares	14	(290,772)	-	(290,772)	-
Acquisition of non-controlling interests	8.1	-	(1,599,237)	-	(1,599,237)
Dividends paid		-	-	(1,213)	(2,229)
Discontinued operation	23	-	-	-	(6,249)
Net cash by financing activities		(1,982,571)	(34,852)	(2,147,085)	284,951
Increase (decrease) in cash and cash equivalents		(2,577,955)	(31,609)	(2,984,591)	781,289
Cash and cash equivalents at beginning of the period		3,490,707	928,077	6,076,644	2,696,947
Effect of exchange rate fluctuations on cash held		(249)	-	247,390	7,396
Cash and cash equivalents at end of the period		912,503	896,468	3,339,443	3,485,632
Additional information					
Income tax paid		3,767	-	380,279	41,490

The accompanying notes are an integral part of these interim financial statements.

¹ For detailed information see Note 23

Statement of cash flows
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

Non-cash transaction

- i. Acquisition of assets for construction of the distribution network with payment in installments in the amount of R\$28,517.
- ii. Capital contribution in the subsidiary Payly Soluções de Payments S.A. (Payly) in the amount of R\$10,000, through capitalization of reimbursable expenses.
- iii. Recognition of interest on equity decided by the jointly-controlled subsidiary Raízen Combustíveis S.A. in the amount of R\$19,000.
- iv. Recognition of contractual obligations related to the assignment of credit rights, in the amount of R\$68,311 (note 18).

Interest and dividend presentation

The Company classifies dividends and interest on capital received as cash flow from investing activities, in order to avoid distortions in its operating cash flows due to cash from these operations by increasing dividends received from subsidiaries.

Interest received or paid is classified as cash flow in financing activities, since it considers that it refers to the costs of obtaining financial resources.

Statement of value added
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

	Parent Company		Consolidated	
	March 31, 2020	At March 31, 2019 (Restated) ¹	March 31, 2020	At March 31, 2019 (Restated) ¹
Revenues				
Sales of products and services net of returns	-	-	4,340,830	3,847,052
Other operating (expenses) revenues, net	(69,299)	40,942	(26,697)	24,134
Allowance for doubtful accounts	-	-	(7,686)	(2,816)
	(69,299)	40,942	4,306,447	3,868,370
Raw materials acquired from third parties				
Cost of goods sold and services rendered	-	-	(2,483,982)	(2,323,672)
Materials, energy, third party services, others	(21,058)	(39,042)	(146,787)	(137,133)
	(21,058)	(39,042)	(2,630,769)	(2,460,805)
Gross value added	(90,357)	1,900	1,675,678	1,407,565
Retention				
Depreciation and amortization	(2,814)	(3,311)	(143,520)	(139,186)
Net value added	(93,171)	(1,411)	1,532,158	1,268,379
Value added transferred in				
Interest in earnings of subsidiaries	435,575	434,786	820	(32,866)
Interest in earnings of joint ventures	(24,159)	(25,829)	191,344	303,833
Finance income	60,779	99,369	265,649	137,361
Loss from discontinued operations	-	(5,807)	-	(5,807)
	472,195	502,519	457,813	402,521
Value added to be distributed	379,024	501,108	1,989,971	1,670,900
Distribution of value added				
Payroll and social charges	12,706	11,138	126,519	137,442
Taxes and contributions	(150,791)	(27,660)	857,902	831,969
Finance expense and rents	414,859	121,920	888,845	272,469
Non-controlling interests	-	-	14,455	33,310
Profit for the period	102,250	401,517	102,250	401,517
Loss from discontinued operations	-	(5,807)	-	(5,807)
	379,024	501,108	1,989,971	1,670,900

The accompanying notes are an integral part of these interim financial statements.

¹For detailed information see Note 23

1 Operations

Cosan S.A. ("Company" or "Cosan") is a publicly traded Company with its shares traded on the "Novo Mercado da B3 S.A. – Brasil, Bolsa, Balcão", or "B3", under the ticker symbol CSAN3, and has its headquarters in the city of São Paulo, Brazil. Cosan Limited is the controlling shareholder of Cosan, in which it holds 66.28% of its shares.

1.1 Gas and Energy

On January 14, 2020, the Company contributed to the share capital of its wholly-owned subsidiary Compass Gás e Energia SA ("Compass Gás e Energia") all the shares it held in Companhia de Gás de São Paulo - COMGÁS ("Comgás"), that is, 103,699,333 common shares and 27,682,044 preferred shares equivalent to 99.15% of the share capital, for the amount of R\$2,861,936.

On January 30, 2020, the subsidiary Comercializadora de Gás S.A. ("Comercialização"), acquired the control of Black River Participações Ltda. ("Black River") and its subsidiary Compass Comercializadora de Energia Ltda. ("Compass Comercializadora"), In addition to the control of Compass Geração Ltda. ("Compass Geração") and, Compass Energia Ltda. ("Compass Energia") jointly called "Compass" for an amount equivalent to R\$95,000. The investment is aimed at entering into the electricity trading business (note 8.2).

On March 9, 2020, Cosan announced the creation of "Compass Gás e Energia", our new gas and energy business segment. Compass will integrate the operations of Comgás, TRSP - Regasification Terminal of São Paulo S.A. ("TRSP"), Rota 4 Participações S.A. ("Rota 4") and Compass. Our new gas and energy segment will be the vehicle through which we will develop our activities in the gas and energy market.

1.2 Cyber Attack

On March 11, 2020, the Company and its subsidiaries and jointly controlled companies suffered a cyber attack by ransomware that caused a partial and temporary interruption of their operations. The affected entities in our group implemented their contingency plans, continued to operate partially during the cyber attack, and progressively reconnected their operating systems since the attack.

After the incident, the group took some additional preventive measures to reduce cyber risks, including hiring a company to perform forensic work on the attack suffered, which affected part of the environment hosted in the data center located in the Shared Services Center, as well as user machines (desktops and laptops) connected to the network. Based on the experience and tools of the contracted company, interviews with IT staff and technical evidence present in the environment, it was possible to determine a list of servers to be verified. Although it was not possible to find the entrance vector of the attack, it was possible to identify, in the IT view, in a satisfactory way, the process and characteristics of the attack for further evolution of the technological environment.

1.3 Covid-19

On March 11, 2020, the World Health Organization officially declared the Covid-19 outbreak a pandemic. Following this declaration, several countries, including all states and countries in which we operate, instituted social isolation measures to combat the Covid-19 pandemic. As a result of the uncertainties caused by the pandemic, the Company and its subsidiaries suspended it as projections for 2020.

The Company implemented a contingency plan with the objective of preserving the health and integrity of its employees and partners, in addition to ensuring the safety and

continuity of operations considered essential activities, as it is a strategic input in hospitals, safety, food and energy.

Despite the measures taken to curb the progress of Covid-19 and the aid measures announced by governments worldwide, including the Brazilian government, to date, we cannot predict the extent, duration and impacts of these containment measures. or the results of aid measures in the countries where we operate and / or sell our products. Based on the information available, the main assessments and, where applicable, the main effects of the Covid-19 pandemic on our results of operations are:

a) Government assistance measures

Several measures of economic and financial assistance were introduced by the federal entities, with the objective of assisting companies in mitigating the effects of the pandemic, with emphasis on the following, which were adopted by the companies of the Group:

i. Ordinance ME 139/2020 and Ordinance ME 150/2020. Ordinances 139 and 150 extend the payment of PIS and COFINS, Social Security Contribution and accident insurance, related to the competencies March and April for the months of August and October 2020.

ii. Provisional Measure 927/2020. Provisional Measure 927 postpones the payment of FGTS, referring to the competencies of March, April and May, which must be paid from July and may be paid in up to six installments, as of July to December 2020.

iii. Provisional Measure 932/2020. Provisional Measure 932 reduces the rates of contributions to autonomous social services (system S) in the period relating to skills between April and June 2020.

iv. Decree 10.305 / 2020. Pursuant to Decree 10.305 / 2020, the IOF rate for loans and financing for 90 days was reduced to zero.

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v. Ordinance ME 201/2020. Ordinance 201 postpones the monthly amounts of tax installments due in May, June and July, to August, October and December, respectively.

vi. Commitment signed between Comgás and the Government of the State of São Paulo to maintain the supply of gas to defaulting customers until May 31, 2020.

b) Impact on interim financial statements

The Company ended the period ended March 31, 2020 with cash and cash equivalents and marketable securities of R\$5,166,481, net working capital with a positive balance of R\$4,663,078 and a profit of R\$116,705.

In order to preventively reinforce the liquidity level during this period of great volatility, in March and April 2020, credit lines were contracted and disbursed with financial institutions in the aggregate amount of R\$1,022,000 (R\$2,276,000 contracted by joint ventures) and an average term of one year, without any financial covenant clauses. Considering the current level of liquidity, the additional initiatives mentioned above, other lines of credit under negotiation and the prospects for the short and medium term, the Company does not foresee a material impairment of its operational and financial capacity that could affect the Company's continuity.

Our covenants are assessed monthly for our need to generate sufficient cash flows to meet indebtedness and our ability to meet the covenants contained in the contracts that govern our indebtedness. As of March 31, 2020, leverage (gross debt / pro forma EBITDA) was 1.7x (2.0x as of December 31, 2019). Until March 31, 2020, the Company and its subsidiaries have been complying with all restrictive financial clauses.

Amid high market volatility, the Company believes that, at that moment, there will be a shift in cash flow between the months with circulation restrictions for the subsequent months. Additionally, considering the low level of interest rates in Brazil and in the locations of our subsidiaries, we consider that despite the short-term fluctuations in some

macroeconomic assumptions due to the impacts of the Covid-19 pandemic, our weighted average cost of capital should not change materials.

The Company assessed the circumstances that could indicate the impairment of its non-financial assets and concluded that there were no changes in the circumstances that would indicate an impairment loss. Therefore, the main long-term assumptions applied in the preparation of cash flow models remain unchanged for the assessment of the impairment indicator. As a conclusion, it was verified that the discounted cash flows when compared to the book value of each segment, would result in a recoverable value higher than the book value. Our tax recovery projections are based on the same scenarios and assumptions above.

Losses due to the non-recoverability of financial assets were calculated based on the credit risk analysis, which includes the history of losses, the individual situation of customers, the situation of the economic group to which they belong, the real guarantees for debts and macroeconomic indicators. , and is considered, on March 31, 2020, sufficient to cover possible losses on the amounts receivable, in addition to a prospective assessment that takes into account the change or expected change in economic factors that affect the expected credit losses, which will be determined based on weighted probabilities and measured at an amount equal to the expected credit loss for life.

The maximum exposure to the Company's credit risk, net of losses due to the non-recoverability of financial assets, is the value of accounts receivable. The credit quality of accounts receivable falling due is considered adequate, and the amount of the effective risk of possible losses in accounts receivable from customers is presented as losses due to the non-recoverability of financial assets.

The Company will continue, throughout 2020, its constant monitoring of the market seeking to identify any deterioration, significant drop in demand from the sectors in which we operate, relevant changes in the economy or financial market that lead to an increase in the perception of credit risk on accounts a receive from customers. Eventual changes that deteriorate the economic and business environment, if manifested in a greater intensity than

anticipated in the scenarios evaluated by the Company, may result in an additional expected credit loss recognition.

Inventories are valued based on the lowest value between the historical cost of acquisition and production and the net realizable value. The Company uses the estimated sale price in the normal course of business as a premise of the net realizable value, therefore, a decline in the level of activity in the domestic or international markets in which the Company operates, as a result of the Covid-19 pandemic and measures to contain it, may affect the demand and price of these products and have an adverse effect on the realizable value of inventories. As our inventories are substantially composed of lubricants, basic oil and materials for the construction of gas pipelines that are products that are not valid or have a long duration, at this moment we have no indicators of obsolescence or non-realization.

At Raízen, the decline in prices, mainly for ethanol in Brazil and Oil products in Argentina, impacted both by the drop in consumption caused by social isolation and by the reduction in international prices, resulted in the recognition of a provision for loss of R\$99,623 as of March 31, 2020.

To date, there have been no changes in the scope of the Company's leases, no adjustments to the right of use, including adding or terminating the right to use one or more underlying assets, or extending or reducing the term of the contractual lease. We also believe that there has been no change in the consideration for the leases that we are both lessees and lessors.

2 Statement of compliance

These individual and consolidated interim financial statements have been prepared and are being presented in accordance with technical pronouncement CPC 21 (R1) – Demonstrações Intermediárias and with international standards IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and also based on the provisions contained in the Brazilian Corporation Law, and presented in a manner

Notes to the interim financial statements
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consistent with the rules issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of quarterly information - ITR.

These interim financial statements were prepared following the basis of preparation and accounting policies consistent with those adopted in the preparation of the financial statements of December 31, 2019 and should be read together.

The information in the explanatory notes that have not undergone significant changes compared to December 31, 2019 has not been fully presented in this quarterly information.

The relevant information from the interim financial statements, and only them, are being disclosed and that correspond to those used by Management in its management.

These interim financial statements were authorized for issue by Management on May 29, 2020.

3 Accounting policies

These interim financial statements were prepared following the basis of preparation and accounting policies consistent with those adopted in the preparation of the financial statements of December 31, 2019.

4 Segment information

The following segment information is used by Cosan's senior management (the "Chief Operating Decision Maker") to evaluate the performance of operating segments and make decisions regarding resource allocation, with EBITDA (Earnings Before Interest, Depreciation and amortization) the measure used in the performance of its operating

segments.

In view of the business combination of Compass and the restructuring of Comgás, Cosan modified the presentation of its segments, as shown below:

Reported segments:

- i. **Raízen Energia:** production and marketing of a variety of products derived from sugar cane, including raw sugar (Very High Polarization, or “VHP”), anhydrous and hydrated ethanol, and activities related to energy cogeneration from sugarcane bagasse. In addition, this segment holds interests in companies engaged in research and development on new technology;
- ii. **Raízen Combustíveis:** distribution and marketing of fuels, mainly through a franchised network of service stations under the “Shell” brand throughout Brazil, petroleum refining, the operation of fuel resellers, convenience stores, the manufacture and sale of automotive and industrial lubricants, the production and sale of liquefied petroleum gas throughout Argentina;
- iii. **Gas and Energy:** its main activities are: (i) distribution of piped natural gas in part of the State of São Paulo to customers in the industrial, residential, commercial, automotive and cogeneration sectors; (ii) sale of electricity and natural gas; (iii) infrastructure in the regasification terminal and offshore flow pipeline; and (iv) Thermal generation through natural gas
- iv. **Moove:** production and distribution of Mobil brand licensed lubricants in Brazil, Bolivia, Uruguay, Paraguay, Argentina, United States and European market under the Comma brand for the European and Asian markets and corporate activities.;

Reconciliation:

- i. **Cosan Corporate:** an online payment services platform and other investments, in addition to the corporate activities of the Company. The Cosan corporate segment includes the financing subsidiaries for the Cosan group.

