

Cosan S.A.

Interim financial statements

(Free translation from the original prepared in Portuguese)

As of September 30, 2020



Contents

Independent auditor's review report on quarterly information.....	3
Statement of financial position.....	6
Statement of profit or loss	8
Statement of other comprehensive income	10
Statement of changes in equity.....	12
Statement of cash flows.....	14
Statement of value added	17
Notes to the interim financial statements.....	18

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 September 30, 2020, comprising the statement of financial position as of September 30, 2020 and the related statements of profit or loss and of comprehensive income, for the three and nine month periods then ended, and the statements of changes in equity and of cash flows for the nine 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 individual and consolidated statements of value added (SVA) for the nine-month period ended September 30, 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 three and nine month periods ended September 30, 2019, presented for comparison purposes, originally prepared prior to the adjustments arising from the discontinued transaction described in Note 24, were conducted under the responsibility of another auditor, which issued audit and review reports without modification, dated February 14, 2020 and November 11, 2019, respectively. As part of our interim review of the individual and consolidated interim financial information as of September 30, 2020, we also reviewed the adjustments described in Note 24 that were made to change the individual and consolidated interim financial information as of September 30, 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 September 30, 2019 and therefore do not express any opinion or any form of assurance about the individual and consolidated interim financial information as of September 30, 2019 taken as a whole.

São Paulo, November 13, 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)

		Parent Company		Consolidated	
	Note	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Assets					
Cash and cash equivalents	5.1	531,769	3,490,707	4,845,149	6,076,644
Marketable securities	5.2	787,219	910,064	2,255,464	1,363,048
Trade receivables	5.3	-	-	1,452,488	1,400,498
Derivative financial instruments	5.8	3,091	-	219,329	144,422
Inventories	7	-	-	625,810	538,797
Receivables from related parties	5.5	354,738	354,285	63,114	93,590
Income tax receivable		108,213	47,151	122,277	73,356
Other current tax receivable	6	35,504	33,307	712,132	602,927
Sector assets	12	-	-	318,684	-
Dividends and interest on capital receivable		70,386	22,684	70,887	22,684
Other financial assets	5.4	772,097	708,783	841,712	773,629
Other current assets		113,560	137,952	216,180	247,096
Total current assets		2,776,577	5,704,933	11,743,226	11,336,691
Trade receivables	5.3	-	-	19,365	14,613
Deferred income tax and social contribution	13	103,644	-	610,937	432,920
Receivables from related parties	5.5	396,357	423,707	127,380	78,320
Other non-current tax receivable	6	42,038	41,516	71,310	63,181
Judicial deposits	14	384,356	349,416	540,223	527,230
Derivative financial instruments	5.8	3,112,391	1,359,821	3,662,773	1,755,957
Other financial assets	5.4	-	-	1,057	69,791
Other non-current assets		160,022	158,981	227,829	214,118
Investments in associates	8.1	11,187,718	10,299,665	323,827	325,695
Investments in joint ventures	9	2,336,771	2,395,437	7,658,237	7,548,960
Contract assets	10.3	-	-	747,446	600,541
Right-of-use assets		24,863	18,685	75,807	51,405
Property, plant and equipment	10.1	62,762	57,316	416,366	380,037
Intangible assets	10.2	2,450	3,299	9,874,977	9,465,681
Total non-current assets		17,813,372	15,107,843	24,357,534	21,528,449
Total assets		20,589,949	20,812,776	36,100,760	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	
		September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Liabilities					
Loans, borrowings and debentures	5.6	-	1,161,406	2,576,472	2,373,199
Leases		443	2,038	9,635	7,583
Derivative financial instruments	5.8	-	-	73,407	-
Trade payables	5.7	2,637	5,175	1,685,038	1,676,725
Salaries and wages		21,031	34,140	170,798	164,115
Income tax payables		3,450	1,191	329,224	416,090
Other taxes payable	11	125,878	143,091	504,459	351,895
Dividends payable		14,614	588,752	16,092	590,204
Payables to related parties	5.5	395,234	430,531	269,853	260,236
Other financial liabilities		-	-	133,571	132,927
Sector liabilities	12	-	-	93,414	-
Other current liabilities		78,051	70,909	170,967	193,102
Total current liabilities		641,338	2,437,233	6,032,930	6,166,076
Loans, borrowings and debentures	5.6	-	566,054	13,903,907	10,983,851
Leases		26,593	17,592	72,402	50,320
Preferred shareholders payable in subsidiaries		449,604	611,537	449,604	611,537
Derivative financial instruments	5.8	130,075	47,985	130,075	49,785
Other taxes payable	11	141,550	141,349	147,306	147,490
Provision for legal proceedings	14	320,188	301,378	914,826	873,228
Provision for uncovered liability of associates	8.1	442,645	152,827	-	-
Payables to related parties	5.5	7,496,152	5,549,607	746	-
Post-employment benefits	22	168	184	723,362	704,919
Deferred tax liabilities	13	-	158,954	1,254,265	1,558,742
Sector liabilities	12	-	-	437,521	-
Other non-current liabilities		281,985	274,342	713,150	657,976
Total non-current liabilities		9,288,960	7,821,809	18,747,164	15,637,848
Total liabilities		9,930,298	10,259,042	24,780,094	21,803,924
Shareholders' equity	15				
Share capital		5,727,478	5,045,214	5,727,478	5,045,214
Treasury shares		(418,003)	(112,785)	(418,003)	(112,785)
Capital reserve		(941,954)	(958,001)	(941,954)	(958,001)
Other equity		(186,117)	(349,501)	(186,117)	(349,501)
Profit reserve		6,246,543	6,928,807	6,246,543	6,928,807
Retained earnings		231,704	-	231,704	-
Equity attributable to:					
Owners of the Company		10,659,651	10,553,734	10,659,651	10,553,734
Non-controlling interests	8.3	-	-	661,015	507,482
Total shareholders' equity		10,659,651	10,553,734	11,320,666	11,061,216
Total shareholders' equity and liabilities		20,589,949	20,812,776	36,100,760	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)

		Parent Company			
	Note	July 1, 2020 to September 30, 2020	January 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019 (Restated) ¹	January 1, 2019 to September 30, 2019 (Restated) ¹
General and administrative expenses	18	(41,091)	(113,167)	(68,017)	(139,674)
Other (expense) income, net	19	(19,507)	(115,582)	520,110	531,936
Operating expenses		(60,598)	(228,749)	452,093	392,262
(Loss) income before equity in earnings of investees, finance results and taxes		(60,598)	(228,749)	452,093	392,262
Interest in earnings of associates	8.1	523,343	768,445	537,284	1,312,722
Interest in earnings of joint ventures		(41,462)	(58,666)	(20,927)	(72,647)
Equity in earnings of investees		481,881	709,779	516,357	1,240,075
Finance expense		(248,206)	(578,756)	(94,957)	(377,883)
Finance income		28,243	118,505	140,142	348,751
Foreign exchange, net		(197,853)	(1,938,609)	(402,205)	(350,791)
Derivatives		207,485	1,891,368	338,436	546,310
Finance results, net	20	(210,331)	(507,492)	(18,584)	166,387
Profit before taxes		210,952	(26,462)	949,866	1,798,724
Current		(39)	(39)	(71,658)	(71,658)
Deferred		92,926	258,205	(55,417)	(79,724)
Income tax (expenses) benefits	13	92,887	258,166	(127,075)	(151,382)
Profit (loss) from continuing operations		303,839	231,704	822,791	1,647,342
Profit (loss) from discontinued operation, net of tax	24	-	-	(3,906)	(14,481)
Profit for the year		303,839	231,704	818,885	1,632,861

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

1. For detailed information see Note 24.

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

		Consolidated			
	Note	July 1, 2020 to September 30, 2020	January 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019 (Restated) ¹	January 1, 2019 to September 30, 2019 (Restated) ¹
Net sales	17	3,714,923	9,578,054	3,686,247	10,123,905
Cost of sales	18	(2,637,040)	(6,775,307)	(2,541,397)	(7,202,455)
Gross profit		1,077,883	2,802,747	1,144,850	2,921,450
Selling expenses	18	(171,370)	(757,465)	(294,001)	(830,448)
General and administrative expenses	18	(288,491)	(666,401)	(219,502)	(552,293)
Other income (expenses), net	19	(25,168)	(52,285)	501,774	534,569
Operating expenses		(485,029)	(1,476,151)	(11,729)	(848,172)
Income before equity in earning of investees and financial results		592,854	1,326,596	1,133,121	2,073,278
Interest in earnings of associates	8.1	(1,229)	2,506	1,217	(29,470)
Interest in earnings of joint ventures	9	228,697	198,890	148,185	510,428
Equity in earning of investees		227,468	201,396	149,402	480,958
Finance expense		(353,530)	(1,357,007)	(297,344)	(1,026,850)
Finance income		38,187	245,281	246,475	568,131
Foreign exchange (losses) gain, net		(241,204)	(2,173,008)	(494,192)	(437,763)
Derivatives		139,111	2,120,894	414,350	657,735
Finance results	20	(417,436)	(1,163,840)	(130,711)	(238,747)
Profit before taxes		402,886	364,152	1,151,812	2,315,489
Income tax (expenses), benefits	13				
Current		(237,756)	(509,159)	(329,754)	(689,270)
Deferred		164,078	414,073	1,456	82,226
		(73,678)	(95,086)	(328,298)	(607,044)
Profit (loss) from continuing operations		329,208	269,066	823,514	1,708,445
Profit (loss) from discontinued operation, net of tax	24	-	-	(3,906)	(14,481)
Profit for the year		329,208	269,066	819,608	1,693,964
Total net income attributable to:					
Owners of the Company		303,839	231,704	818,885	1,632,861
Non-controlling interests		25,369	37,362	723	61,103
		329,208	269,066	819,608	1,693,964
Earnings per share					
Earnings per share - basic	16	R\$0.7895	R\$0.5994	R\$2.0949	R\$4.1697
Earnings per share - diluted	16	R\$0.7853	R\$0.5878	R\$2.0855	R\$4.1565
Earnings per share from continuing operations					
Earnings per share - basic	16	R\$0.7895	R\$0.5994	R\$2.0949	R\$4.1697
Earnings per share - diluted	16	R\$0.7853	R\$0.5878	R\$2.0855	R\$4.1565

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

1. For detailed information see Note 24.

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

		Parent Company			
		July 1, 2020 to September 30, 2020	January 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019 (Restated) ¹	January 1, 2019 to September 30, 2019 (Restated) ¹
Profit for the year		303,839	231,704	818,885	1,632,861
Other comprehensive income					
Items that are or may subsequently be reclassified to profit or loss:					
Foreign currency translation effect		83,464	773,666	157,683	116,673
Gain (loss) on cash flow hedge		(200,989)	(613,709)	(98,357)	(250,277)
Actuarial loss on defined benefit plan		3,344	3,344	-	-
Fair value realization of financial assets		45	83	30	105
Total other comprehensive income (loss), net of tax		(114,136)	163,384	59,356	(133,499)
Comprehensive income - Continued operation		189,703	395,088	882,147	1,513,843
Comprehensive income - Discontinued operation	24	-	-	(3,906)	(14,481)
Total comprehensive income		189,703	395,088	878,241	1,499,362

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

¹ For detailed information see Note 23

1. For detailed information see Note 24.

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

	Consolidated			
	July 1, 2020 to September 30, 2020	January 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019 (Restated) ¹	January 1, 2019 to September 30, 2019 (Restated) ¹
Profit (loss) for the year	329,208	269,066	819,608	1,693,964
Other comprehensive income				
Items that are or may subsequently				
be reclassified				
to profit or loss:				
Foreign currency translation effect	94,098	850,013	160,218	108,318
(Loss) gain on cash flow hedge	(197,121)	(609,841)	(98,357)	(250,277)
Actuarial loss on defined benefit plan	3,344	3,344	-	-
Changes in fair value of available for available for sale securities	45	83	30	105
Total other comprehensive (loss)				
income,				
net of tax	(99,634)	243,599	61,891	(141,854)
Comprehensive income - Continued operation	229,574	512,665	885,405	1,566,591
Comprehensive income - Discontinuing operations	-	-	(3,906)	(14,481)
Total comprehensive income	229,574	512,665	881,499	1,552,110
Total comprehensive income				
attributable to:				
Owners of the Company	189,703	395,088	878,241	1,474,407
Non-controlling interests	39,871	117,577	3,258	77,703
	229,574	512,665	881,499	1,552,110

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

1. For detailed information see Note 24.

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

	Capital reserve					Profit reserve					Accumulated profits	Non-controlling interest (Note 8.3)		
	Common stock	Treasury share	Other capital reserve	Capital transactions	Others equity components	Legal	Statutory reserve	Unrealized earning	Profit retention	Total			Total equity	
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 year	-	-	-	-	-	-	-	-	-	231,704	231,704	37,362	269,066	
Other comprehensive income - Note 15														
Loss on cash flow hedge in joint ventures	-	-	-	-	(613,709)	-	-	-	-	-	(613,709)	3,868	(609,841)	
Foreign currency translation effects	-	-	-	-	773,666	-	-	-	-	-	773,666	76,347	850,013	
Actuarial loss on defined benefit plan	-	-	-	-	3,344	-	-	-	-	-	3,344	-	3,344	
Change in fair value of financial assets	-	-	-	-	83	-	-	-	-	-	83	-	83	
Total other comprehensive income for the year	-	-	-	-	163,384	-	-	-	-	231,704	395,088	117,577	512,665	
Contributions by and distributions to owners of the Company:														
Increase capital	682,264	-	-	-	-	(121,270)	(560,994)	-	-	-	-	6,666	6,666	
Share options exercised	-	13,610	-	(33,891)	-	-	-	-	-	-	(20,281)	(2,523)	(22,804)	
Dividends declared and paid by subsidiaries (note 8.3)	-	-	-	-	-	-	-	-	-	-	-	(1,158)	(1,158)	
Redeem entity's shares (Note 15)	-	(318,828)	-	-	-	-	-	-	-	-	(318,828)	-	(318,828)	
Share-based payment transactions	-	-	-	5,369	-	-	-	-	-	-	5,369	2,540	7,909	
Total contributions by and distributions to owners of the Company	682,264	(305,218)	-	(28,522)	-	(121,270)	(560,994)	-	-	-	(333,740)	5,525	(328,215)	
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 September 30, 2020	5,727,478	(418,003)	737	(942,691)	(186,117)	-	5,727,478	171,021	348,044	231,704	10,659,651	661,015	11,320,666	