Although Raízen Energia and Raízen Combustíveis are equity accounted joint ventures and are no longer proportionally consolidated, senior management continues to review segment information. A reconciliation of these segments is presented in the column “Deconsolidation of joint ventures”.

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	March 31, 2020							Consolidated	
	Reported segments					Reconciliation			
	Raizen Energia	Raizen Combustíveis		Gas and Energy	Moove	Cosan Corporate	Deconsolidated effects		Segment elimination
	Brazil	Argentina							
Statement of profit or loss:									
Gross sales	9,455,018	21,610,931	4,187,768	3,098,875	1,313,842	-	(35,253,717)	-	4,412,717
Domestic market ⁱ	4,910,943	21,610,931	4,187,768	3,098,875	1,260,713	-	(30,709,642)	-	4,359,588
External market ⁱ	4,544,075	-	-	-	53,129	-	(4,544,075)	-	53,129
Net sales	8,995,333	20,537,673	2,986,452	2,475,345	1,031,167	-	(32,519,458)	-	3,506,512
Cost of sales	(8,179,782)	(19,744,529)	(2,732,934)	(1,680,462)	(804,738)	(1,177)	30,657,245	-	(2,486,377)
Gross profit	815,551	793,144	253,518	794,883	226,429	(1,177)	(1,862,213)	-	1,020,135
Selling expenses	(209,245)	(368,841)	(190,759)	(158,828)	(119,623)	(945)	768,845	-	(279,396)
General and administrative expenses	(144,462)	(127,058)	(37,248)	(85,668)	(46,670)	(38,887)	308,768	-	(171,225)
Other income (expenses), net	269,821	113,046	24,485	10,688	28,341	(74,983)	(407,352)	-	(35,954)
Interest in earnings of associates	-	(13,310)	-	4	-	398,298	13,310	(397,482)	820
Interest in earnings of joint ventures	(4,338)	449	-	-	-	191,344	3,889	-	191,344
Financial results	(336,010)	(165,145)	(51,673)	(595)	(39,040)	(583,562)	552,828	-	(623,197)
Finance expense	(228,080)	(278,501)	(23,775)	(89,481)	(8,112)	(650,427)	530,356	-	(748,020)
Finance income	97,332	75,158	7,491	206,133	9,987	49,529	(179,981)	-	265,649
Foreign exchange losses, net	(608,211)	(2,879,339)	(30,724)	(151,280)	(74,013)	(1,312,732)	3,518,274	-	(1,538,025)
Derivatives	402,949	2,917,537	(4,665)	34,033	33,098	1,330,068	(3,315,821)	-	1,397,199
Income tax (expense)benefit	(109,232)	(96,560)	(11,633)	(182,896)	(13,612)	210,686	217,425	-	14,178
Profit (loss) from continuing operations	282,085	135,725	(13,310)	377,588	35,825	100,775	(404,500)	(397,482)	116,705
Net income attributable to:									
Owners of the Parent	244,384	137,284	(13,310)	372,196	25,286	102,250	(368,358)	(397,482)	102,250
Non-controlling interests	37,701	(1,559)	-	5,392	10,539	(1,476)	(36,142)	-	14,455
	282,085	135,725	(13,310)	377,588	35,825	100,774	(404,500)	(397,482)	116,705
Other select data:									
Depreciation and amortization	1,197,519	78,221	142,584	116,762	23,468	3,290	(1,418,324)	-	143,520
EBITDA	1,924,846	475,651	192,580	677,841	111,945	476,941	(2,593,077)	(397,482)	869,245
Additions to PP&E, intangible, biological assets and contract assets	1,068,310	74,922	87,372	250,758	3,140	4,747	(1,230,604)	-	258,645
Reconciliation of EBITDA:									
Profit (loss) from continuing operations	282,085	135,725	(13,310)	377,588	35,825	100,775	(404,500)	(397,482)	116,706
Income tax and social contribution	109,232	96,560	11,633	182,896	13,612	(210,686)	(217,425)	-	(14,178)
Financial results, net	336,010	165,145	51,673	595	39,040	583,562	(552,828)	-	623,197
Depreciation and amortization	1,197,519	78,221	142,584	116,762	23,468	3,290	(1,418,324)	-	143,520
EBITDA	1,924,846	475,651	192,580	677,841	111,945	476,941	(2,593,077)	(397,482)	869,245

(i) Domestic markets: sales within the countries where each entity is located; external markets: sales export.

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March 31, 2019 (Restated)

	Reported segments					Reconciliation			
	Raízen Combustíveis					Cosan Corporate (Restated)	Deconsolidated effects	Segment eliminations / adjustments	Consolidated
Raízen Energia	Brasil	Argentina	Gas and Energy	Moove					
Statement of profit or loss:									
Gross sales	7,560,998	21,073,405	4,390,694	2,607,433	1,282,348	-	(33,025,097)	(3)	3,889,778
Domestic market ¹	5,749,207	21,073,405	4,390,694	2,607,433	1,234,640	-	(31,213,306)	(3)	3,842,070
External market ¹	1,811,791	-	-	-	47,708	-	(1,811,791)	-	47,708
Net sales	7,120,028	20,033,141	3,128,122	2,060,052	1,034,341	-	(30,281,291)	(3)	3,094,390
Cost of sales	(6,651,275)	(19,120,447)	(2,779,020)	(1,498,927)	(826,358)	-	28,550,742	3	(2,325,282)
Gross profit	468,753	912,694	349,102	561,125	207,983	-	(1,730,549)	-	769,108
Selling expenses	(235,450)	(342,945)	(163,613)	(149,238)	(112,024)	(25)	742,008	-	(261,287)
General and administrative expenses	(124,437)	(130,697)	(31,874)	(83,607)	(37,643)	(37,009)	287,008	-	(158,259)
Other (expense) income, net	48,030	260,632	20,006	3,469	1,038	15,727	(328,668)	-	20,236
Interest in earnings of associates	-	110,742	-	-	1,725	154,629	(110,742)	(189,220)	(32,865)
Interest in earnings of joint ventures	4,689	1	-	-	-	303,833	(4,690)	-	303,833
Financial results	(155,050)	33,868	(104,908)	(52,477)	(3,118)	(79,514)	226,090	-	(135,110)
Finance expense	(316,305)	(176,802)	(17,291)	(99,040)	(10,703)	(210,275)	510,398	-	(320,018)
Finance income	125,371	61,695	5,273	46,634	3,509	87,218	(192,339)	-	137,360
Foreign exchange losses, net	26,488	58,706	(92,890)	(3,316)	(9,252)	(29,788)	7,696	-	(42,356)
Derivatives	9,396	90,269	-	3,245	13,328	73,331	(99,665)	-	89,904
Income tax (expense) benefit	6,890	(225,469)	42,029	(99,332)	(15,371)	43,876	176,550	-	(70,827)
Profit (loss) from continuing operations	13,425	618,826	110,742	179,940	42,590	401,517	(742,993)	(189,220)	434,827
Profit (loss) from discontinued operations	-	-	-	-	-	(5,807)	-	-	(5,807)
Total net income attributable to:									
Owners of the Company	12,645	598,014	110,742	159,830	29,389	395,710	(721,401)	(189,220)	395,709
Non-controlling interests	780	20,812	-	20,110	13,201	-	(21,592)	-	33,311
	13,425	618,826	110,742	179,940	42,590	395,710	(742,993)	(189,220)	429,020
Other selected data:									
Depreciation and amortization	728,597	83,315	102,530	115,395	20,480	3,311	(914,442)	-	139,186
EBITDA	890,182	893,742	276,151	447,144	81,559	440,466	(2,060,075)	(189,220)	779,949
Additions to PP&E, intangible and biological assets	1,078,021	72,995	18,480	146,182	3,282	1,536	(1,169,496)	-	151,000
Reconciliation of EBITDA:									
Profit (loss) from continuing operations	13,425	618,826	110,742	179,940	42,590	401,517	(742,993)	(189,220)	434,829
Income tax and social contribution	(6,890)	225,469	(42,029)	99,332	15,371	(43,876)	(176,550)	-	70,827
Financial result, net	155,050	(33,868)	104,908	52,477	3,118	79,514	(226,090)	-	135,109
Depreciation and amortization	728,597	83,315	102,530	115,395	20,480	3,311	(914,442)	-	139,186
EBITDA	890,182	893,742	276,151	447,144	81,559	440,466	(2,060,075)	(189,220)	779,949

(i) Domestic markets: sales within the countries where each entity is located; external markets: sales export.

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March 31, 2020

	Reported segments					Reconciliation		Consolidated	
	Raizen Energia	Raizen Combustíveis		Gas and Energy	Moove	Cosan Corporate	Deconsolidated effects		Segment elimination
		Brazil	Argentina						
Items of statement of financial position:									
Cash and cash equivalents	6,473,747	1,490,528	676,530	817,312	754,271	1,767,860	(8,640,805)	-	3,339,443
Marketable securities	-	-	-	293,584	73,758	1,459,696	-	-	1,827,038
Trade receivables	1,166,380	1,790,591	340,366	1,156,515	511,918	-	(3,297,337)	-	1,668,433
Derivative financial instruments	6,218,392	3,721,880	-	581,254	29,921	2,777,515	(9,940,272)	-	3,388,690
Inventories	1,318,242	2,356,347	1,768,740	113,475	495,584	-	(5,443,329)	-	609,059
Other financial assets	472,875	-	-	-	71,887	533,268	(472,875)	-	605,155
Other current assets	4,843,335	2,851,807	1,322,784	163,837	210,816	1,259,288	(9,017,926)	(499,054)	1,134,887
Other non-current assets	5,051,880	4,018,985	142,690	920,541	253,426	1,292,453	(9,213,555)	(337,797)	2,128,623
Investments in associates	-	3,364,405	356	-	214	4,842,186	(3,364,761)	(4,513,514)	328,914
Investments in joint ventures	586,202	739,008	-	-	-	8,012,619	(1,325,210)	-	8,012,619
Biological assets	897,315	-	-	-	-	-	(897,315)	-	-
Right-of-use assets	4,390,329	138,262	570,804	9,271	39,978	26,745	(5,099,395)	-	75,994
Property, plant and equipment	12,672,041	2,544,606	4,121,641	63	327,606	71,530	(19,338,288)	-	399,199
Intangible assets and goodwill	3,618,231	2,547,536	10,809	8,402,879	1,246,608	13,546	(6,176,576)	-	9,663,033
Loans, borrowings and debentures	(16,862,550)	(7,149,708)	(1,311,384)	(5,351,535)	(760,983)	(7,419,460)	25,323,642	-	(13,531,978)
Derivative financial instruments	(5,342,135)	(197,117)	(5,105)	(34,748)	(4,424)	(112,699)	5,544,357	-	(151,871)
Trade payables	(6,110,835)	(2,757,074)	(1,359,106)	(1,206,149)	(611,233)	(3,020)	10,227,015	-	(1,820,402)
Employee benefits payable	(446,377)	(113,057)	(68,068)	(48,574)	(44,423)	(20,138)	627,502	-	(113,135)
Other current liabilities	(2,756,105)	(4,076,518)	(1,408,754)	(414,482)	(264,151)	(1,112,005)	8,241,377	62,624	(1,728,014)
Preferred shareholders payable in subsidiaries	-	-	-	-	-	(618,935)	-	-	(618,935)
Leases	(3,737,662)	(145,492)	(528,594)	(10,061)	(44,890)	(28,021)	4,411,748	-	(82,972)
Other non-current liabilities	(1,931,963)	(5,188,695)	(908,948)	(2,055,943)	(512,093)	(1,914,105)	8,029,606	774,227	(3,707,914)
Total assets (net of liabilities) allocated by segment	10,521,342	5,936,294	3,364,761	3,337,267	1,773,790	10,828,323	(19,822,397)	(4,513,514)	11,425,866
Total assets	47,708,969	25,563,955	8,954,720	12,458,759	4,015,987	22,056,706	(82,227,644)	(5,350,365)	33,181,087
Equity attributable to:									
Equity attributable to owners of the Company	10,414,654	5,677,266	3,364,761	3,278,001	1,235,513	10,820,774	(19,456,681)	(4,513,514)	10,820,774
Non-controlling interests	106,688	259,028	-	59,266	538,277	7,549	(365,716)	-	605,092
Total shareholders' equity	10,521,342	5,936,294	3,364,761	3,337,267	1,773,790	10,828,323	(19,822,397)	(4,513,514)	11,425,866

Notes to the interim financial statements
(In thousands of Brazilian Reals - R\$, unless otherwise stated)