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					Profit reserve						Non-controlling interest	Total equity
	Common stock	Treasury share	Other capital reserve	Capital transactions	Other equity components	Legal	Statutory reserve	Unrealized earning	Profit retention	Accumulated profits	Total		
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 year	-	-	-	-	-	-	-	-	-	1,632,861	1,632,861	61,103	1,693,964
Other comprehensive income													
Gain on cash flow hedge in joint ventures	-	-	-	-	(250,277)	-	-	-	-	-	(250,277)	-	(250,277)
Foreign currency translation effects	-	-	-	-	116,673	-	-	-	-	-	116,673	(8,355)	108,318
Change in fair value of financial assets	-	-	-	-	105	-	-	-	-	-	105	-	105
Total other comprehensive income for the year, net	-	-	-	-	(133,499)	-	-	-	-	1,632,861	1,499,362	52,748	1,552,110
Contributions by and distributions to owners of the Company:													
Increase capital	626,738	-	(367,242)	-	-	(82,616)	-	-	(176,880)	-	-	-	-
Cancellation of treasury shares	-	367,176	-	-	-	-	-	-	(367,176)	-	-	-	-
Share options exercised	-	5,676	-	(16,322)	-	-	-	-	-	-	(10,646)	-	(10,646)
Share options exercised - cash settlement	-	-	-	(45,777)	-	-	-	-	-	-	(45,777)	-	(45,777)
Prescribed dividends	-	-	-	-	-	-	-	-	20,751	-	20,751	-	20,751
Redeem entity's shares	-	(19,353)	-	-	-	-	-	-	-	-	(19,353)	-	(19,353)
Share-based payment transactions	-	-	-	31,172	-	-	-	-	-	-	31,172	99	31,271
Total contributions by and distributions to owners of the Company	626,738	353,499	(367,242)	(30,927)	-	(82,616)	-	-	(523,305)	-	(23,853)	99	(23,754)
Transactions with owners of the Company													
Change of shareholding interest in subsidiary													
- Comgás	-	-	-	(1,093,117)	-	-	-	-	-	-	(1,093,117)	(972,988)	(2,066,105)
Change of shareholding interest in subsidiary													
- Moove	-	-	-	118,502	-	-	-	-	-	-	118,502	451,267	569,769
Change of shareholding interest in subsidiary													
- Payly	-	-	-	6,240	-	-	-	-	-	-	6,240	5,002	11,242
Total transactions with shareholders	-	-	-	(968,375)	-	-	-	-	-	-	(968,375)	(516,719)	(1,485,094)
Balance as at September 30, 2019	5,045,214	(274,414)	737	(976,107)	(229,493)	-	4,560,371	171,021	505,659	1,632,861	10,435,849	530,546	10,966,395

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	
		September 30, 2020	At September 30, 2019 (Restated) ¹	September 30, 2020	At September 30, 2019 (Restated) ¹
Cash flows from operating activities					
Profit before taxes		(26,462)	1,798,724	364,152	2,315,489
Adjustments for:					
Depreciation and amortization	18	8,428	8,702	461,056	429,825
Interest in earnings of subsidiaries	8.1	(768,445)	(1,312,721)	(2,506)	29,470
Interest in earnings of joint ventures	9	58,666	72,647	(198,890)	(510,428)
Loss on disposals assets		96	(4,248)	4,189	17,873
Share-based payment transactions		3,641	29,604	9,956	31,464
Credit sales to third party		68,311	(400,000)	68,311	(400,000)
Provision for legal proceedings		36,862	28,720	49,112	29,978
Credit Tax		(2,566)	(153,356)	(6,998)	(214,429)
Indexation charges, interest and exchange, net		536,308	(147,557)	1,242,946	338,942
Provisions for employee benefits		4,795	8,470	65,295	65,746
Allowance for doubtful accounts		-	-	52,667	12,174
Sector assets and liabilities, net	12	-	-	224,082	-
Gain with indemnity action	19	-	(50,284)	-	(50,284)
Other		285	(16,456)	17,062	53,238
		(80,081)	(137,755)	2,350,434	2,149,058
Changes in:					
Trade receivables		-	-	164,318	(451,908)
Inventories		-	-	(38,434)	(83,660)
Other current tax receivable		(17,213)	32,612	27,398	240,500
Income tax receivable		(49,880)	2,243	(593,294)	(175,300)
Related parties, net		(232,824)	(3,671)	(59,038)	8,693
Trade payables		(4,569)	(2,145)	(184,789)	454,611
Salaries and wages		(17,904)	(15,729)	(64,189)	(64,499)
Provision for legal proceedings		(13,913)	(4,030)	(24,995)	(10,480)
Other financial assets		-	(1)	(38,492)	(30,217)
Judicial deposits		(1,488)	(7,956)	22,427	(11,863)
Discontinued operation		-	-	-	(3,947)
Contractual obligations in assigning credit rights	19	(31,857)	-	(31,857)	-
Post-employment benefits		-	-	(23,383)	(26,625)
Other assets and liabilities, net		12,445	(25,592)	(17,130)	(130,263)
		(357,203)	(24,269)	(861,458)	(284,958)
Net cash generated by (used in) operating activities		(437,284)	(162,024)	1,488,976	1,864,100
Cash flows from investing activities					
Capital contribution in subsidiaries and associates	8.1	(11,142)	(44,570)	(1,142)	(26,045)
Acquisition of subsidiary, net of cash acquired	8.2	-	-	(94,631)	(9,837)
Marketable securities		139,096	42,527	(860,998)	236,829
Cash received on sale of fixed assets, and intangible assets		-	10,550	-	10,578
Dividends received from subsidiaries and associates	8.1	223,462	610,657	5,679	9,444
Dividends received from jointly controlled entity		-	57,970	-	869,731
Other financial assets	5.4	(290,000)	-	(290,000)	-
Acquisition of property, plant and equipment, intangible assets and contract assets		(10,298)	(1,743)	(774,328)	(553,035)
New business acquisition cost		-	-	(51,288)	-
Discontinued operation	24	-	-	-	615

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

Net cash generated by (used in) investing activities		51,118	675,391	(2,066,708)	538,280
Cash flows from financing activities					
Loans, borrowings and debentures raised	5.6	-	1,692,647	2,350,608	1,723,968
Amortization of principal on loans, borrowings and debentures	5.6	(1,700,000)	-	(2,271,624)	(529,279)
Payment of interest on loans, borrowings and debentures	5.6	(35,203)	(54,787)	(496,828)	(440,356)
Amortization of principal on leases		(828)	(1,196)	(9,753)	(4,106)
Payment of interest on leases		(998)	(1,389)	(3,737)	(2,513)
Payment of derivative financial instruments		(54,651)	(93,659)	(55,326)	(100,408)
Receipt of derivative financial instruments		272,007	122,642	419,467	210,235
Capital contribution from non-controlling interest	8.3	-	-	6,666	31,651
Capital contribution from non-controlling shareholders	8.3	-	-	75,000	434,000
Related parties		(140,431)	(230,630)	-	-
Receipt of consideration asset	5.4	-	-	65,478	-
Payments to redeem entity's shares	15	(318,828)	-	(318,828)	-
Non-controlling interest subscription		-	1,192	-	1,192
Acquisition of non-controlling interests		-	(2,067,296)	-	(2,067,296)
Dividends paid		(574,139)	(389,257)	(575,861)	(544,352)
Dividends paid to preferred shareholders		-	-	(174,227)	(242,965)
Discontinued operation	24	-	-	-	(4,883)
Settlement of share grant plans		(20,281)	(45,777)	(22,804)	(45,961)
Net cash used in financing activities		(2,573,352)	(1,067,510)	(1,011,769)	(1,581,073)
Increase (decrease) in cash and cash equivalents		(2,959,518)	(554,143)	(1,589,501)	821,307
Cash and cash equivalents at beginning of the year		3,490,707	928,077	6,076,644	2,696,947
Effect of exchange rate fluctuations on cash held		580	-	358,006	54,654
Cash and cash equivalents at end of the year		531,769	373,934	4,845,149	3,572,908
Additional information					
Income tax paid		3,767	-	514,495	176,285

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

¹ For detailed information see note 24

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\$18,548 (R\$71,467 in September 30, 2019).
- ii. Capital contribution in the subsidiary Payly Soluções de Pagamentos 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\$56,120.
- iv. Recognition of contractual obligations related to the assignment of credit rights, in the amount of R\$68,311 (note 19).
- v. Recognition of sectorial assets and liabilities by the indirect controlled Comgás, as detailed in note 12.
- vi. Refinancing of some debts with BNDES (note 5.6).