	December 31, 2019								
	Reported segments					Reconciliation			
	Raízen Energia	Raízen Combustíveis		Gas and Energy	Moove	Cosan Corporate	Deconsolidated effects	Segment elimination	Consolidated
	Brazil	Argentina							
Items of statement of financial position:									
Cash and cash equivalents	2,715,055	1,036,151	266,309	1,083,410	610,605	4,382,629	(4,017,515)	-	6,076,644
Marketable securities	-	-	-	200,233	43,856	1,118,959	-	-	1,363,048
Trade receivables	1,135,079	2,455,365	442,204	987,397	427,714	-	(4,032,648)	-	1,415,111
Derivative financial instruments	2,139,240	911,874	5,165	374,730	17,005	1,508,644	(3,056,279)	-	1,900,379
Inventories	4,592,428	3,007,893	1,099,632	89,586	449,211	-	(8,699,953)	-	538,797
Other financial assets	602,542	-	-	-	134,636	708,784	(602,542)	-	843,420
Other current assets	7,125,332	4,026,776	882,624	315,744	165,070	917,783	(12,034,732)	(358,944)	1,039,653
Other non-current assets	4,196,166	4,231,350	62,869	685,264	156,622	1,562,651	(8,490,385)	(488,227)	1,916,310
Investments in associates	-	2,612,576	276	-	365	4,292,701	(2,612,852)	(3,967,371)	325,695
Investments in joint ventures	577,008	727,936	-	-	-	7,548,960	(1,304,944)	-	7,548,960
Biological assets	734,495	-	-	-	-	-	(734,495)	-	-
Right-of-use assets	4,017,503	97,374	476,251	10,128	22,592	18,685	(4,591,128)	-	51,405
Investment property	11,342,326	2,595,878	3,304,040	-	310,007	70,030	(17,242,244)	-	380,037
Intangible assets and goodwill	3,666,186	2,548,927	9,637	8,291,608	1,161,426	12,647	(6,224,750)	-	9,465,681
Loans, borrowings and debentures	(15,653,705)	(5,745,735)	(912,807)	(5,244,942)	(670,263)	(7,441,845)	22,312,247	-	(13,357,050)
Derivative financial instruments	(1,422,923)	(325,018)	-	-	(1,801)	(47,984)	1,747,941	-	(49,785)
Trade payables	(5,101,474)	(2,568,885)	(943,789)	(1,154,206)	(515,759)	(6,760)	8,614,148	-	(1,676,725)
Employee benefits payable	(360,414)	(77,692)	(48,752)	(59,928)	(70,068)	(34,119)	486,858	-	(164,115)
Other current liabilities	(4,317,609)	(6,280,449)	(856,185)	(683,555)	(217,706)	(1,116,751)	11,454,243	73,558	(1,944,454)
Preferred shareholders payable in subsidiaries	-	-	-	-	-	(611,537)	-	-	(611,537)
Preferred shareholders payable in subsidiaries	(3,504,501)	(543,667)	(439,860)	(10,843)	(27,431)	(19,629)	4,488,028	-	(57,903)
Other non-current liabilities	(2,046,961)	(3,632,223)	(734,762)	(1,998,107)	(408,385)	(2,307,756)	6,413,946	771,893	(3,942,355)
Total assets (net of liabilities) allocated by segment	10,435,773	5,078,431	2,612,852	2,886,519	1,587,696	10,556,092	(18,127,056)	(3,969,091)	11,061,216
Total assets	42,843,360	24,252,100	6,549,007	12,038,100	3,499,109	22,142,473	(73,644,467)	(4,814,542)	32,865,140
Equity attributable to:									
Owners of the Company	10,358,052	4,808,076	2,612,852	2,861,954	1,107,137	10,553,734	(17,778,980)	(3,969,091)	10,553,734
Non-controlling interests	77,721	270,355	-	24,565	480,559	2,358	(348,076)	-	507,482
Total shareholders' equity	10,435,773	5,078,431	2,612,852	2,886,519	1,587,696	10,556,092	(18,127,056)	(3,969,091)	11,061,216

Notes to the interim financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

4.1 Net sales by segment

Reported segment	March 31, 2020	March 31, 2019 (Restated)
Raízen Energia		
Ethanol	3,669,801	2,950,545
Sugar	2,302,881	1,581,597
Gas	824,047	623,530
Diesel	1,512,534	1,199,276
Cogeneration	667,281	735,880
Other	18,789	29,200
	8,995,333	7,120,028
Raízen Combustíveis		
Fuels	23,240,477	22,773,876
Other	283,648	387,387
	23,524,125	23,161,263
Gás and Energy		
Natural gas		
Industrial	1,487,813	1,388,407
Residential	311,140	210,928
Cogeneration	94,195	103,523
Automotive	76,296	79,969
Commercial	126,311	103,927
Construction revenue	197,221	159,936
Other	13,594	13,362
Energy Trading	168,775	-
	2,475,345	2,060,052
Moove		
Finished goods	953,350	936,818
Basic oil	51,394	90,757
Services	26,423	6,766
	1,031,167	1,034,341
Deconsolidated of joint ventures and eliminations	(32,519,458)	(30,281,294)
Total	3,506,512	3,094,390

Notes to the interim financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

5 Financial assets and liabilities

Financial assets and liabilities are as following:

	Note	Parent Company		Consolidated	
		March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Assets					
Fair values through profit or loss					
Cash and cash equivalents	5.1	912,225	2,088,707	1,624,650	3,277,789
Marketable securities	5.2	1,077,030	910,064	1,827,038	1,363,048
Other financial assets	5.4	533,268	708,783	605,155	843,420
Derivative financial instruments	5.8	2,664,818	1,359,821	3,388,690	1,900,379
		5,187,341	5,067,375	7,445,533	7,384,636
Amortized cost					
Cash and cash equivalents	5.1	278	1,402,000	1,714,793	2,798,855
Trade receivables	5.3	-	-	1,668,433	1,415,111
Receivables from related parties	5.5	772,990	777,992	183,658	171,910
Dividends and interest on capital receivable		38,834	22,684	39,335	22,684
		812,102	2,202,676	3,606,219	4,408,560
Total		5,999,443	7,270,051	11,051,752	11,793,196
Liabilities					
Amortized cost					
Loans, borrowings and debentures	5.6	-	1,727,460	6,939,696	7,997,752
Leases		28,021	19,630	82,972	57,903
Trade payables	5.7	1,478	5,175	1,820,402	1,676,725
Other financial liabilities		-	-	141,168	132,927
Dividends payable		588,753	588,752	590,740	590,204
Payables to related parties	5.5	7,263,056	5,980,138	245,919	260,236
Tax installments - REFIS	11	196,038	195,600	202,747	202,418
Preferred shareholders payable in subsidiaries		618,935	611,537	618,935	611,537
		8,696,281	9,128,292	10,642,579	11,529,702
Fair values through profit or loss					
Loans, borrowings and debentures	5.6	-	-	6,592,282	5,359,298
Contingent consideration payable		-	-	202,261	184,370
Derivative financial instruments	5.8	112,698	47,985	151,871	49,785
		112,698	47,985	6,946,414	5,593,453
Total		8,808,979	9,176,277	17,588,993	17,123,155

5.1 Cash and cash equivalents

	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Cash and bank accounts	137	121	121,720	118,738
Savings account	-	-	1,160,154	885,740
Financial Investments	912,366	3,490,586	2,057,569	5,072,166
Total	912,503	3,490,707	3,339,443	6,076,644

Financial investments are composed as following:

	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Investment fund				
Repurchase agreements	555,051	1,714,348	1,106,334	2,799,459
Bank certificate of deposits - CDB	357,174	374,359	518,316	478,330
Total investment fund investment	912,225	2,088,707	1,624,650	3,277,789
Bank investments				
Repurchase agreements	-	1,400,735	-	1,400,735
Bank certificate of deposits - CDB	-	-	432,323	392,498
Other	141	1,144	596	1,144
Total bank applications	141	1,401,879	432,919	1,794,377
Total financial investments	912,366	3,490,586	2,057,569	5,072,166

The Company's onshore financial investments are monetized at rates around 97% of the CDI in March 31, 2020 (100% of the CDI in December 31, 2019) and offshore financial investments at rates around 100% of the Federal Funds. The sensitivity analysis on interest rate risks is in Note 20.

5.2 Marketable securities

	Parent company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Marketable securities				
Government security ⁽ⁱ⁾	1,077,030	910,064	1,827,038	1,363,048
	1,077,030	910,064	1,827,038	1,363,048

(i) Government securities have stated interest connected to SELIC.

5.3 Trade receivables

	Consolidated	
	March 31, 2020	December 31, 2019
Domestic – Brazilian Reais	1,768,897	1,518,633
Export – Foreign currency	22,142	11,399
	1,791,039	1,530,032
Allowance for doubtful accounts	(122,606)	(114,921)
	1,668,433	1,415,111
Current	1,655,875	1,400,498
Non-current	12,558	14,613

5.4 Other financial assets

The balance of Other financial assets is composed as following:

	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Rumo S.A. Shares ⁽ⁱ⁾	525,291	697,712	525,291	697,712
Cosan Logística S.A. Shares ⁽ⁱ⁾	7,977	11,071	7,977	11,071
Other financial assets ⁽ⁱⁱ⁾	-	-	71,887	134,637
	533,268	708,783	605,155	843,420
Current	533,268	708,783	602,384	773,629
Non-current	-	-	2,771	69,791
	533,268	708,783	605,155	843,420

Notes to the interim financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

- i. The Company has 26,732,274 shares, representing 1.71% of the total shares of Rumo SA and 477,196 shares, representing 0.10% of the total shares of Cosan Logística, at market value, where it uses the measurement methodology at value fair and not the equity method. As of March 31, 2020, the share price of Rumo SA and Cosan Logística was R\$19.65 and R\$16.72 (as of December 31, 2019, R\$26.10 and R\$23.20), respectively.
- ii. On March 31, 2020, Cosan Lubes Investments Limited (“CLI”) received R\$65,482 due to the satisfaction of the conditions precedent on December 31, 2019, as provided for in the investment agreement between the Company and CVC Fund VII (“CVC”).

5.5 Related parties

a) Receivables from and payables to related parties:

	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Current assets				
Commercial operation				
Raizen Energia S.A.	41,960	42,953	47,025	44,119
Rumo S.A.	1,338	3,727	4,262	7,763
Aguassanta Participações S.A.	538	444	538	444
Cosan Limited	4,812	4,518	4,812	4,518
Cosan Lubrificantes e Especialidades S.A. ⁽ⁱ⁾	318,332	294,783	-	-
Raizen Combustíveis S.A.	2,893	784	4,267	2,638
Payly Soluções de Pagamentos S.A.	4,399	4,462	-	-
Other	2,841	2,614	410	183
	377,113	354,285	61,314	59,665
Financial operations				
Cosan Limited	-	-	44,031	33,925
	-	-	44,031	33,925
	377,113	354,285	105,345	93,590
Non-current assets				
Receivables under the framework agreement				
Raizen Energia S.A. ⁽ⁱⁱ⁾	78,304	78,304	78,304	78,304
	78,304	78,304	78,304	78,304
Financial and corporation operations				
Cosan Lubrificantes e Especialidades S.A. ⁽ⁱ⁾	317,573	345,403	-	-
Other	-	-	9	16
	317,573	345,403	9	16
	395,877	423,707	78,313	78,320

Notes to the interim financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Current liabilities				
Commercial operation				
Raízen Energia S.A. ⁽ⁱ⁾	217,873	237,361	231,744	246,965
Raízen Combustíveis S.A.	13,402	12,385	13,432	12,386
Radar Propriedades Agrícolas S.A.	-	150	-	150
Rumo S.A.	571	571	704	704
Cosan Limited	34	26	34	26
Payly Soluções de Pagamentos S.A.	7,325	-	-	-
Cosan Lubrificantes e Especialidades S.A. ⁽ⁱ⁾	12,734	57,875	-	-
Other	-	-	5	5
	251,939	308,368	245,919	260,236
Financial and corporation operations				
Cosan Overseas Limited	33,592	26,045	-	-
Cosan Luxembourg S.A.	29,720	96,118	-	-
	63,312	122,163	-	-
	315,251	430,531	245,919	260,236
Non-current liabilities				
Financial and corporation operations				
Cosan Luxembourg S.A.	3,605,298	2,795,290	-	-
Cosan Lubrificantes e Especialidades S.A. ⁽ⁱ⁾	724,962	724,860	-	-
Cosan Overseas Limited	2,617,545	2,029,457	-	-
	6,947,805	5,549,607	-	-
	6,947,805	5,549,607	-	-

- (i) On December 31, 2018, a contract for the assumption of rights and obligations between the Company and the subsidiary CLE was signed and assets and liabilities related to the fuel business were transferred from the acquisition of Esso Brasileira de Petróleo Ltda. (“Esso”) in 2008, which were not contributed to the formation of Raízen, a fact that generated an increase in the active and passive accounts of related parties of the Company in that year and which has been moved as the transactions are settled. This transfer of assets and liabilities does not impact the consolidated position of Cosan S.A. nor the information by segment.
- (ii) Raízen Energia balances receivable recorded as non-current assets basically represent tax credits that will be returned by these entities to the Company when effectively used. The balances recorded as current liabilities represent recoveries related to expenses paid by Raízen of the Company responsibility.

Notes to the interim financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

b) Related party transactions:

	Parent Company		Consolidated	
	March 31, 2020	March 31, 2019 (Restated)	March 31, 2020	March 31, 2019 (Restated)
Operating revenues				
Rumo S.A.	-	-	7,662	9,429
Raízen Energia S.A.	-	-	5,725	3,581
Raízen Combustíveis S.A.	-	-	10,046	7,810
	-	-	23,433	20,820
Purchase of goods / inputs				
Raízen Combustíveis S.A.	-	(25)	-	(25)
Other	-	-	(14)	(59)
	-	(25)	(14)	(84)
Discontinued operation				
Rumo S.A.	-	-	-	(5)
Raízen Energia S.A.	-	-	-	(33)
Other	-	-	-	(133)
	-	-	-	(171)
Shared revenue (expense)				
Aguassanta Participações S.A.	-	2	-	2
Rumo S.A.	1,192	2,938	1,192	2,938
Cosan Lubrificantes e Especialidades S.A.	1,045	939	-	-
Raízen Energia S.A.	(1,061)	(957)	(13,201)	(10,267)
Other	-	92	-	-
	1,176	3,014	(12,009)	(7,327)
Financial result				
Usina Santa Luiza S.A.	-	(41)	-	(41)
Cosan Lubrificantes e Especialidades S.A.	(1,750)	(874)	-	-
Cosan Limited	286	5	533	284
Cosan Luxembourg S.A.	(849,240)	(49,566)	-	-
Pasadena Empreendimento Participação S.A.	-	102	-	-
Cosan Overseas Limited	(639,973)	(49,092)	-	-
Raízen Combustíveis S.A.	2,067	1,368	2,067	1,368
	(1,488,610)	(98,098)	2,600	1,611

c) Officers and directors compensation

The Company has a compensation policy approved by the Board of Directors that includes salaries, contributions to a post-employment defined benefit plan and share-based payment.

	Parent company	
	March 31, 2020	March 31, 2019
Short-term benefits to officers and directors	7,044	1,066
Stock option expense	3,762	922
	10,806	1,988

5.6 Loans, borrowings and debentures

Description	Interest		Parent Company		Maturity ⁽ⁱ⁾	Purpose
	Index	Annual interest rate	March 31, 2020	December 31, 2019		
No Warranty						
Non-convertible debentures	106% CDI	3.87%	-	1,727,460	Feb-21	Working capital
Total			-	1,727,460		
Current			-	1,161,406		
Non-current			-	566,054		

- (i) On February 28, 2019, the Company issued simple unsecured debentures (2nd issue), non-convertible into shares, with a par value of R\$32.2275, totaling R\$1,700,000. On January 16, 2020, these debentures were fully paid in the amount of R\$1,735,203 between principal and interest. This amount considers the balance of this debt on December 31, 2019 (R\$1,727,460) and the accrual of interest until the early redemption date.

Description	Index	Interest Annual interest rate	Consolidated		Maturity	Purpose
			March 31, 2020	December 31, 2019		
With warranty						
BNDES	TJLP	5.09%	1,549	1,667	Jun-23	Investments
	TJ462	7.89%	101,188	144,573	Oct-20	Investments
	TJLP	7.09%	77,224	83,174	Jun-23	Investments
	Selic	5.52%	51,998	73,540	Oct-20	Investments
	Selic	5.68%	48,819	52,031	Jun-23	Investments
EIB	US\$	3.88%	41,451	31,770	Jun-20	Investments
	US\$	2.94%	18,982	29,081	Sep-20	Investments
	US\$ + LIBOR	2.46%	93,761	71,129	May-21	Investments
	US\$ + LIBOR	1.35%	87,515	89,336	Sep-21	Investments
			522,487	576,301		
No Warranty						
Foreign loans	GBP + Libor	2.14%	162,569	150,253	Jul-21	Acquisition
	GBP + Libor	1.61%	129,572	106,643	Dec-21	Acquisition
	GBP + Libor	2.36%	228,116	186,604	Dec-22	Acquisition
	Fixed	1.16%	3,944	3,563	Mar-22	Investments
Resolution 4131	US\$ + LIBOR	2.90%	-	81,107	Feb-20	Working capital
	US\$	4.79%	27,877	20,688	Oct-20	Working capital
	US\$	3.67%	430,045	313,493	May-23	Working capital
Perpetual Notes	US\$	8.25%	2,632,113	2,040,752	Nov-40	Acquisition
Senior Notes Due 2023	US\$	5.00%	571,561	438,985	Mar-23	Acquisition

Notes to the interim financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

Senior Notes Due 2027	US\$	7.00%	4,215,787	3,234,648	Jan-27	Acquisition
Prepay	100.00%LIBOR-03 - 3.50% base 360	4.87%	51,994	-	Mar-21	Working capital
Other	100% Libor-03 - 1% base 360	2.71%	104,350	80,931	Nov-21	Working capital
Other	100% Libor-12 – 0.76% base 360	2.72%	52,559	40,474	Oct-20	Working capital
Other	106% CDI	3.87%	-	1,727,460	Feb-21	Working capital
Non-convertible debentures	IPCA + 5.57%	8.58%	104,508	108,133	Sep-20	Investments
	IPCA + 7.14%	10.19%	327,828	318,412	Dec-20	Investments
	IPCA + 7.48%	10.54%	294,965	286,271	Dec-22	Investments
	IPCA + 7.36%	10.42%	97,205	94,367	Dec-25	Investments
	IPCA + 5.87%	8.89%	844,451	859,996	Dec-23	Investments
	IPCA + 4.33%	7.30%	441,795	431,817	Oct-24	Investments
	IGPM + 6.10%	10.55%	249,706	240,900	May-28	Investments
	100% CDI + 0.50%	4.17%	2,038,546	2,015,252	Oct-22	Investments
			13,009,491	12,780,749		
Total			13,531,978	13,357,050		
Current			1,133,178	2,373,199		
Non-current			12,398,800	10,983,851		

The Company used for the calculation of the average rates, on an annual basis, the average annual interbank deposit rate (“CDI”) rate of 3.75% and the long-term interest rate (“TJLP”) of 5.09%.

Non-current borrowings are scheduled to fall due as follows:

	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
13 to 24 months	-	566,054	665,080	1,058,400
25 to 36 months	-	-	3,040,925	2,526,040
37 to 48 months	-	-	1,185,277	1,504,498
49 to 60 months	-	-	469,062	463,553
61 to 72 months	-	-	30,041	29,510
73 to 84 months	-	-	4,329,308	233,609
85 to 96 months	-	-	79,757	3,152,892
Thereafter	-	-	2,599,350	2,015,349
	-	566,054	12,398,800	10,983,851

Notes to the interim financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

The carrying amounts of loans, borrowings and debentures are denominated in the following currencies:

	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Reais (R\$)	-	1,727,460	4,679,781	6,437,592
Dollar (U.S.\$)	-	-	8,327,994	6,472,395
Euro	-	-	3,946	3,563
Pound (GBP)	-	-	520,257	443,500
	-	-	13,531,978	13,357,050

All US dollar-denominated debt is hedged against foreign exchange risk through derivatives, excepted for perpetual notes (Note 5.9).

Below is the movement of loans, financing and debentures for the period ended March 31, 2020:

	Parent Company	Consolidated
At December 31, 2019	1,727,460	13,357,050
Raised	-	76,108
Amortization of principal on loans, borrowings and debentures	(1,700,000)	(1,950,907)
Payment of interest on loans, borrowings and debentures	(35,203)	(199,603)
Interest, exchange rate and fair value	7,743	2,249,330
At March 31, 2020	-	13,531,978

a) Guarantees

Some financing agreements with the National Bank for Economic and Social Development (“BNDES”), intended for investments, are also guaranteed, under each agreement, by bank guarantee, with an average cost of 0.99% per year or by collateral (assets) and collateral account. As of March 31, 2020, the balance of bank guarantees contracted was R\$475,764 (R\$532,558 as of December 31, 2019).

b) Available credit line

As of December 31, 2019, the Company had unused credit lines with AA rated banks in

the total amount of R\$501,000 as of March 31, 2020 and December 31, 2019.

The use of these credit lines is subject to certain contractual conditions.

c) Financial covenants

Under the terms of the major borrowing facilities, the Company is required to comply with the following financial covenants:

Debit	Triggers	Ratios
Debenture de 3th issue Comgás	Net onerous debt / EBITDA cannot exceed 4.00	1.39
	Short-term indebtedness / Total indebtedness cannot exceed 0.6	0.17
Debenture de 4th issue Comgás	Net onerous debt / EBITDA cannot exceed 4.00	1.39
	Short-term indebtedness / Total indebtedness cannot exceed 0.6	0.17
Debenture de 5th issue Comgás	Net onerous debt / EBITDA cannot exceed 4.00	1.39
Debenture de 6th issue Comgás	Net onerous debt / EBITDA can not exceed 4.00	1.39
Debenture de 7th issue Comgás	Net onerous debt / EBITDA can not exceed 4.00	1.39
Senior Notes 2027	Pro forma net debt (i) (ii) / EBITDA not higher than or equal to 3.5	1.73
Debenture de 8th issue Cosan S.A.	Net debt / EBITDA can not exceed 4.0	1.39

- (i) Included joint ventures.
- (ii) The effects of the recognition of CPC 06 (R2) / IFRS 16 are not considered in the metrics of the financial indexes for the valuation of covenants of this debenture, as provided for in the contract.

For the other loans, borrowings and debentures of the Company there are no financial covenants.

As at March 31, 2020, the Company and its subsidiaries were in compliance with all debt financial covenants.

d) Fair value and exposure to financial risk

The fair value of the loans and debentures are based on the discounted cash flow using its implicit discount rate. They are classified as a level 2 fair value in the hierarchy (Note 5.10) due to the data observation, including own credit risk.

Notes to the interim financial statements
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The details of the Company's exposure to risks arising from loans are disclosed in Note 20.

5.7 Trade payables

	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Natural gas suppliers	-	-	826,952	815,798
Raw material and service suppliers	1,478	5,175	993,450	860,927
	1,478	5,175	1,820,402	1,676,725

5.8 Derivative financial instruments

	Notional		Fair value	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Fuel derivative agreements				
Exchange rate derivative ⁽ⁱ⁾	13,422	-	(4,424)	-
	13,422	-	(4,424)	-
Energy derivative agreements				
Exchange rate derivative	201,817	-	35,400	-
	201,817	-	35,400	-
Swap agreements				
Interest rate	1,296,459	2,633,796	570,816	692,642
Exchange and interest rate	4,135,199	3,877,328	2,635,027	1,157,952
	5,431,658	6,511,124	3,205,843	1,850,594
Total financial instruments			3,236,819	1,850,594
Current and non-current assets			3,388,690	1,900,379
Current and non-current liabilities			(151,871)	(49,785)

- (i) Forward contracts for fuels contracted by the subsidiary Moove, which seek to reduce possible impacts on the price fluctuation of the commodity that interferes with our lubricant costs.

Notes to the interim financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

Derivative financial instruments for debts are used only for the purpose of economic hedging and not as speculative investments.

Fair value hedge

The Company adopted the fair value hedge accounting for some its operations that both the hedging instruments and the hedged items are accounted for at fair value through profit or loss.

The amounts related to the items designated as hedge instruments were as following:

	Notional amount (US\$)	Carrying amount: (R\$)		Fair value accumulated adjust	
		March 30, 2020	December 31, 2019	March 30, 2020	December 31, 2019
Debit					
Sênior Notes 2023 (Cosan)	519,870	(571,561)	(438,985)	(169,187)	(99,541)
3rd issue - 3rd series (Comgás)	79,299	(104,657)	(108,133)	16,108	(14,822)
5th issue - single series (Comgás)	684,501	(852,510)	(868,618)	3,700	(90,110)
Total debit	1,283,670	(1,528,728)	(1,415,736)	(149,379)	(204,473)
Derivative					
Swaps Sênior Notes 2023 (Cosan)	(519,870)	392,170	227,315	158,333	128,357
Swaps 3rd issue - 3rd series (Comgás)	(79,299)	22,114	24,842	(21,733)	5,510
Swaps 5th issue - single series (Comgás)	(684,501)	153,529	175,262	(2,728)	88,583
Total derivativo	(1,283,670)	567,813	427,419	133,872	222,450
Total	-	(960,915)	(988,317)	(15,507)	17,977

There is an economic relationship between the hedged item and the hedge instrument, since the terms of the interest rate and foreign exchange swap correspond to the terms of the fixed rate loan, that is, notional amount, term and payment. The Company established a 1:1 hedge ratio for hedge relationships, since the underlying risk of the interest rate and exchange rate swap is identical to the hedged risk component. To test the effectiveness of the hedge, the Company uses the discounted cash flow method and compares the changes in the fair value of the hedge instrument with the changes in the fair value of the hedged item attributable to the hedged risk.

5.9 Recognized fair value measurements

Notes to the interim financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

The market value of the Senior Notes are listed on the Luxembourg Stock Exchange (Note 5.6) and is based on their quoted market price are as follows:

Loans	Company	March 31, 2020	December 31, 2019
Senior Notes Due 2023	Cosan S.A	99,12%	101,46%
Senior Notes Due 2027	Cosan S.A	94,12%	109,18%
Bônus perpétuos	Cosan S.A	90,47%	104,06%

The carrying amounts and fair value of consolidated financial assets and liabilities are as follows:

	Carrying amount		Assets and liabilities measured at fair value					
			March 31, 2020			December 31, 2019		
	March 31, 2020	December 31, 2019	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets								
Investment funds	1,624,650	3,277,789	-	1,624,650	-	-	3,277,789	-
Marketable securities	1,827,038	1,363,048	-	1,827,038	-	-	1,363,048	-
Other financial assets	605,155	843,420	605,155	-	-	843,420	-	-
Derivate financial instruments	3,388,690	1,900,379	-	3,388,690	-	-	1,900,379	-
Total	7,445,533	7,384,636	605,155	6,840,378	-	843,420	6,541,216	-
Liabilities								
Loans, borrowings and debentures	(6,592,282)	(5,359,298)	-	(6,592,282)	-	-	(5,359,298)	-
Contingent consideration payable ⁽ⁱⁱ⁾	(202,261)	(184,370)	-	(193,290)	(8,971)	-	(158,275)	(26,095)
Derivate financial instruments	(151,871)	(49,785)	-	(151,871)	-	-	(49,785)	-
Total	(6,946,414)	(5,593,453)	-	(6,937,443)	(8,971)	-	(5,567,358)	(26,095)

- i. Composed of: (i) consideration payable related to the intangible asset of the contract with ExxonMobil in the amount of R\$193,290 (level 2); and (ii) contingent variable consideration payable of R\$8,971 (level 3), which considers the present value of the expected payment discounted, using a risk-adjusted discount rate. The expected payment is determined considering the most likely scenario of revenue and projected EBITDA, which, in turn, determine the cash generation capacity. Significant unobservable inputs are the annual growth rate of expected revenue, the expected EBITDA margin and the risk-adjusted discount rate of 9.41%.

The below table presents the changes in the items of level 3:

Notes to the interim financial statements
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Balance on January 1, 2019	73,327
Addition	21,206
Interest and exchange variation	(4,753)
Payments in the period	(63,685)
Balance on December 31, 2019	26,095
Addition	16,368
Interest and exchange variation	(12,287)
Payments in the period	(21,205)
Balance on March 31, 2020	8,971

6 Other current tax recoverable

	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
COFINS (tax for security financing) - Revenue tax	31,557	24,695	480,634	452,411
ICMS (value added tax on sales and services) - State VAT	-	-	98,376	79,307
PIS (social integration program) - Revenue tax	2,785	8,597	56,135	55,360
Credit installment	41,737	41,516	41,737	41,516
ICMS CIAP - State VAT	-	-	13,826	12,514
Other	7	15	32,527	25,000
	76,086	74,823	723,235	666,108
Current	34,349	33,307	656,665	602,927
Non-current	41,737	41,516	66,570	63,181

7 Inventories

	Consolidated	
	March 31, 2020	December 31, 2019
Finished goods	499,686	457,378
Raw material for construction process	91,848	55,347
Spare parts and others	17,525	26,072
	609,059	538,797

8 Investments in associates and investments with unsecured liabilities

8.1 Subsidiaries and Associates

Cosan's subsidiaries are listed below:

	March 31, 2020	December 31, 2019
Directly owned subsidiaries		
Cosan Cayman II Limited	100.00%	100.00%
Cosan Global Limited	100.00%	100.00%
Cosan Investimentos e Participações S.A.	100.00%	100.00%
Cosan Luxembourg S.A. ⁽ⁱ⁾	100.00%	100.00%
Cosan Overseas Limited	100.00%	100.00%
Pasadena Empreendimentos e Participações S.A.	100.00%	100.00%
Payly Soluções de Pagamentos S.A.	75.00%	75.00%
Compass Gás e Energia S.A.	99.01%	-
Companhia de Gás de São Paulo - Comgás	-	99.15%
Cosan Lubes Investments Limited	70.00%	70.00%
Interest of Cosan Lubes Investments Limited in its subsidiaries		
Moove Lubricants Limited	100.00%	100.00%
Cosan Cinco S.A.	100.00%	100.00%
Airport Energy Limited	100.00%	100.00%
Airport Energy Services Limited	100.00%	100.00%
Wessesx Petroleum Limited	100.00%	100.00%
Stanbridge Group Limited	100.00%	100.00%
TTA - SAS Techniques et Technologies Appliquées	75.00%	75.00%
Cosan Lubrificantes S.R.L.	98.00%	98.00%
Lubrigrupo II, S.A	100.00%	100.00%
Commercial Lubricants Moove Corp	100.00%	100.00%
Cosan Lubrificantes e Especialidades S.A.	100.00%	100.00%
Cosan US, Inc.	100.00%	100.00%
Ilha Terminal Distribuição de Produtos Derivados de Petróleo Ltda.	100.00%	100.00%
Zip Lube S.A.	100.00%	100.00%

- i. Management has concluded that there are no material uncertainties that cast doubt on the operating continuity of subsidiaries. Despite presenting a combined amount of R\$ 342,119 as of March 31, 2020, as presented below, no events or conditions were identified that, individually or collectively, could raise significant doubts as to the ability to maintain their operational continuity. The subsidiaries have the Company's financial support.