Interest and dividend presentation

The Company classifies dividends and interest on capital received as cash flow from investing activities.

Interest received or paid is classified as cash flow in financing activities.

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

	Parent Company		Consolidated	
	September 30, 2020	At September 30, 2019 (Restated) ¹	September 30, 2020	At September 30, 2019 (Restated) ¹
Revenues				
Sales of products and services net of returns	-	-	12,660,296	12,612,396
Other operating revenues (expenses), net	(80,741)	364,718	(28,595)	340,434
Allowance for doubtful accounts	-	-	(52,667)	(12,174)
	(80,741)	364,718	12,579,034	12,940,656
Raw materials acquired from third parties				
Cost of goods sold and services rendered	-	-	6,800,658	7,178,960
Materials, energy, third party services, others	89,000	42,261	458,401	454,245
	89,000	42,261	7,259,059	7,633,205
Gross value added	(169,741)	322,457	5,319,975	5,307,451
Retention				
Depreciation and amortization	(8,428)	(8,703)	(461,056)	(429,515)
	(8,428)	(8,703)	(461,056)	(429,515)
Net value added	(178,169)	313,754	4,858,919	4,877,936
Value added transferred in				
Interest in earnings of subsidiaries	768,445	1,312,722	2,506	(29,470)
Interest in earnings of joint ventures	(58,666)	(72,647)	198,890	510,428
Finance income	118,505	348,750	245,280	568,132
Loss from discontinued operations	-	14,481	-	14,481
	828,284	1,603,306	446,676	1,063,571
Value added to be distributed	650,115	1,917,060	5,305,595	5,941,507
Distribution of value added				
Payroll and social charges	41,615	66,366	410,348	478,154
Direct remuneration	34,446	57,459	353,679	450,671
Benefits	4,462	4,423	50,165	18,033
FGTS and others	2,707	4,484	6,504	9,450
Taxes and contributions	(249,200)	6,505	3,218,296	2,933,551
Federal	(249,200)	6,505	85,619	230,631
State	-	-	2,395,444	2,488,491
Municipal	-	-	737,233	214,429
Finance expense and rents	625,996	182,366	1,407,886	806,879
Interest and exchange variation	538,564	131,370	1,193,934	602,249
Rents	4,547	-	213,952	-
Others	82,885	50,996	-	204,630
Non-controlling interests	-	-	37,361	61,100
Profit for the period	231,704	1,647,342	231,704	1,647,342
Loss from discontinued operations	-	14,481	-	14,481
	650,115	1,917,060	5,305,595	5,941,507

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

1. For detailed information see note 24.

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 66.33% of its shares.

On January 14, 2020, the Company contributed to the share capital of the subsidiary Compass Gás e Energia SA ("Compass Gás e Energia"), the totality of 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 (note 8.2). Contributed shareholders' equity was that of December 31, 2019 and, therefore, as of January 1, 2020, Compass Gás e Energia became the holder of its control.

On January 30, 2020, the Company acquired, through its subsidiary Comercializadora de Gás S.A. ("Comercialização"), control of Black River Participações Ltda. ("Black River"), Compass Comercializadora de Energia Ltda., Compass Geração Ltda. and Compass Energia Ltda. jointly called "Compass Trading" for an amount equivalent to R\$ 99,385. The purpose of the investment is to enter the electricity trading business (note 8.2).

On March 9, 2020, Cosan S.A. announced the creation of the "Gas and Energy" segment. This segment will integrate the operations of Comgás, TRSP - LNG Regasification Terminal of São Paulo S.A. ("TRSP"), Rota 4 Participações S.A. ("Rota 4") and Compass Trading. Our new gas and energy segment will be the vehicle through which we will develop the activities of (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 a regasification terminal and offshore flow pipeline; and (iv) thermal generation through natural gas.

On June 30, 2020, the Ordinary and Extraordinary General Meeting of the subsidiary Compass approved the request for registration of the public offering of primary distribution of common shares. On September 28, 2020, the Company filed with the Brazilian Securities and Exchange Commission ("CVM") the request to cancel the public offering for the primary distribution of common shares due to the deterioration of market conditions.

1.1 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. There was no impacts on the Company's financial statements.

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 at the Costa Pinto Plant 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.

Until September 30, 2020, the Company, its parent company, its subsidiaries and jointly controlled companies spent approximately R\$ 11,587 in relation to the cyber attack, including the costs of prevention, detection, response and management, implementation of additional cybersecurity technologies and hiring specialized labor.

1.2 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 indirect subsidiary Comgás 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 May and June 2020.

iv. Decree 10.305 / 2020. Pursuant to Decree 10.305 / 2020, the IOF rate for loans and financing for 180 days was reduced to zero.

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 July 31, 2020.

b) Impact on interim financial statements

The Company ended the period ended September 30, 2020 with cash of R\$7,100,613, net working capital with a positive balance of R\$5,678,744 and a profit of R\$269,066.

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\$2,034,000 (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 September 30, 2020, leverage (net debt / pro forma EBITDA) was 2.7x (2.0x as of December 31, 2019). Until September 30, 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 September 30, 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. In addition, its subsidiaries Comgás and Moove reviewed the variables that make up the methodology for measuring expected losses, through the macroeconomic projections of each segment, capturing the estimates of reflexes in default and credit recovery for the next months, which reflected a total increase of approximately R\$ 40,000 in expected losses accumulated of 2020, of which they are being gradually reduced due to reversals given the partial resumption of industrial and economic activities in general.

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.

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 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 November 13, 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. All balances have been rounded to the nearest thousands, except where otherwise indicated.

4 Segment information

Segment information is used by the Company's top management (the Chief Operating Decision Maker) to assess the performance of the operating segments and make decisions regarding the allocation of resources. This information is prepared in a manner consistent with the accounting policies used in the preparation of the financial statements. The Company evaluates the performance of its operating segments based on earnings before interest, depreciation and amortization ("EBITDA - Earnings before interest, taxes, depreciation, and amortization").

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:** 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; and (ii) the sale of electricity, comprising the purchase and sale of electricity to other traders, to consumers who have a free choice of supplier and to other agents permitted by law;
- 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”.

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

July 1, 2020 to September 30, 2020								
	Reported segments					Reconciliation		Consolidated
	Raízen Energia	Raízen Combustíveis	Comgás	Moove	Cosan Corporate	Deconsolidated effects	Segment elimination	
	Brazil	Argentina						
Statement of profit or loss:								
Gross sales	7,659,684	20,645,018	3,602,421	3,068,127	1,628,395	16	(31,907,123)	4,696,538
Domestic market	4,141,981	20,645,018	3,602,421	3,068,127	958,859	16	(28,389,420)	4,027,002
External market	3,517,703	-	-	-	669,536	-	(3,517,703)	669,536
Net sales	7,320,290	19,873,426	2,366,023	2,426,913	1,287,996	14	(29,559,739)	3,714,923
Cost of sales	(6,482,768)	(19,004,214)	(2,001,790)	(1,670,633)	(966,270)	(137)	27,488,772	(2,637,040)
Gross profit	837,522	869,212	364,233	756,280	321,726	(123)	(2,070,967)	1,077,883
Selling expenses	(336,318)	(346,083)	(173,813)	(50,333)	(120,872)	(165)	856,214	(171,370)
General and administrative expenses	(172,014)	(97,984)	(47,706)	(184,026)	(58,756)	(45,709)	317,704	(288,491)
Other income (expenses), net	(15,118)	114,602	53,878	(9,040)	3,379	(19,507)	(153,362)	(25,168)
Interest in earnings of associates	-	140,884	-	-	-	298,487	(140,884)	(1,229)
Interest in earnings of joint ventures	1,622	(42)	-	-	-	228,697	(1,580)	228,697
Financial results	(353,492)	(23,292)	(47,803)	(127,110)	(31,785)	(258,541)	424,587	(417,436)
Finance expense	(360,636)	(141,796)	(28,552)	(51,759)	(8,460)	(293,311)	530,984	(353,530)
Finance Income	108,066	64,736	17,511	31,523	262	6,402	(190,313)	38,187
Foreign exchange losses, net	(128,780)	(343,511)	(25,536)	(27,072)	(33,243)	(180,889)	497,827	(241,204)
Derivatives	27,858	397,279	(11,226)	(79,802)	9,656	209,257	(413,911)	139,111
Income tax (expense)benefit	31,796	(160,786)	(7,905)	(130,324)	(42,849)	99,495	136,895	(73,678)
Net income for period	(6,002)	496,511	140,884	255,447	70,843	302,634	(631,393)	329,208
Net income attributable to:								
Owners of the Parent	(20,516)	477,289	140,884	250,625	48,803	304,127	(597,657)	303,839
Non-controlling interests	14,514	19,222	-	4,822	22,040	(1,493)	(33,736)	25,369
	(6,002)	496,511	140,884	255,447	70,843	302,634	(631,393)	329,208
Other select data:								
Depreciation and amortization	1,014,022	76,676	169,733	132,928	32,006	3,453	(1,260,431)	168,387
EBITDA	1,329,716	757,265	366,325	645,809	177,483	465,133	(2,453,306)	988,709
Additions to PP&E, intangible, biological assets and contract assets	420,458	52,639	63,740	254,159	9,100	3,956	(536,837)	267,215
Reconciliation of EBITDA:								
Net income for period	(6,002)	496,511	140,884	255,447	70,843	302,634	(631,393)	329,208
Income tax and social contribution	(31,796)	160,786	7,905	130,324	42,849	(99,495)	(136,895)	73,678
Financial results, net	353,492	23,292	47,803	127,110	31,785	258,541	(424,587)	417,436
Depreciation and amortization	1,014,022	76,676	169,733	132,928	32,006	3,453	(1,260,431)	168,387
EBITDA	1,329,716	757,265	366,325	645,809	177,483	465,133	(2,453,306)	988,709

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

January 1, 2020 to September 30, 2020									
	Reported segments					Reconciliation			Consolidated
	Raízen Energia	Raízen Combustíveis Brazil	Argentina	Gas and Energy	Moove	Cosan Corporate	Deconsolidated effects	Segment elimination	
Statement of profit or loss:									
Gross sales	22,407,990	56,602,632	10,529,141	8,719,577	3,959,459	19	(89,539,763)	-	12,679,055
Domestic market ¹	13,207,272	56,602,632	10,529,141	8,719,577	2,222,259	19	(80,339,045)	-	10,941,855
External market ¹	9,200,718	-	-	-	1,737,200	-	(9,200,718)	-	1,737,200
Net sales	21,309,068	54,162,273	7,143,590	6,462,010	3,116,028	16	(82,614,931)	-	9,578,054
Cost of sales	(19,168,230)	(52,181,598)	(6,717,552)	(4,384,970)	(2,388,886)	(1,451)	78,067,380	-	(6,775,307)
Gross profit	2,140,838	1,980,675	426,038	2,077,040	727,142	(1,435)	(4,547,551)	-	2,802,747
Selling expenses	(713,440)	(1,041,555)	(529,994)	(411,327)	(344,750)	(1,388)	2,284,989	-	(757,465)
General and administrative expenses	(479,062)	(330,056)	(126,339)	(376,834)	(162,598)	(126,969)	935,457	-	(666,401)
Other income (expenses), net	225,788	280,969	102,559	31,324	32,407	(116,016)	(609,316)	-	(52,285)
Interest in earnings of associates	-	(147,624)	-	8	-	818,103	147,624	(815,605)	2,506
Interest in earnings of joint ventures	(85,476)	925	-	-	-	198,890	84,551	-	198,890
Financial results	(868,326)	(238,015)	(104,081)	(172,962)	(101,802)	(889,076)	1,210,422	-	(1,163,840)
Finance expense	(1,052,186)	(516,274)	(100,095)	(224,357)	(24,226)	(1,108,424)	1,668,555	-	(1,357,007)
Finance Income	296,316	187,364	27,220	156,140	17,031	72,110	(510,900)	-	245,281
Foreign exchange losses, net	(868,880)	(3,879,971)	(5,875)	(226,859)	(149,082)	(1,797,067)	4,754,726	-	(2,173,008)
Derivatives	756,424	3,970,866	(25,331)	122,114	54,475	1,944,305	(4,701,959)	-	2,120,894
Income tax (expense) benefit	(48,208)	(209,100)	84,193	(383,342)	(57,366)	345,622	173,115	-	(95,086)
Net income for period	172,114	296,219	(147,624)	763,907	93,033	227,731	(320,709)	(815,605)	269,066
Net income attributable to:									
Owners of the Parent	117,220	278,894	(147,624)	751,229	64,087	231,993	(248,490)	(815,605)	231,704
Non-controlling interests	54,894	17,325	-	12,678	28,946	(4,262)	(72,219)	-	37,362
	172,114	296,219	(147,624)	763,907	93,033	227,731	(320,709)	(815,605)	269,066
Other select data:									
Depreciation and amortization	2,830,170	228,566	485,187	369,208	81,696	10,152	(3,543,923)	-	461,056
EBITDA	3,918,818	971,900	357,451	1,689,419	333,897	781,337	(5,248,169)	(815,605)	1,989,048
Additions to PP&E, intangible, biological assets and contract assets	2,062,778	182,474	206,738	739,620	19,459	15,249	(2,451,990)	-	774,328
Reconciliation of EBITDA:									
Net income for period	172,114	296,219	(147,624)	763,907	93,033	227,731	(320,709)	(815,605)	269,066
Income tax and social contribution	48,208	209,100	(84,193)	383,342	57,366	(345,622)	(173,115)	-	95,086
Financial results, net	868,326	238,015	104,081	172,962	101,802	889,076	(1,210,422)	-	1,163,840
Depreciation and amortization	2,830,170	228,566	485,187	369,208	81,696	10,152	(3,543,923)	-	461,056
EBITDA	3,918,818	971,900	357,451	1,689,419	333,897	781,337	(5,248,169)	(815,605)	1,989,048