Below are investments in subsidiaries and associates that are material for the Company as at March 31, 2020:

a) Parent company

	<u>Shares issued by the associate</u>	<u>Shares held by Cosan</u>	<u>Cosan ownership interest</u>	<u>Economic benefit (%)</u>
Compass Gás e Energia	628,487,690	623,084,911	99.01%	99.01%
Cosan Global Limited	1	1	100.00%	100.00%
Cosan Investimentos e Participações S.A.	3,778,868,643	3,778,868,643	100.00%	100.00%
Cosan Luxemburgo S.A.	500,000	500,000	100.00%	100.00%
Radar II Propriedades Agrícolas S.A.	81,440,221	24,920,708	51.00%	3.00%
Radar Propriedades Agrícolas S.A.	1,735,703	531,125	51.00%	2.51%
Tellus Brasil Participações S.A.	120,920,492	61,359,624	50.74%	5.00%
Janus Brasil Participações S.A.	207,712,545	105,461,644	50.77%	5.00%
Cosan Lubes Investment	34,963,764	24,474,635	70.00%	70.00%
Payly Soluções de Pagamentos S.A.	71,527,201	53,645,401	75.00%	75.00%
Pasadena Empreendimentos e Participações S.A.	32,752,251	32,751,751	99.99%	99.99%

Notes to the interim financial statements
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	At January 1, 2020	Interest in earnings (losses) of subsidiaries	Changes in interest in subsidiaries	Other comprehensive income	Dividends	Increase / decrease of capital ⁽ⁱ⁾	Reclassification capital deficiency	Other	March 31, 2020
Compass Gás e Energia	2,861,936	372,197	44,569	-	-	-	(1,621)	922	3,278,003
Cosan Global Limited	103,989	29,932	-	-	-	-	-	-	133,921
Cosan Investimentos e Participações S.A.	5,849,473	200,816	-	291,733	-	-	-	-	6,342,022
Cosan Lubes Investment	1,104,567	25,285	-	103,330	-	-	-	-	1,233,182
Radar II Propriedades Agrícolas S.A.	31,976	219	-	-	-	-	-	-	32,195
Radar Propriedades Agrícolas S.A.	59,861	286	-	-	-	-	-	-	60,147
Tellus Brasil Participações S.A.	102,342	701	-	-	-	-	-	-	103,043
Janus Brasil Participações S.A.	126,087	609	-	-	-	1,132	-	-	127,828
Pasadena Empreendimentos e Participações S.A.	555	(17)	-	-	-	-	-	-	538
Payly Soluções de Pagamentos S.A.	7,075	(4,437)	-	-	-	20,000	-	-	22,638
Other	51,804	897	-	12,799	-	10	-	-	65,510
Total investments in associates	10,299,665	626,488	44,569	407,862	-	21,142	(1,621)	922	11,399,027
Compass Gás e Energia	(1,621)	-	-	-	-	-	1,621	-	-
Cosan Luxemburgo S.A.	(151,206)	(190,913)	-	-	-	-	-	-	(342,119)
Total investments in capital deficiency	(152,827)	(190,913)	-	-	-	-	1,621	-	(342,119)
Total	10,146,838	435,575	44,569	407,862	-	21,142	-	922	11,056,908

- (i) The capital contribution made to the subsidiary Payly Soluções e Payments S.A. had a cash effect of R\$10,000. The remainder will be through the contribution of non-cash assets.

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(b) Consolidated

	Shares issued by the associate	Shares held by Cosan	Cosan ownership interest	Economic benefit (%)
Radar II Propriedades Agrícolas S.A.	81,440,222	24,920,708	51.00%	3.00%
Radar Propriedades Agrícolas S.A.	1,735,703	531,125	51.00%	2.51%
Tellus Brasil Participações S.A.	120,920,492	61,359,624	50.74%	5.00%
Janus Brasil Participações S.A.	136,928,272	69,361,678	50.77%	5.00%

	At January 1, 2020	Interest in earnings (losses) of subsidiaries	Changes in interest in subsidiaries	Other comprehensive income	Increase / decrease of capital	Other	March 31, 2020
Tellus Brasil Participações S.A.	102,342	701	-	-	-	-	103,043
Janus Brasil Participações S.A.	126,087	609	-	-	1,132	-	127,828
Radar Propriedades Agrícolas S.A.	59,861	286	-	-	-	-	60,147
Radar II Propriedades Agrícolas S.A.	31,976	219	-	-	-	-	32,195
Other	5,429	(995)	-	1,466	10	(205)	5,701
Total investments in associates	325,695	820	-	1,466	1,142	(205)	328,914
	325,695	820	-	1,466	1,142	(205)	328,914

8.2 Acquisition of subsidiaries

On January 30, 2020, Cosan completed the acquisition of 100% of the capital of the following companies:

Acquired name	Description of the operation
Compass Comercializadora de Energia Ltda	Commercialization of natural gas and electricity
Compass Geração Ltda	Commercialization of natural gas and electricity
Compass Energia Ltda	No operation
Black River Participações	No operation

The acquisition aims to reinforce the strategy of expansion and consolidation of the gas and energy operation, which tends to grow significantly. Of the companies mentioned above, Black River was acquired only by its only asset, the investment in Compass Comercializadora.

The fair value on the acquisition date of the consideration transferred from the three combined businesses totaled R\$95,000 with cash payment, without additional installments (fixed or variable).

The balances of the acquired entities are substantially composed of assets and liabilities measured at fair value and, therefore, no adjustment should be made.

a) Identifiable assets acquired and liabilities assumed

The fair value of the assets and liabilities acquired is shown below:

	Compass Comercializadora	Compass Geração	Compass Energia	Total
Cash and cash equivalents	4,539	177	37	4,753
Trade receivables	12,384	149,162	-	161,546
Advance of suppliers	15	-	-	15
Other current tax receivable	134	-	31	165
Derivative financial instruments	1,377	-	-	1,377
Investments in associates	9	28	-	37
Property, plant and equipment	69	-	-	69
Trade payables	(13,585)	(83,670)	-	(97,255)
Other taxes payable	-	(55)	-	(55)
Other current liabilities	(97)	(412)	-	(509)
Other financial liabilities	-	(47,735)	-	(47,735)
Dividends payable	-	(508)	-	(508)
Payables to related parties	-	(17,063)	-	(17,063)
Deferred tax liabilities	(468)	-	-	(468)
Total identifiable assets, net	4,377	(76)	68	4,369

b) Preliminary goodwill

The fair value on the date of acquisition of goodwill consisted of the following:

	Total
Total net assets acquired and liabilities assumed at fair value	4,369
Consideration transferred ⁽ⁱ⁾	95,000
Preliminary goodwill	90,631

- i) Effect of consideration transferred net of acquired cash R\$90,247.

Information obtained about facts and circumstances existing on the acquisition date may result in adjustments to the allocation of goodwill. The goodwill of R\$90,631 comprises the amount of future economic benefits from the acquisition.

If the acquired subsidiaries had been consolidated since January 1, 2020, the consolidated statement of income for the period ended March 31, 2020, would have net income of R\$3,595,051 and profit of R\$117,610. In 2020, the Company's results are comprised of three months of Comgás and two months of Compass Gas and Energy, and in 2019, they are three months of Comgás results.

8.3 Non-controlling interests in subsidiaries

Below is the participation of non-controlling shareholders in the Company's subsidiaries:

	<u>Shares issued by the subsidiary</u>	<u>Shares held by non- controlling shareholders</u>	<u>Non-controlling interest</u>
Comgás	132,520,587	1,124,363	0.85%
Compass Gás e Energia ⁽ⁱ⁾	628,487,690	5,402,779	0.99%
Cosan Lubes	34,963,764	10,489,129	30.00%
Payly	44,861,170	11,215,293	25.00%
TTA	10,521	2,630	25.00%

- (i) On January 30, 2020, a capital increase was made in Compass Gás e Energia S.A., through the subscription of 6,222,650 registered shares in favor of non-controlling shareholders, totaling a total amount of R\$75,000 (equivalent to [0.99%] of the share capital of Compass Gás e Energia S.A.).

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The following table summarizes the information relating to each of the Company's subsidiaries that has material non-controlling interests:

	At January 1, 2019	Profit (loss) of the period, net	Sales or purchase of interests	Other comprehensive income	Dividends	Increase / decrease of capital	Other	At December 31, 2019
Comgás	24,569	3,056	-	-	(1,145)	-	9	26,489
Compass Gás e Energia	-	2,337	30,431	-	-	-	9	32,777
Cosan Lubes	470,497	10,836	-	44,531	-	-	-	525,864
TTA	10,057	(298)	-	2,654	-	-	-	12,413
Payly	2,359	(1,476)	-	-	-	6,666	-	7,549
	<u>507,482</u>	<u>14,455</u>	<u>30,431</u>	<u>47,185</u>	<u>(1,145)</u>	<u>6,666</u>	<u>18</u>	<u>605,092</u>

9 Investments in joint ventures

Changes to investments in joint ventures were as following:

	Consolidated		Total
	Raízen Combustíveis S.A	Raízen Energia S.A	
Shares issued by the joint venture	1,661,418,472	7,243,283,198	
Shares held by Cosan	830,709,236	3,621,641,599	
Ownership interest (%)	50%	50%	
Interest in earnings of joint ventures at March 31, 2019	298,258	5,575	303,833
At December 31, 2019	3,212,601	4,336,359	7,548,960
Interest in earnings of joint ventures	69,516	121,828	191,344
Other comprehensive (losses) income	385,320	(93,588)	291,732
Interest on capital ⁽ⁱ⁾	(19,000)	-	(19,000)
Dividends	-	(417)	(417)
At March 31, 2020	3,648,437	4,364,182	8,012,619

- (i) There was no cash disbursement in the period.

According to the terms of the jointly-controlled subsidiary - Raízen, Cosan is responsible for certain legal proceedings that existed before the formation of Raízen, net of judicial deposits on April 1, 2011, as well as tax installments under the terms of the tax amnesty and Program Refinancing under "Other taxes payable". In addition, Cosan granted Raízen access to a credit line (stand-by) in the amount of US\$ 350,000 thousand, unused on March 31, 2020.

The statement of financial position and statement of profit or loss of the joint ventures are disclosed in Note 4 – Segments information.

At March 31, 2020, the Company was in compliance with the covenants of the agreements governing the respective Joint Ventures.

10 Property, plant and equipment, intangible assets and goodwill

10.1 Property, plant and equipment

	Consolidated					Parent Company
	Land, buildings and improvements	Machinery, equipment and facilities	Construction in progress	Other	Total	Total
Cost						
At December 31, 2019	232,787	201,787	30,162	97,070	561,806	71,181
Additions	2	122	5,946	677	6,747	3,043
Business combinations ⁽ⁱ⁾	-	69	-	-	69	-
Disposals	-	(328)	-	(1,937)	(2,265)	-
Transfers ⁽ⁱⁱ⁾	-	76	(703)	32	(595)	-
Effect of exchange rate fluctuation	13,547	20,144	300	11,420	45,411	-
At March 31, 2020	246,336	221,870	35,705	107,262	611,173	74,224
Depreciation						
At December 31, 2019	(70,597)	(88,281)	-	(22,891)	(181,769)	(13,865)
Additions	(2,540)	(5,225)	-	(3,285)	(11,050)	(1,536)
Disposals	-	315	-	1,442	1,757	-
Effect of exchange rate fluctuation	(4,855)	(10,280)	-	(5,777)	(20,912)	-
At March 31, 2020	(77,992)	(103,471)	-	(30,511)	(211,974)	(15,401)
At December 31, 2019	162,190	113,506	30,162	74,179	380,037	57,316
At March 31, 2020	168,344	118,399	35,705	76,751	399,199	58,823

- i. For more details, see note 8.2.
- ii. Asset transfers under construction due to the capitalization of such assets.

Notes to the interim financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

10.2 Intangible assets and goodwill

	Consolidated					Parent Company	
	Goodwill	Concession rights	Trademarks	Customer relationships	Other	Total	Total
Cost							
At December 31, 2019	801,731	10,112,064	46,170	829,091	252,535	12,041,591	15,294
Additions	-	-	-	25,019	1,791	26,810	29
Business combinations ⁽ⁱ⁾	90,631	-	-	-	-	90,631	-
Disposals	-	(4,352)	-	(25)	(5)	(4,382)	-
Transfers	-	76,386	-	(11,377)	39,199	104,208	-
Effect of exchange rate fluctuation	52,277	-	8,752	44,041	10,661	115,731	-
At March 31, 2020	944,639	10,184,098	54,922	886,749	304,181	12,374,589	15,323
Depreciation							
At December 31, 2019	-	(1,982,241)	(9,201)	(410,449)	(174,019)	(2,575,910)	(11,995)
Additions	-	(92,766)	-	(19,851)	(15,646)	(128,263)	(337)
Disposals	-	2,557	-	20	-	2,577	-
Transfers	-	(10)	-	5,181	842	6,013	-
Effect of exchange rate fluctuation	-	-	-	(10,849)	(5,124)	(15,973)	-
At March 31, 2020	-	(2,072,460)	(9,201)	(435,948)	(193,947)	(2,711,556)	(12,332)
At December 31, 2019	801,731	8,129,823	36,969	418,642	78,516	9,465,681	3,299
At March 31, 2020	944,639	8,111,638	45,721	450,801	110,234	9,663,033	2,991

(i) For details to this reclassification see Note 8.2.

Capitalization of borrowing costs

During the period ended March 31, 2020, R\$ 9,265 were capitalized at a weighted average rate of 7.55% per year (R\$ 3,202 at a weighted average rate of 8.60% per year as of March 31, 2019).

Notes to the interim financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

Amortization methods and useful lives

<u>Intangible assets (excluding goodwill)</u>	<u>Annual rate of amortization %</u>	<u>March 31, 2020</u>	<u>December 31, 2019</u>
Comgás ⁽ⁱ⁾	Concession term and extension	8,111,638	8,129,823
		8,111,638	8,129,823
Trademarks: Comma	Undefined	45,721	36,969
		45,721	36,969
Relationship with customers: Comgás	20.00%	170,490	161,786
Moove	6.00%	280,311	256,856
		450,801	418,642
Other Software license	20.00%	85,386	53,599
Other		24,848	24,917
		110,234	78,516
Total		8,718,394	8,663,950

- (i) Refers to the intangible asset for the public gas distribution service concession, which represents the right to charge users for the supply of gas, comprised of: (i) the concession rights recognized in the business combination and (ii) concession assets;

Impairment testing of cash-generating units (“CGU”) goodwill, property, plant and equipment and intangible assets

The Company annually tests the recoverable amounts of goodwill arising from business combination operations. Property, plant and equipment, intangible assets, right to use and defined life contract assets that are subject to depreciation and amortization are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

During the period ended March 31, 2020, no impairment indicators were identified that would require the review of the last test performed on December 31, 2019.