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

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

July 1, 2019 to September 30, 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	8,106,015	23,227,089	4,601,197	3,271,286	1,370,626	2	(35,934,301)	(11)	4,641,903
Domestic market ¹	5,956,612	23,227,089	4,601,197	3,271,286	728,187	2	(33,784,898)	(11)	3,999,464
External market ¹	2,149,403	-	-	-	642,439	-	(2,149,403)	-	642,439
Net sales	7,698,685	22,261,306	3,282,656	2,585,530	1,100,726	2	(33,242,647)	(11)	3,686,247
Cost of sales	(7,162,681)	(21,353,241)	(3,147,796)	(1,666,191)	(875,216)	(1)	31,663,718	11	(2,541,397)
Gross profit	536,004	908,065	134,860	919,339	225,510	1	(1,578,929)	-	1,144,850
Selling expenses	(209,861)	(381,113)	(172,944)	(154,529)	(136,483)	(2,989)	763,918	-	(294,001)
General and administrative expenses	(172,273)	(130,677)	(34,961)	(98,255)	(45,126)	(76,121)	337,911	-	(219,502)
Other (expense) income, net	84,228	308,897	24,498	(18,243)	(93)	520,110	(417,623)	-	501,774
Interest in earnings of associates	-	(176,616)	-	-	(24)	409,994	176,616	(408,753)	1,217
Interest in earnings of joint ventures	1,176	-	-	-	-	148,185	(1,176)	-	148,185
Financial results	(193,499)	(10,294)	(149,948)	(26,682)	(50,654)	(53,375)	353,741	-	(130,711)
Finance expense	(325,151)	(84,097)	(24,013)	(101,154)	(3,513)	(192,677)	433,261	-	(297,344)
Finance income	111,257	77,202	7,578	74,532	(1,080)	173,023	(196,037)	-	246,475
Foreign exchange losses, net	(152,702)	(731,011)	(216,273)	(50,555)	(59,852)	(383,785)	1,099,986	-	(494,192)
Derivatives	173,097	727,612	82,760	50,495	13,791	350,064	(983,469)	-	414,350
Income tax (expense) benefit	1,698	(219,363)	21,879	(202,395)	(1,872)	(124,031)	195,786	-	(328,298)
Profit (loss) from continuing operations	47,473	298,899	(176,616)	419,235	(8,742)	821,774	(169,756)	(408,753)	823,514
Profit (loss) from discontinued operations	-	-	-	-	-	(3,906)	-	-	(3,906)
Total net income attributable to:									
Owners of the Company	19,204	284,019	(176,616)	415,475	(6,723)	818,886	(126,607)	(408,753)	818,885
Non-controlling interests	28,269	14,880	-	3,760	(2,019)	(1,018)	(43,149)	-	723
	47,473	298,899	(176,616)	419,235	(8,742)	817,868	(169,756)	(408,753)	819,608
Other selected data:									
Depreciation and amortization	721,764	67,238	126,685	112,808	36,233	2,768	(915,687)	-	151,809
EBITDA	961,038	595,794	78,138	761,120	80,017	1,001,948	(1,634,970)	(408,753)	1,434,332
Additions to PP&E, intangible and biological assets	538,386	89,208	109,705	207,814	9,042	2,072	(737,299)	-	218,928
Reconciliation of EBITDA:									
Profit (loss) from continuing operations	47,473	298,899	(176,616)	419,235	(8,742)	821,774	(169,756)	(408,753)	823,514
Income tax and social contribution	(1,698)	219,363	(21,879)	202,395	1,872	124,031	(195,786)	-	328,298
Financial result, net	193,499	10,294	149,948	26,682	50,654	53,375	(353,741)	-	130,711
Depreciation and amortization	721,764	67,238	126,685	112,808	36,233	2,768	(915,687)	-	151,809
EBITDA	961,038	595,794	78,138	761,120	80,017	1,001,948	(1,634,970)	(408,753)	1,434,332

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

July 1, 2019 to September 30, 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	22,081,963	67,407,406	13,353,55	8,834,886	3,908,540	4	(102,842,923)	(29)	12,743,401
Domestic market ¹	16,843,037	67,407,406	13,353,55	8,834,886	2,076,880	4	(97,603,997)	(29)	10,911,741
External market ¹	5,238,926	-	-	-	1,831,660	-	(5,238,926)	-	1,831,660
Net sales	20,902,814	64,320,662	9,495,561	6,984,381	3,139,549	4	(94,719,037)	(29)	10,123,905
Cost of sales	(19,504,145)	(61,683,213)	(8,733,206)	(4,715,989)	(2,486,495)	-	89,920,564	29	(7,202,455)
Gross profit	1,398,669	2,637,449	762,355	2,268,392	653,054	4	(4,798,473)	-	2,921,450
Selling expenses	(617,519)	(1,110,162)	(503,288)	(455,855)	(369,250)	(5,343)	2,230,969	-	(830,448)
General and administrative expenses	(447,699)	(382,421)	(98,225)	(271,366)	(122,482)	(158,445)	928,345	-	(552,293)
Other (expense) income, net	132,681	686,761	73,328	2,676	(24)	531,917	(892,770)	-	534,569
Interest in earnings of associates	-	(14,631)	-	-	928	939,777	14,631	(970,175)	(29,470)
Interest in earnings of joint ventures	(3,082)	-	-	-	-	510,428	3,082	-	510,428
Financial results	(592,500)	(82,994)	(273,981)	(116,056)	(40,723)	(81,968)	949,475	-	(238,747)
Finance expense	(1,085,403)	(556,271)	(55,918)	(300,611)	(30,009)	(696,230)	1,697,592	-	(1,026,850)
Finance income	358,936	228,855	19,957	184,646	17,076	366,409	(607,748)	-	568,131
Foreign exchange losses, net	(98,946)	(545,050)	(287,665)	(44,638)	(48,419)	(344,706)	931,661	-	(437,763)
Derivatives	232,913	789,472	49,645	44,547	20,629	592,559	(1,072,030)	-	657,735
Income tax (expense) benefit	65,527	(539,311)	25,180	(482,200)	(34,803)	(90,041)	448,604	-	(607,044)
Profit (loss) from continuing operations	(63,923)	1,194,691	(14,631)	945,591	86,700	1,646,329	(1,116,137)	(970,175)	1,708,445
Profit (loss) from discontinued operations	-	-	-	-	-	(14,481)	-	-	(14,481)
Total net income attributable to:									
Owners of the Company	(106,607)	1,144,643	(14,631)	908,025	62,148	1,632,863	(1,023,405)	(970,175)	1,632,861
Non-controlling interests	42,684	50,048	-	37,566	24,552	(1,015)	(92,732)	-	61,103
	(63,923)	1,194,691	(14,631)	945,591	86,700	1,631,848	(1,116,137)	(970,175)	1,693,964
Other selected data:									
Depreciation and amortization	2,076,556	258,463	308,548	343,414	77,311	9,100	(2,643,567)	-	429,825
EBITDA	2,539,606	2,075,459	542,718	1,887,261	239,537	1,827,438	(5,157,783)	(970,175)	2,984,061
Additions to PP&E, intangible and biological assets	2,246,140	227,840	274,021	528,201	18,443	6,391	(2,748,001)	-	553,035
Reconciliation of EBITDA:									
Profit (loss) from continuing operations	(63,923)	1,194,691	(14,631)	945,591	86,700	1,646,329	(1,116,137)	(970,175)	1,708,445
Income tax and social contribution	(65,527)	539,311	(25,180)	482,200	34,803	90,041	(448,604)	-	607,044
Financial result, net	592,500	82,994	273,981	116,056	40,723	81,968	(949,475)	-	238,747
Depreciation and amortization	2,076,556	258,463	308,548	343,414	77,311	9,100	(2,643,567)	-	429,825
EBITDA	2,539,606	2,075,459	542,718	1,887,261	239,537	1,827,438	(5,157,783)	(970,175)	2,984,061