11 Other taxes payable

Notes to the interim financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Tax amnesty and refinancing program - Refis	196,038	195,600	202,747	202,418
ICMS – State VAT	-	-	164,165	158,112
COFINS - Revenue tax	42,836	63,027	86,397	80,646
PIS - Revenue tax	11,956	15,038	21,816	18,580
Other	12,211	10,099	54,054	38,511
INSS - Social security	1,311	676	1,717	1,118
	264,352	284,440	530,896	499,385
Current	122,736	143,091	383,253	351,895
Non-current	141,616	141,349	147,643	147,490

12 Income tax and social contribution

Notes to the interim financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

a) Reconciliation of income and social contribution tax expenses

	Parent Company		Consolidated	
	March 31, 2020	March 31, 2019 (Restated)	March 31, 2020	March 31, 2019 (Restated)
Profit before taxes	(50,712)	371,258	102,527	505,654
Income tax and social contribution nominal rate (34%)	17,242	(126,228)	(34,859)	(171,922)
<i>Adjustments to determine the effective rate</i>				
Equity method investments (nontaxable income)	139,882	139,045	65,336	92,577
Non-deductible expenses (donations, gifts, etc.)	-	(126)	4,258	(4,572)
Stock options	859	(277)	859	(277)
Interest capital - benefit	-	-	(6,460)	(7,990)
Income tax loss and other temporary differences	-	-	796	(2,559)
Differences in tax rates on earnings / losses of overseas companies	(4,523)	-	(22,163)	188
Other	(498)	17,844	6,411	23,728
Income tax and social contribution expense (current and deferred)	152,962	30,258	14,178	(70,827)
Effective rate	301.63%	(8.15%)	13.83%	(14.01%)

b) Deferred income tax assets and liabilities

Notes to the interim financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

The tax effects of temporary differences that give rise to significant portions of the Company's deferred tax assets and liabilities are presented below:

	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Assets credit of:				
Income tax loss carry forwards	533,070	183,293	696,897	350,584
Social contribution tax loss carry forwards	192,817	66,897	253,615	124,231
Temporary differences				
Foreign exchange - Loans and borrowings	1,315,417	838,825	1,391,072	853,279
Legal proceedings provision	61,206	61,877	104,478	104,602
Provisions for employee benefits	-	-	217,701	214,496
Allowance for doubtful accounts	-	-	13,450	12,321
Regulatory asset (liability)	-	-	-	53,875
Impairment of tax credit	6,985	6,985	38,633	38,633
Share-based payment transactions	-	-	2,072	1,754
Profit sharing	1,616	4,223	7,568	24,442
Interest on preferred shareholders payable in subsidiaries	149,561	89,931	149,561	89,931
Property, plant, equipment and intangible - useful life review	-	-	(250,601)	(257,436)
Provisions	214,779	195,087	272,170	266,660
Other	(3,187)	(3,189)	(12,696)	(2,141)
Deferred taxes - Assets	2,472,264	1,443,929	2,883,920	1,875,231
(-) Deferred taxes assets not recognized	-	-	(13,997)	(8,817)
Liabilities credit of:				
Temporary differences				
Business combination - Property, plant and equipment	-	-	(21,477)	(21,627)
Tax deductible goodwill	(21,823)	(21,823)	(365,411)	(365,411)
Lease	-	-	269	243
Unrealized (loss) gains on derivatives instruments	(867,721)	(446,024)	(1,011,546)	(533,671)
Income on formation of joint ventures	(1,135,036)	(1,135,036)	(1,135,036)	(1,135,036)
Business combination - Intangible asset	-	-	(1,083,181)	(1,089,907)
Provision for realization - Goodwill recorded in PL ⁽ⁱ⁾	(449,153)	-	(449,153)	-
Other	(4,523)	-	270,199	153,173
Total	(2,478,256)	(1,602,883)	(3,795,336)	(2,992,236)
Total of deferred taxes recorded	(5,992)	(158,954)	(925,413)	(1,125,822)
Deferred income tax - Assets	-	-	408,902	432,920
Deferred income tax - Liabilities	(5,992)	(158,954)	(1,334,315)	(1,558,742)

- (i) In January 2020, the Company contributed to the capital of the subsidiary Compass Gás e Energia the investment it held in the subsidiary Comgás. As a result, the costs recorded in shareholders' equity, derived from the goodwill

Notes to the interim financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

paid on the acquisitions of Comgás shares in OPAs occurred during 2019, were realized for tax purposes only, totaling R\$ 1,321,000 in capital loss. Associated with this amount, deferred income tax assets of R \$ 449,000 were recognized. On the other hand, deferred income tax liabilities were recorded, canceling the effect of the result in the accounting, to be reversed when the future write-off of said goodwill.

c) Analytical movement in deferred tax

Deferred tax assets:

	Parent Company				
	Taxes loss carryforwards	Employee's benefits	Provisions	Others	Total
Asset's balance as at December 31, 2019	250,190	4,223	263,949	925,567	1,443,929
(Charged) / credited					
Net income of the period	475,697	(2,607)	19,021	59,632	551,743
Foreign exchange	-	-	-	476,592	476,592
Asset's balance as at March 31, 2020	725,887	1,616	282,970	1,461,791	2,472,264

	Consolidated						
	Taxes loss carryforwards	Employee's benefits	Provisions	Post- employment liabilities	PP&E	Others	Total
Asset's balance as at December 31, 2019	474,815	26,196	422,216	214,496	(257,436)	994,944	1,875,231
(Charged) / credited							
Net income of the period	475,697	(16,556)	6,515	3,205	6,835	(66,270)	409,426
Other comprehensive income	-	-	-	-	-	61,470	61,470
Foreign exchange	-	-	-	-	-	537,793	537,793
Asset's balance as at March 31, 2020	950,512	9,640	428,731	217,701	(250,601)	1,527,937	2,883,920

Deferred tax liabilities:

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(In thousands of Brazilian Reais - R\$, unless otherwise stated)

Parent Company				
	Effects on the formation of jointly-owned subsidiaries	Derivatives income not recognized	Others	Total
Liability's balance as at December 31, 2019	(1,135,036)	(446,024)	(21,823)	(1,602,883)
(Charged) / credited				
Net income of the period	-	(421,697)	(453,676)	(875,373)
Liability's balance as at March 31, 2020	(1,135,036)	(867,721)	(475,499)	(2,478,256)

Consolidated							
	Effects on the formation of jointly-owned subsidiaries	Intangible assets	Derivatives income not recognized	Lease	Credits not recognized	Others	Total
Liability's balance as at December 31, 2019	(1,135,036)	(1,089,907)	(533,671)	243	(8,817)	(233,865)	(3,001,053)
(Charged) / credited	-	-	-	-	-	-	-
Net income of the period	-	6,726	(477,875)	26	(5,180)	(331,509)	(807,812)
Business combination ⁽ⁱ⁾	-	-	-	-	-	(468)	(468)
Liability's balance as at March 31, 2020	(1,135,036)	(1,083,181)	(1,011,546)	269	(13,997)	(565,842)	(3,809,333)

- i. For more details, see note 8.2.

The Company expects to realize the full deferred tax on tax losses and social contribution.

13 Provision for legal proceedings

Notes to the interim financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

The Company has contingent liabilities as of March 31, 2020 and December 31, 2019 in respect of:

	Provision for legal proceedings			
	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Tax	164,815	163,793	512,574	510,174
Civil, environmental and regulatory	54,069	56,001	195,161	195,446
Labor	80,522	81,584	166,258	167,608
	299,406	301,378	873,993	873,228

	Judicial deposit			
	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Tax	299,415	297,578	411,142	437,727
Civil, environmental and regulatory	14,656	17,159	40,548	42,900
Labor	34,358	34,679	45,822	46,603
	348,429	349,416	497,512	527,230

Changes in provision for legal proceedings:

	Parent Company			
	Tax	Civil, environmental and regulatory	Labor	Total
At December 31, 2018	163,793	56,001	81,584	301,378
Provisions	71	817	3,415	4,303
Settlement / Write-offs	-	(4,570)	(7,323)	(11,893)
Monetary variation ⁽ⁱ⁾	951	1,821	2,846	5,618
At March 31, 2020	164,815	54,069	80,522	299,406

	Consolidated			
	Tax	Civil, environmental and regulatory	Labor	Total
At December 31, 2018	510,174	195,446	167,608	873,228
Provisions	71	1,061	5,283	6,415
Settlement / Write-offs	-	(3,765)	(6,309)	(10,074)
Monetary variation ⁽ⁱ⁾	2,329	2,419	(324)	4,424
At March 31, 2020	512,574	195,161	166,258	873,993

(i) Includes interest reversal.

The Company's debts with legal proceedings are secured by assets, cash deposit,

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bank guarantee or insurance guarantee.

The Company has indemnity actions in addition to those mentioned, which, since they are considered probable, were not recorded because they represent contingent assets.

a) Probable losses

Tax: The principal tax proceedings for which the risk of loss is probable are described below:

	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Compensation with FINSOCIAL	-	-	294,411	293,291
INSS - Social security	61,937	61,560	73,243	72,803
State VAT - ICMS credit	38,333	38,004	46,978	46,613
PIS and COFINS	358	357	870	866
IPI - Excise tax credit - NT	53,950	53,693	53,950	53,693
Federal income tax	69	68	1,714	1,707
Other	10,168	10,111	41,408	41,201
	164,815	163,793	512,574	510,174

- **Civil, regulatory, environmental and other claims:** Company and its subsidiaries are parties to a number of civil legal claims related to (i) indemnity for material and moral damages; (ii) termination of different kinds of agreements (iii) public civil claims related to sugarcane stubble burning; and (iv) compliance with terms of conduct adjustment, among other issues.
- **Labor claims:** the Company and its subsidiaries are also part of the labor lawsuit filed by former employees and outsourced service providers, claiming, among other issues, the payment of: overtime and reflexes; nocturnal surcharge, unhealthy surcharge, dangerous surcharge; eventual non-compliance with regulatory norms of the Ministry of Labor; alleging alleged inadequate working conditions; reintegration into employment; indemnity for moral and material

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damages resulting from accidents at work and other grounds; return of discounts made on payroll, such as confederative contribution, union contribution and others; recognition of uninterrupted shift hours; alert; collective moral damage; wage differences; subsidiary responsibility towards service providers; and others. In addition, the Company also has public civil lawsuits filed by the Public Ministry of Labor alleging alleged non-compliance with labor standards, including work and safety rules, working conditions and the work environment; There are Terms of Conduct Adjustment signed with the Brazilian authorities.

b) Possible losses

The principal proceedings for which we deem the risk of loss as possible are described below:

	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Tax	4,522,277	4,514,769	10,208,989	8,730,917
Civil, environmental and regulatory	935,036	904,466	1,679,714	1,630,315
Labor	46,082	49,117	88,176	93,248
	5,503,395	5,468,352	11,976,879	10,454,480

• **Taxes**

	Parent Company		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
ICMS - state VAT	1,552,823	1,544,071	2,013,393	2,029,277
Federal income taxes ⁽ⁱ⁾	711,702	701,604	4,465,609	3,145,001
PIS and COFINS	1,377,400	1,370,789	1,381,103	1,374,474
IRRF - Withholding tax	1,339	1,335	1,081,924	899,579
INSS - Social security	150,826	165,951	205,298	220,091
IPI - Excise tax credit - NT	314,099	313,351	453,373	451,781
MP 40 - Tax installments	113,126	189,882	113,126	189,882
Compensations tax on loan	137,263	136,871	137,263	136,871
Other	163,699	90,915	357,900	283,961
	4,522,277	4,514,769	10,208,989	8,730,917

- (i) Tax assessment notices issued by the Federal Revenue Service, for the collection of IRPJ and CSLL related to the calendar years 2015 and 2016, questioning the deductibility of goodwill amortization expenses in the amount of

Notes to the interim financial statements
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R\$ 1,228,416. The tax assessment notices are being challenged / appealed at the administrative level.

14 Shareholders' equity

a) Share capital

The subscribed capital of R\$5,045,214, fully paid up, is represented by 394,210,000 registered common shares on March 31, 2020 and on December 31, 2019, book-entry and without par value. According to the bylaws, the authorized share capital can be increased up to the limit of R\$6,000,000.

As at March 31, 2020 the Company's capital stock is composed by the following:

Shareholders - Common shares	Ordinary shares	
	Quantity	%
Cosan Limited	255,272,586	64.76%
Other shareholders	4,028	0.00%
Management	508,205	0.13%
Free Float	129,376,675	32.81%
Total outstanding shares	385,161,494	97.70%
Treasury shares	9,048,506	2.30%
Total	394,210,000	100.00%

b) Treasury shares

On March 16, 2020, the Company approved the common share buyback program, with a maximum of 10,000,000 shares, representing 2.54% of the total shares available on the market, with the deadline until September 15, 2021, for the purpose of keeping in treasury, cancellation or alienation. On March 31, 2020, 5,723,800 common shares were repurchased in the amount of R\$290,772, with a maximum unit cost of R\$61.24, a minimum unit cost of R\$47.37 and an average unit cost of R\$52.33. These shares represent 4.42% of the class A common shares issued and

Notes to the interim financial statements
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outstanding by Cosan.

On March 31, 2020, the Company had 9,048,506 shares in treasury (3,355,789 shares on December 31, 2019), whose market price was R\$53.76 (R\$69.57 on December 31, 2019). In addition, 31,083 shares were delivered to members of the share-based compensation plans.

c) Other comprehensive (loss) income

	December 31, 2019	Comprehensive (loss) income	March 31, 2020
Foreign currency translation effects	50,183	610,682	660,865
Gain (loss) on cash flow hedge in joint ventures	(234,575)	(155,635)	(390,210)
Actuarial loss on defined benefit plan, net of tax	(202,444)	-	(202,444)
Financial instruments with subsidiaries	(45,631)	-	(45,631)
Change in fair values of financial assets, net of tax	25,979	(1)	25,978
Total	(406,488)	455,046	48,558
Attributable to:			
Owners of the Company	(349,501)	407,861	58,360
Non-controlling interests	(56,987)	47,185	(9,802)

	December 31, 2018	Comprehensive (loss) income	March 31, 2019
Foreign currency translation effects	(34,921)	(8,034)	(42,955)
Gain (loss) on cash flow hedge in joint ventures	22,207	(179,877)	(157,670)
Actuarial loss on defined benefit plan, net of tax	(121,243)	-	(121,243)
Financial instruments with subsidiaries	(45,631)	-	(45,631)
Change in fair values of financial assets, net of tax	25,787	11	25,798
Total	(153,801)	(187,900)	(341,701)
Attributable to:			
Owners of the Company	(95,994)	(184,204)	(280,198)
Non-controlling interests	(57,807)	(3,696)	(61,503)

15 Earnings per share

The Company's subsidiaries have two categories of potential dilutive effects: share

Notes to the interim financial statements
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options and put options. For the share options, a calculation is done to determine the effect of the dilution in the profit attributable to shareholders of the parent due the exercise of the share options at subsidiaries. For the put option, is assumed to have been converted into ordinary shares, and the profit attributable to shareholders of the parent is adjusted.

The following table sets forth the calculation of earnings per share (in thousands of Brazilian Reais, except amounts per share):

	March 31, 2020	March 31, 2019
Profit attributable from continued operation to ordinary equity holders for basic earnings	102,250	395,710
Profit attributable from continued operation to ordinary equity holders for basic earnings	102,250	401,517
Effect of dilution:		
Dilutive effect of subsidiary's stock option plan	(879)	(335)
Profit from continued operation attributable to ordinary equity holders adjusted for the effect of dilution	101,371	395,375
Profit from continued operation attributable to ordinary equity holders adjusted for the effect of dilution	101,371	401,182
Weighted average number of common shares outstanding - basic (in thousands of shares)		
Basic	390,131	396,006
Dilutive effect of stock option plan	1,316	902
Diluted	391,447	396,908
Earning per share		
Earnings per share - basic (in R\$)	R\$ 0.2621	R\$ 0.9993
Earnings per share - diluted (in R\$)	R\$ 0.2590	R\$ 0.9961
Earnings per share - continued operation		
Earnings per share - basic (in R\$)	R\$ 0.2621	R\$ 1.0139
Earnings per share - diluted (in R\$)	R\$ 0.2590	R\$ 1.0108

16 Net sales

Accounting policy (new operations)

The Company recognizes revenue from the supply and supply of electricity at the fair value of the consideration, through the delivery of electricity in a given period. The volume of energy delivered to the buyer is determined on a monthly basis. Customers gain control of electricity from the moment they consume it. Invoices are issued monthly and are usually paid within 30 days of being issued.

Revenue is recognized based on the energy sold and at prices specified under the terms of supply and supply contracts. The Company may sell the energy produced in two environments: (i) in the Free Contracting Environment (ACL), where electricity is sold through free negotiation of prices and conditions between the parties, through bilateral contracts; and (ii) at ACR, where electricity is sold to distribution agents.

(a) Short-term market

The Company recognizes revenue at the fair value of the consideration receivable when transactions in the short-term market occur. The price of energy in these operations is characterized by the link with the Settlement Price for Differences (PLD).

(b) Trading operations

Energy trading operations are traded on an active market and, for accounting measurement purposes, they meet the definition of financial instruments at fair value.

The Company recognizes revenue when the energy is delivered to the customer at the fair value of the consideration. In addition, unrealized net gains resulting from mark-to-market - difference between contracted and market prices - from open net contracted operations on the date of the financial statements are recognized as revenue

Notes to the interim financial statements
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The following is an analysis of the Company's revenue

	Consolidated	
	March 31, 2020	March 31, 2019 (Restated)
Gross revenue from sales of products and services	4,215,497	3,729,843
Construction revenue	197,221	159,936
Indirect taxes and deductions	(906,206)	(795,389)
Net sales	3,506,512	3,094,390

In the following table, revenue is disaggregated by products and service lines and timing of revenue recognition:

	Consolidated	
	March 31, 2020	March 31, 2019 (Restated)
At a point in time		
Gas and Energy - Gas distribution	2,095,755	1,886,754
Gas and Energy - energy commercialization	182,369	13,362
Moove - Lubricants and basic oil	1,004,744	1,027,575
	3,282,868	2,927,691
Over time		
Gas and Energy - Construction revenue	197,221	159,936
Other services	26,423	6,766
	223,644	166,702
Elimination	-	(3)
Total of net sales	3,506,512	3,094,390

17 Costs and expenses by nature

The expenses are presented in the statement of profit and loss by function. The

Notes to the interim financial statements
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reconciliation of income by nature/purpose are as following:

	Parent Company		Consolidated	
	March 31, 2020	March 31, 2019 (Restated)	March 31, 2020	March 31, 2019 (Restated)
Raw materials	-	-	(2,048,020)	(1,975,276)
Construction cost - IFRIC 12	-	-	(197,221)	(159,936)
Expenses with third-party services	(5,409)	(7,363)	(65,720)	(61,463)
Employee benefit expense	(12,706)	(11,138)	(126,519)	(137,442)
Selling expenses	-	-	(5,043)	(8,863)
Transportation expenses	-	-	(218,169)	(190,110)
Depreciation and amortization	(2,814)	(3,311)	(143,520)	(139,186)
Other	(13,993)	(10,210)	(132,786)	(72,552)
	(34,922)	(32,022)	(2,936,998)	(2,744,828)
Cost of sales	-	-	(2,486,377)	(2,325,282)
Selling expenses	-	-	(279,396)	(261,287)
General and administrative	(34,922)	(32,022)	(171,225)	(158,259)
	(34,922)	(32,022)	(2,936,998)	(2,744,828)

18 Other income (expenses), net

	Parent company		Consolidated	
	March 31, 2020	March 31, 2019 (Restated)	March 31, 2020	March 31, 2019 (Restated)
Contractual obligations arising from assignment of credit rights ⁽ⁱ⁾	(68,311)	-	(68,311)	-
Gain on price cause indemnity	-	50,284	-	50,284
Loss on disposal of noncurrent assets and intangibles	-	-	(1,781)	(5,859)
Net effect of legal proceedings, recoverable and tax installments	(7,027)	(21,232)	(6,775)	(23,237)
Other	790	(13,307)	40,913	(954)
	(74,548)	15,745	(35,954)	20,234

- (i) On December 21, 2017, the Company entered into a “Credit Rights Assignment and Other Covenants Agreement”. In return, the Company received R\$1,340,000 (“acquisition price”), resulting from certain indemnity actions. In addition to the acquisition price, the Company will be entitled to additional payments related to these credit rights, provided that their result is positive. The additional payment will be determined by applying 95% of the difference between the net amount

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received from the Union's credit rights by the assignee less the return from the assignees and recognized in the results only upon receipt.

In September and December 2019, there was an assignment of the additional payment mentioned in the previous paragraph, plus credit related to the portion of the controversial share of the Açucareiro Corona S.A.

In both contracts there are clauses of the Company's obligations towards buyers, in the event of any discounts, retentions or compensations that may be promoted by Copersucar, higher than certain percentages, in which the Company will indemnify buyers.

On January 2, 2020, the first installment of the second precatory and second installment of the first precatory was received, with Copersucar retaining the amount referring to taxes, expenses and other withholdings. The Company indemnified the Buyers at R\$132,200 on February 11, 2020, as represented in the cash flow statement, comprising: (i) R\$28,700 taxes and expenses; (ii) R\$103,500 other retentions. Copersucar retained the credit for Corona's share to cover the interest that will be incurred.

In relation to the other retentions, accounts receivable were created against Copersucar, referring to the reimbursement of the installments received from the court orders, totaling R\$134,903, consisting of: (i) the first installment of the first court order R\$31,403 recorded in May 2019; and (ii) first installment of the second precatory and second installment of the first precatory in the total amount of R\$103,500 recorded in February 2020.

On March 31, 2020, the Company made a provision of R\$68,311 related to the taxes and expenses of the installments falling due that the Company will have to indemnify the Fund for the remaining installments of the first precatory and the second precatory.

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19 Finance results

Details of finance income and costs are as follows:

	Parent Company		Consolidated	
	March 31, 2020	March 31, 2019 (Restated)	March 31, 2020	March 31, 2019 (Restated)
Cost of gross debt				
Interest on debt	(3,454)	(8,003)	(175,288)	(157,969)
Monetary and exchange rate variation	-	-	(1,719,422)	(47,915)
Derivatives and fair value measurement	1,349,217	61,124	1,199,844	35,827
Amortization of borrowing costs	(4,320)	(337)	(4,544)	(527)
Guarantees and warranties on debt	-	-	(3,860)	(6,707)
	1,341,443	52,784	(703,270)	(177,291)
Income from financial investment and exchange rate in cash and cash equivalents	26,840	16,014	179,331	55,523
	26,840	16,014	179,331	55,523
Cost of debt, net	1,368,283	68,798	(523,939)	(121,768)
Other charges and monetary variations				
Interest on other receivables	5,683	3,858	30,067	16,772
Interest on other financial assets	(167,354)	54,802	(167,354)	54,802
Interest on shareholders' equity	19,000	23,500	-	-
Interest on other liabilities	(15,823)	(54,849)	(37,335)	(77,177)
Bank charges and other	(3,985)	(8,287)	(7,135)	(9,887)
Exchange variation	(1,558,462)	(109,243)	82,499	2,149
	(1,720,941)	(90,219)	(99,258)	(13,341)
Finance results, net	(352,658)	(21,421)	(623,197)	(135,109)
Reconciliation				
Finance expense	(291,755)	(154,698)	(748,020)	(320,018)
Finance income	60,779	99,369	265,649	137,361
Foreign exchange (losses) gain, net	(1,406,185)	(26,843)	(1,538,025)	(42,356)
Derivatives	1,284,503	60,751	1,397,199	89,904
Finance results, net	(352,658)	(21,421)	(623,197)	(135,109)

20 Financial risk management

a) Market risk

The objective of market risk management is to manage and control market risk

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exposures within acceptable parameters, while optimizing the return.

i) Foreign exchange risk

At March 31, 2020 and December 31, 2019, the Company had the following net exposure to foreign exchange variation on US dollar-denominated assets and liabilities:

	March 31, 2020	December 31, 2019
Cash and cash equivalents	1,218,172	464,313
Trade receivables	22,142	11,399
Trade payables	(111,991)	(80,093)
Loans, borrowings and debentures	(8,327,994)	(6,472,395)
Contingent consideration payable	(202,261)	(184,370)
Derivative financial instruments	5,764,168	4,652,205
Foreign exchange exposure, net	(1,637,764)	(1,608,941)

The probable scenario was defined based on the US dollar market rates projected for December 31, 2020, which determines the fair value of the derivatives on that date. Stressed scenarios (positive and negative effects, before taxes) were defined based on adverse impacts of 25% and 50% on the US dollar exchange rates used in the probable scenario.

Based on financial instruments denominated in US dollars, as of March 31, 2020, the Company carried out a sensitivity analysis with an increase and decrease in exchange rates (R\$ / U.S.\$) of 25% and 50%. The probable scenario considers projections, carried out by specialized consultants, for exchange rates up to December 2020, as follows:

	Exchange rate sensitivity analysis (R\$/US\$)					
	March 31, 2020	Probable	Scenario			
		25%	50%	-25%	-50%	
U.S.\$	5.1987	4.4600	5.5750	6.6900	3.3450	2.2300

The sensitivity of the result to changes in exchange rates arises mainly from financial instruments denominated in dollars and the impact on other equity components comes from foreign exchange futures contracts designated as cash flow

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hedge through their joint ventures.

A reasonably possible strengthening (weakening) of the real against the US dollar on December 31, 2020, may affect the measurement of financial instruments denominated in foreign currency and the affected shareholders' equity and the result by the amounts indicated below:

Instrument	Probable	Scenario			
		25%	50%	-25%	-50%
Cash and cash equivalents	(92,674)	47,209	187,091	(232,556)	(372,438)
Trade receivables	18,995	23,744	28,493	14,246	9,497
Loans, borrowings and debentures	1,183,351	(698,261)	(2,535,205)	2,721,709	4,558,653
Contingent consideration payable	(173,521)	(216,901)	(260,281)	(130,141)	(86,761)
Trade payables	(96,077)	(120,096)	(144,116)	(72,058)	(48,038)
Derivative financial instruments	1,486,233	2,581,112	3,653,976	435,384	(637,481)
Impacts on profit or loss	2,326,307	1,616,807	929,958	2,736,584	3,423,432

ii) Interest rate risk

The Company and its subsidiaries monitor fluctuations in variable interest rates related to their loans and use derivative instruments to minimize the risks of fluctuations in variable interest rates.

A sensitivity analysis on interest rates on loans and financing to offset investments in CDI with increases and decreases before taxes of 25% and 50% is presented below:

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	Probable	Scenario			
		25%	50%	-25%	-50%
Cash and cash equivalents	81,382	101,728	122,027	61,005	40,664
Marketable securities	66,687	83,339	100,011	49,995	33,324
Contingent consideration asset	57,882	72,352	86,823	43,412	28,941
Derivative financial instruments	29,920	1,493,415	1,075,791	2,480,196	3,065,126
Loans, borrowings and debentures	(728,060)	(227,886)	(268,545)	(146,569)	(105,911)
Impacts on profit or loss	(492,189)	1,522,948	1,116,107	2,488,039	3,062,144

The probable scenario considers the estimated interest rate, made by a specialized third part and Central Bank of Brazil (Banco Central do Brasil), or BACEN, as follows:

	Interest rate sensitivity analysis				
	Probable	25%	50%	-25%	-50%
SELIC	3.65%	4.56%	5.48%	2.74%	1.83%
CDI	3.65%	4.56%	5.48%	2.74%	1.83%
TJLP462 (TJLP + 1% p.y.)	6.10%	7.38%	8.65%	4.83%	3.55%
TJLP	5.10%	6.38%	7.65%	3.83%	2.55%
IGPM	3.51%	4.39%	5.27%	2.64%	1.76%
IPCA	3.12%	3.90%	4.68%	2.34%	1.56%
Fed Funds	0.15%	0.19%	0.23%	0.11%	0.08%
Libor	0.54%	0.68%	0.81%	0.41%	0.27%

iii) Price risk

As of January 2020, the Company entered the energy trading market, with the objective of obtaining results with variations in the price of energy, within the limits of risk and pre-established counterparties by Management, exposing the Company to risk price of this commodity.

Equity position and unrealized gains on energy trading operations, net

Trading operations are traded on an active market and recognized at fair value through profit or loss, based on the difference between the contracted price and the market price of the open contracts on the balance sheet date.