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

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

September 30, 2020

		Reported segments				Reconciliation			Consolidated
		Raízen Energia	Raízen Combustíveis	Gas and Energy	Moove	Cosan Corporate	Deconsolidated effects	Segment elimination	
		Brazil	Argentina						
Items of statement of financial position:									
Cash and cash equivalents	1,799,016	781,895	281,387	2,782,892	936,161	1,126,096	(2,862,298)	-	4,845,149
Marketable securities	-	-	-	1,007,100	274,997	973,367	-	-	2,255,464
Trade receivables	1,635,206	1,826,055	379,249	910,745	561,186	(78)	(3,840,510)	-	1,471,853
Derivative financial instruments	5,147,146	3,496,544	-	569,639	66,906	3,245,557	(8,643,690)	-	3,882,102
Inventories	5,582,920	2,803,190	1,521,230	115,646	510,164	-	(9,907,340)	-	625,810
Sector financial asset	-	-	-	318,684	-	-	-	-	318,684
Other financial assets	469,440	-	-	-	70,672	772,097	(469,440)	-	842,769
Other current assets	3,910,328	3,492,462	882,012	276,561	276,620	1,129,314	(8,284,802)	(497,905)	1,184,590
Other non-current assets	6,015,686	1,946,100	73,786	105,720	271,956	1,547,516	(8,035,572)	(347,513)	1,577,679
Contract assets	-	3,518,773	386	-	-	5,329,090	(3,519,159)	(5,005,263)	323,827
Investments in associates	531,642	739,820	-	-	-	7,658,237	(1,271,462)	-	7,658,237
Investments in joint ventures	1,002,926	-	-	-	-	-	(1,002,926)	-	-
Biological assets	-	2,227,446	75,356	737,871	9,575	-	(2,302,802)	-	747,446
Right-of-use assets	4,365,778	115,217	510,489	9,976	40,968	24,863	(4,991,484)	-	75,807
Property, plant and equipment	11,732,170	2,558,265	4,351,343	7,879	333,043	75,444	(18,641,778)	-	416,366
Intangible assets and goodwill	3,613,256	2,514,972	10,642	8,568,266	1,291,689	15,022	(6,138,870)	-	9,874,977
Loans, borrowings and debentures	(18,585,240)	(6,823,754)	(986,666)	(7,449,361)	(930,922)	(8,100,096)	26,395,660	-	(16,480,379)
Derivative financial instruments	(4,357,474)	(169,704)	(7,008)	(71,405)	(2,002)	(130,075)	4,534,186	-	(203,482)
Trade payables	(3,855,510)	(4,568,225)	(1,013,777)	(985,532)	(696,250)	(3,256)	9,437,512	-	(1,685,038)
Employee benefits payable	(452,734)	(90,854)	(59,694)	(70,927)	(78,860)	(21,011)	603,282	-	(170,798)
Sector financial liabilities	-	-	-	(530,935)	-	-	-	-	(530,935)
Other current liabilities	(3,192,570)	(2,282,970)	(1,170,192)	(575,008)	(398,347)	(502,728)	6,645,732	51,917	(1,424,166)
Preferred shareholders payable in subsidiaries	-	-	-	-	-	(449,604)	-	-	(449,604)
Leases	(3,980,638)	(126,957)	(465,537)	(10,860)	(44,142)	(27,035)	4,573,132	-	(82,037)
Other non-current liabilities	(1,878,900)	(5,683,037)	(863,847)	(1,992,570)	(556,564)	(1,998,021)	8,425,784	793,500	(3,753,655)
Total assets (net of liabilities) allocated by segment	9,502,448	6,275,238	3,519,159	3,724,381	1,936,850	10,664,699	(19,296,845)	(5,005,264)	11,320,666
Total assets	45,805,514	26,020,739	8,085,880	15,410,979	4,643,937	21,896,525	(79,912,133)	(5,850,681)	36,100,760
Equity attributable to:									
Equity attributable to owners of the Company	9,393,339	6,016,548	3,519,159	3,657,838	1,344,125	10,662,952	(18,929,046)	(5,005,264)	10,659,651
Non-controlling interests	109,109	258,690	-	66,543	592,725	1,747	(367,799)	-	661,015
Total shareholders' equity	9,502,448	6,275,238	3,519,159	3,724,381	1,936,850	10,664,699	(19,296,845)	(5,005,264)	11,320,666

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

December 31, 2019

	Reported segments					Reconciliation			Consolidated
	Raízen Energia	Raízen Combustíveis		Gas and Energy	Moove	Cosan Corporate	Deconsolidated effects	Segment elimination	
		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	5,163	374,730	17,005	1,508,644	(3,056,277)	-	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	3,506,579	872,413	315,744	165,070	917,783	(11,504,324)	(358,944)	1,039,653
Other non-current assets	4,196,166	2,014,958	24,095	90,662	150,683	1,562,651	(6,235,219)	(488,227)	1,315,769
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)	-	-
Derivative financial instruments	-	2,736,589	48,985	594,602	5,939	-	(2,785,574)	-	600,541
Right-of-use assets	4,017,503	97,375	476,251	10,128	22,592	18,685	(4,591,129)	-	51,405
Property, plant and equipment	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)	(5,859,807)	(856,185)	(683,555)	(217,705)	(1,116,752)	11,033,601	73,558	(1,944,454)
Preferred shareholders payable in subsidiaries	-	-	-	-	-	(611,537)	-	-	(611,537)
Leases	(3,504,501)	(103,807)	(439,860)	(10,843)	(27,431)	(19,629)	4,048,168	-	(57,903)
Other non-current liabilities	(2,046,961)	(4,492,725)	(734,761)	(1,998,107)	(408,386)	(2,307,755)	7,274,447	771,893	(3,942,355)
Total assets (net of liabilities) allocated by segment	10,435,773	5,078,432	2,612,851	2,886,519	1,587,696	10,556,092	(18,127,056)	(3,969,091)	11,061,216
Total assets	42,843,360	24,252,101	6,549,005	12,038,100	3,499,109	22,142,473	(73,644,466)	(4,814,542)	32,865,140
Equity attributable to:									
Owners of the Company	10,358,052	4,808,076	2,612,851	2,861,954	1,107,136	10,553,735	(17,778,979)	(3,969,091)	10,553,734
Non-controlling interests	77,721	270,356	-	24,565	480,560	2,357	(348,077)	-	507,482
Total shareholders' equity	10,435,773	5,078,432	2,612,851	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

	July 1, 2020 to September 30, 2020	January 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019 (Restated)	January 1, 2019 to September 30, 2020 (Restated)
Reported segment				
Raízen Energia				
Ethanol	2,459,629	8,217,294	3,031,393	7,894,039
Sugar	2,442,965	5,830,926	593,659	2,926,573
Gas	342,698	1,362,892	1,056,161	2,411,100
Diesel	1,245,754	3,853,356	1,825,320	4,761,504
Cogeneration	586,940	1,692,210	1,151,721	2,798,869
Other	242,304	352,390	40,431	110,729
	7,320,290	21,309,068	7,698,685	20,902,814
Raízen Combustíveis				
Fuels	21,986,007	60,588,733	25,122,039	72,637,253
Other	253,442	717,130	421,923	1,178,970
	22,239,449	61,305,863	25,543,962	73,816,223
Gás and Energy				
Industrial	1,338,961	3,584,789	1,594,044	4,494,613
Residential	417,892	1,038,628	432,476	951,429
Cogeneration	91,243	241,177	109,951	324,071
Automotive	53,811	156,890	90,483	258,433
Commercial	85,882	248,904	140,068	369,576
Construction revenue	223,040	639,360	199,730	541,780
Other	9,054	31,343	18,778	44,479
Energy Trading	207,030	520,919	-	-
	2,426,913	6,462,010	2,585,530	6,984,381
Moove				
Finished goods	1,078,097	2,767,260	1,036,599	2,928,196
Basic oil	169,288	256,912	46,918	178,465
Services	40,611	91,856	17,209	32,888
	1,287,996	3,116,028	1,100,726	3,139,549
Reconciliation				
Cosan Corporate	14	16	2	4
Deconsolidated of joint ventures and eliminations	(29,559,739)	(82,614,931)	(33,242,658)	(94,719,066)
Total	3,714,923	9,578,054	3,686,247	10,123,905