This fair value is estimated, in large part, in the price quotations used in the active over-the-counter market, insofar as such observable market data exist, and, to a lesser extent, by the use of valuation techniques that consider prices established in operations of purchase and sale and market prices projected by specialized entities,

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in the period of availability of this information.

The equity balances referring to the open trading transactions are shown below:

	Asset	Liabilities	March 31, 2020
	70,148	(34,748)	Net gain
Energy trading	70,148	(34,748)	35,400

The main risk factor that impacts the pricing of trading operations is exposure to market energy prices. The scenarios for sensitivity analysis for this factor are prepared using market data and specialized sources, considering future prices, applied to the market curves of March 31, 2020, as follows:

	Probable	Scenario			
	35,400	25%	50%	-25%	-50%
Unrealized gains on trading operations	35,400	25,077	14,753	45,658	55,699

b) Credit risk

The Company's regular operations expose it to potential defaults when customers, suppliers and counterparties are unable to comply with their financial or other commitments. The Company seeks to mitigate this risk by entering into transactions with a diverse pool of counterparties. However, the Company continues to remain subject to unexpected third party financial failures that could disrupt its operations. The exposure to credit risk was as follows:

	March 31, 2020	31 December, 2019
Cash and cash equivalents	3,339,443	6,076,644
Marketable securities	1,827,038	1,363,048
Trade receivables	1,668,433	1,415,111
Contingent consideration asset	67,470	134,637
Derivative financial instruments	3,388,690	1,900,379
Receivables from related parties	183,658	171,910
Dividends and interest on capital received	39,335	22,684
	10,514,067	11,084,413

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The Company is also exposed to risks in connection with its cash management activities and temporary investments.

Net assets are invested primarily in government security and other investments in Banks with a minimum grade of "A." Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy.

Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed on an annual basis and may be updated throughout the year. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments. The credit risk on cash and cash equivalents, marketable securities, restricted cash and derivative financial instruments are determined by rating instruments widely accepted by the market and are arranged as follows:

	March 31, 2020	31 December, 2019
AAA	7,849,717	6,812,280
AA	705,454	2,527,791
	8,555,171	9,340,071

c) Liquidity risk

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The financial liabilities of the Company sorted by due dates (based on undiscounted cash flows contracted) are as follows:

	March 31, 2020				31 December, 2019	
	Up to 1 year	1 - 2 years	3 - 5 years	More than 5 years	Total	Total
Loans, borrowings and debentures	(1,655,953)	(1,289,517)	(6,192,274)	(5,114,831)	(14,252,575)	(14,875,687)
Trade payables	(1,820,402)	-	-	-	(1,820,402)	(1,676,725)
Leases	(17,157)	(15,121)	(42,951)	(38,171)	(113,400)	(47,655)

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Other financial liabilities	(141,168)	-	-	-	(141,168)	(132,927)
Payables to related parties	(245,919)	-	-	-	(245,919)	(260,236)
Tax installments - REFIS	(5,999)	(4,180)	(8,777)	(183,439)	(202,395)	(195,946)
Dividends payable	(590,740)	-	-	-	(590,740)	(590,204)
Preferred shareholders payable	-	-	(650,819)	-	(650,819)	(611,537)
	<u>(4,477,338)</u>	<u>(1,308,818)</u>	<u>(6,894,821)</u>	<u>(5,336,441)</u>	<u>(18,017,418)</u>	<u>(18,390,917)</u>

21 Post-employment benefits

Defined contribution	March 31, 2020	December 31, 2019
Futura II	278	277
Defined benefit		
Futura	74,799	74,093
Comgás	632,889	630,549
	<u>707,688</u>	<u>704,642</u>
Total	<u>707,966</u>	<u>704,919</u>

During the period ended March 31, 2020, the amount of the sponsors' contributions to the plans was R\$10,498 (R\$8,462 as of December 31, 2019).

22 Share-based payment

The plans are managed by the Company's Board of Directors, at its discretion, by a Committee, within the limits established in the guidelines for the preparation and structuring

of each plan and in the applicable legislation.

a) Share-based payment plan

According to the plan, eligible employees can receive common shares annually without payment in cash. The number of shares issued to the program participants is the value of the offer divided by the weighted average price at which the Company's shares are traded on the Stock Exchange.

For share-based compensation settled with shares, the expense is based on the date of granting the fair value of the premiums that must be acquired during the grace period. For awards with graduated vesting, the fair value of each tranche is recognized during the respective grace period. At the end of each reporting period, the Company reassesses its estimates of the number of premiums that must be acquired and recognizes the impact of the revisions in the income statement.

The Black-Scholes methodology was used to calculate the fair value under the terms of the Share-Based Compensation Plan.

Type of award / Grant date	Company	Expected life (years)	Granted	Exercised / Canceled	Fair value on grant date - R\$	Available
Stock grant programs						
April 20, 2017	Comgás	5	61,300	(4,725)	56,575	47.80
August 12, 2017	Comgás	5	97,780	(6,000)	91,780	54.25
August 1, 2018	Comgás	5	96,787	-	96,787	59.66
July 31, 2019	Comgás	5	83,683	-	83,683	78.58
Subtotal Comgás			339,550	(10,725)	328,825	
April 27, 2017	Cosan S.A.	5	274,000	(76,900)	197,100	37.00
July 31, 2017	Cosan S.A.	5	298,107	(78,948)	219,159	32.22
July 31, 2018	Cosan S.A.	5	210,602	-	210,602	38.61
July 31, 2019	Cosan S.A.	5	31,031	-	31,031	49.85
Subtotal Cosan S.A.			813,740	(155,848)	657,892	
Total			1,153,290	(166,573)	986,717	
Share-based Compensation Plan - Modification						
18/08/2011	Cosan S.A.	1 a 12	1,501,626	(1,050,752)	450,874	47.70
12/12/2012	Cosan S.A.	1 a 7	24,647	(24,647)	-	47.70
24/04/2013 ⁽ⁱ⁾	Cosan S.A.	5 a 7	122,123	(116,802)	5,321	47.70
25/04/2014 ⁽ⁱⁱ⁾	Cosan S.A.	5 a 7	283,808	(273,056)	10,752	47.70

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31/08/2015	Cosan S.A.	5 a 7	463,906	(157,242)	306,664	47.70
			<u>2,396,110</u>	<u>(1,622,499)</u>	<u>773,611</u>	
Total			3,549,400	(1,789,072)	1,760,328	

- (i) On January 23, 2020, 9,579 shares were delivered, equivalent to the amount of R\$333.
- (ii) On March 5, 2020, 21,504 shares were delivered, equivalent to the amount of R\$748.

- **Reconciliation of outstanding share options**

The movement in the number of awards outstanding and their related weighted-average exercise prices are as follows:

	<u>Stock option programs</u>
At December 31, 2019	1,791,411
Vested	(31,083)
At March 31, 2020	<u><u>1,760,328</u></u>

- **Expense recognized in profit or loss**

Share-based compensation expense included in the statement of profit and loss for the period ended March 31, 2020 and 2019 was as follows:

	<u>Stock option programs</u>	<u>Stock grant programs</u>	<u>Total</u>
Period ended March 31, 2019	814	2,082	2,896
Period ended March 31, 2020 ⁽ⁱ⁾	474	6,015	6,489

- (i) There is recognition of incremental cost in the income statement.

23 Discontinued operation

On December 2, 2019, the Company sold its interest in Cosan Biomassa S.A. to the jointly-controlled subsidiary Raízen Energia S.A.

Accordingly, as presented below and also required by IFRS 5 - Non-current assets available for sale and discontinued operations - the Company is changing the presentation of its income statements and cash flow statements for the three-month periods ended on March 31, 2019.

	Parent Company			Consolidated		
	March 31, 2019 (Published)	Discontinued operation	March 31, 2019 (Restatement)	March 31, 2019 (Published)	Discontinued operation	March 31, 2019 (Restatement)
Gross profit	-	-	-	769,414	(306)	769,108
Selling, general and administrative expenses	(32,022)	-	(32,022)	(419,959)	413	(419,546)
Other income (expenses), net	15,745	-	15,745	16,453	3,781	20,234
Profit before equity in earnings of investees, financial results and taxes	(16,277)	-	(16,277)	365,908	3,888	369,796
Interest in earnings of associates	428,979	5,807	434,786	(31,548)	(1,318)	(32,866)
Interest in earnings of joint ventures	(25,829)	-	(25,829)	303,833	-	303,833
Equity in earnings of investees	403,150	5,807	408,957	272,285	(1,318)	270,967
Finance results, net	(21,421)	-	(21,421)	(138,346)	3,237	(135,109)
Profit before tax	365,452	5,807	371,259	499,847	5,807	505,654
Income taxes	30,258	-	30,258	(70,827)	-	(70,827)

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Profit from continuing operations	395,710	5,807	401,517	429,020	5,807	434,827
Loss from discontinued operations, net of taxes	-	(5,807)	(5,807)	-	(5,807)	(5,807)
Profit for the period	395,710	-	395,710	429,020	-	429,020
Profit attributable to:						
Owners of the Company	395,710	-	395,710	395,710	-	395,710
Non-controlling interests	-	-	-	33,310	-	33,310
	395,710	-	395,710	429,020	-	429,020

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	March 31, 2019 (Published)	Discontinued operation	March 31, 2019 (Restatement)	March 31, 2019 (Published)	Discontinued operation	March 31, 2019 (Restatement)
Cash flow from operating activities						
Profit before taxes	365,452	5,807	371,259	499,847	5,807	505,654
Adjustments for:						
Depreciation and amortization	3,311	-	3,311	140,017	(831)	139,186
Equity in subsidiaries and associates	(428,979)	(5,807)	(434,786)	31,548	1,318	32,866
Equity in joint ventures	25,829	-	25,829	(303,833)	-	(303,833)
Indexation charges, interest and exchange, net	35,893	-	35,893	173,973	(3,529)	170,444
Provisions for employee benefits	3,579	-	3,579	17,071	100	17,171
Other	(34,275)	-	(34,275)	(70,084)	(2,099)	(72,183)
	(29,190)	-	(29,191)	488,539	766	489,305
Variation in:						
Trade receivables	-	-	-	(273,154)	(8,058)	(281,212)
Inventories	-	-	-	(19,360)	(1,193)	(20,553)
Other current tax, net	172	-	172	73,440	256	73,696
Related parties, net	(3,310)	-	(3,310)	(4,626)	(1,581)	(6,207)
Trade payables	(2,711)	-	(2,711)	63,002	1,516	64,518
Employee benefits	(14,726)	-	(14,726)	64,136	(127,432)	(63,296)
Other assets and liabilities, net	1,290	-	1,290	(93,660)	463	(93,197)
Discontinued operation	-	-	-	-	4,899	4,899
Other	21	-	21	(58,644)	128,272	69,628
Cash flow from operating activities	(48,454)	-	(48,455)	239,673	(2,092)	237,581
Marketable securities	37,394	-	37,394	205,557	(832)	204,725
Additions to property, plant and equipment, intangible assets, contract assets and right to use	(767)	-	(767)	(151,254)	254	(151,000)
Discontinued operation	-	-	-	-	579	579
Other	15,070	-	15,070	204,453	-	204,453
Cash flow from investment activities	51,697	-	51,697	258,756	1	258,757
Loans, borrowings and debentures raised	1,692,647	-	1,692,647	1,711,983	-	1,711,983
Amortization of principal on loans, financing and debentures	(1,077)	-	(1,077)	(114,203)	3,738	(110,465)
Payment of interest on loans, borrowings and debentures	-	-	-	(154,605)	2,447	(152,158)
Receipt Derivative financial instruments	48,328	-	48,328	84,049	-	84,049
Payment Derivative financial instruments	(53,222)	-	(53,222)	(74,807)	64	(74,743)
Acquisition of non-controlling interests	(1,599,237)	-	(1,599,237)	(1,599,237)	-	(1,599,237)
Discontinued operation	-	-	-	-	(6,249)	(6,249)
Other	(122,291)	-	(122,291)	431,771	-	431,771
Cash flow from financing activities	(34,852)	-	(34,852)	284,951	-	284,951
Increase (decrease) in cash and cash equivalents	(31,609)	-	(31,610)	783,380	(2,091)	781,289
Cash and cash equivalents at beginning of period	928,077	-	928,077	2,696,947	-	2,696,947
Effect of exchange rate fluctuations on cash held	-	-	-	7,396	-	7,396

Cash and cash equivalents at end of period	896,468	-	896,468	3,487,723	(2,091)	3,485,632
24 Subsequent events						

24.1 Credit right assignment

On April 2, 2020, funds from the credit assignment agreement were released, as per note 18, by Copersucar to the Company in the amount of R\$130,923, with the remainder of R\$3,980 to be released until December 31, 2020.

24.2 Covid-19

Based on the information available, we present the below a summary of the main effects of the Covid-19 pandemic on our results of operations:

- *Raízen Combustíveis*. Gasoline and ethanol sales decreased by as much as 50% and diesel sales decreased by 25%. In the aviation segment, demand was adversely affected by the reduction of flights by Raízen Combustíveis main customers, and sales decreased by as much as 80%.
- *Raízen Energia*. Demand for ethanol decreased in line with the lower demand for fuels. Sales of sugar had already decreased for the 2020/21 harvest-year that recently began, with no significant impact on marketing strategy.
- *Comgás*. Demand for natural gas in the industrial segment has decreased by as much as 40%, concentrated in certain sectors that have suspended or reduced their activities. In the commercial segment, demand has decreased by as much as 60%, while in the residential segment, demand has increased by approximately 10% due to social distancing measures.

- *Moove*. Demand for lubricants has decreased by approximately 50% in recent weeks, both in Brazil and in other countries in which we operate

In addition, in April 2020 we drew down a total amount of approximately R\$4,430,200 from certain of our financing facilities, in order to strengthen our working capital and financial condition in the context of the Covid-19 pandemic. We assess liquidity needs in a timely and cautious manner and reinforce our cash position in operations. We reaffirm our commitment to society, acting actively in several regions with donations and initiatives to maintain the safety and health of our stakeholders, ensuring that our essential operations continue to supply the country, in addition to being pioneers in the movement of not firing at this team.

24.3 Comgás tariff review

On December 6, 2019, ARSESP published Resolution 933, which approved the amount of R \$ 683,358 plus monetary restatement since April 2018, as a result of the Third Ordinary Tariff Review, to be applied to the value of assets returned by Comgás, at the end of the concession, or at any amount payable by Comgás, if the concession is renewed or in connection with any renewal of the concession contract, as defined by ARSESP, as per Resolution No. 995, of May 27, 2020. With the publication of said resolution, there are no further discussions in progress on tariffs related to previous periods with ARSESP. The amount indicated in Resolution No. 933 was not recognized in our financial statements because it does not meet accounting standards.