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:

		Parent Company		Consolidated	
	Note	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Assets					
Fair values through profit or loss					
Cash and cash equivalents	5.1	531,362	2,088,707	2,261,993	3,277,789
Marketable securities	5.2	787,219	910,064	2,255,464	1,363,048
Other financial assets	5.4	772,097	708,783	842,769	843,420
Derivative financial instruments	5.8	3,115,482	1,359,821	3,882,102	1,900,379
		5,206,160	5,067,375	9,242,328	7,384,636
Amortized cost					
Cash and cash equivalents	5.1	407	1,402,000	2,583,156	2,798,855
Trade receivables	5.3	-	-	1,471,853	1,415,111
Receivables from related parties	5.5	751,095	777,992	190,494	171,910
Sector assets	12	-	-	318,684	-
Dividends and interest on capital receivable		70,386	22,684	70,887	22,684
		821,888	2,202,676	4,635,074	4,408,560
Total		6,028,048	7,270,051	13,877,402	11,793,196
Liabilities					
Amortized cost					
Loans, borrowings and debentures	5.6	-	1,727,460	9,558,114	7,997,752
Leases		27,036	19,630	82,037	57,903
Trade payables	5.7	2,637	5,175	1,685,038	1,676,725
Other financial liabilities		-	-	133,571	132,927
Dividends payable		14,614	588,752	16,092	590,204
Payables to related parties	5.5	7,891,386	5,980,138	270,599	260,236
Tax installments - REFIS	11	193,568	195,600	200,015	202,418
Sector liabilities	12	-	-	530,935	-
Preferred shareholders payable in subsidiaries		449,604	611,537	449,604	611,537
		8,578,845	9,128,292	12,926,005	11,529,702
Fair values through profit or loss					
Loans, borrowings and debentures	5.6	-	-	6,922,265	5,359,298
Contingent consideration payable		-	-	235,424	184,370
Derivative financial instruments	5.8	130,075	47,985	203,482	49,785
		130,075	47,985	7,361,171	5,593,453
Total		8,708,920	9,176,277	20,287,176	17,123,155

5.1 Cash and cash equivalents

	Parent Company		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Cash and bank accounts	251	121	66,639	118,738
Savings account	-	-	1,067,783	885,740
Financial Investments	531,518	3,490,586	3,710,727	5,072,166
Total	531,769	3,490,707	4,845,149	6,076,644

Financial investments are composed as following:

	Parent Company		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Investment fund				
Repurchase agreements	238,888	1,714,348	1,763,625	2,799,459
Bank certificate of deposits - CDB	292,474	374,359	498,368	478,330
Total investment fund investment	531,362	2,088,707	2,261,993	3,277,789
Bank investments				
Repurchase agreements	-	1,400,735	47,179	1,400,735
Bank certificate of deposits - CDB	-	-	1,288,415	392,498
Other	156	1,144	113,140	1,144
Total bank applications	156	1,401,879	1,448,734	1,794,377
Total financial investments	531,518	3,490,586	3,710,727	5,072,166

The Company's onshore financial investments are monetized at rates around 97% of the CDI in September 30, 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 21.

5.2 Marketable securities

	Parent company		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Marketable securities				
Government security ⁽ⁱ⁾	787,219	910,064	2,255,464	1,363,048
	787,219	910,064	2,255,464	1,363,048

- (i) Government bonds have an interest rate linked to the special settlement and custody system ("Selic") and mature between two and five years with daily liquidity.

5.3 Trade receivables

	Consolidated	
	September 30, 2020	December 31, 2019
Domestic – Brazilian Reais	1,605,367	1,518,633
Export – Foreign currency	22,253	11,399
	1,627,620	1,530,032
Allowance for doubtful accounts ⁽ⁱ⁾	(155,767)	(114,921)
	1,471,853	1,415,111
Current	1,452,488	1,400,498
Non-current	19,365	14,613

- i. Of the total recognized, approximately R\$ 40,000 was added to the indirect subsidiary Comgás due to a higher default rate resulting from the Covid-19 pandemic, as detailed in note 1. During the third quarter, due to the partial resumption of industrial and economic activities, the subsidiary Comgás reversed part of the provision for losses previously constituted, as certain credits with customers recovered.

5.4 Other financial assets

The balance of Other financial assets is composed as following:

	Parent Company		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Rumo S.A. Shares ⁽ⁱ⁾	763,011	697,712	763,011	697,712
Cosan Logística S.A. Shares ⁽ⁱ⁾	9,086	11,071	9,086	11,071
Other financial assets ⁽ⁱⁱ⁾	-	-	70,672	134,637
	772,097	708,783	842,769	843,420
Current	772,097	708,783	841,712	773,629
Non-current	-	-	1,057	69,791
	772,097	708,783	842,769	843,420

- i. The Company has 40,065,607 shares, representing 2.16% of the total shares of Rumo S.A. (13,333,333 of these shares were acquired through the issuance of a primary public offering, representing R\$ 290,000, settled in cash, on August 27, 2020, according to the relevant fact disclosed). And 477,196 shares, representing 0.10% of the total shares of Cosan Logística, at market value, where it uses the measurement methodology at fair value and not the equity method. On September 30, 2020, the share price of Rumo S.A. and Cosan Logística was R\$ 19.06 and R\$ 17.70 (on December 31, 2019, R\$ 26.10 and R\$ 23.20), respectively.
- ii. On March 31, 2020, Cosan Lubes Investments Limited ("CLI") received R\$65,478 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	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Current assets				
Commercial operation				
Raízen Energia S.A.	43,394	42,953	48,497	44,119
Rumo S.A.	1,453	3,727	5,099	7,763
Aguassanta Participações S.A.	739	444	739	444
Cosan Limited	4,923	4,518	4,923	4,518
Cosan Lubrificantes e Especialidades S.A. ⁽ⁱ⁾	291,188	294,783	-	-
Raízen Combustíveis S.A.	1,947	784	2,883	2,638
Payly Soluções de Pagamentos S.A.	11,094	4,462	-	-
Other	-	2,614	973	183
	354,738	354,285	63,114	59,665
Financial operations				
Cosan Limited	-	-	-	33,925
	354,738	354,285	63,114	93,590
Non-current assets				
Receivables under the framework agreement				
Raízen Energia S.A. ⁽ⁱⁱ⁾	78,304	78,304	78,304	78,304
Cosan Limited	78,304	78,304	78,304	78,304
Financial and corporation operations				
Cosan Lubrificantes e Especialidades S.A. ⁽ⁱ⁾	318,053	345,403	-	-
Cosan Limited	-	-	48,377	-
Other	-	-	699	16
	318,053	345,403	49,076	16
	396,357	423,707	127,380	78,320

	Parent Company		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Current liabilities				
Commercial operation				
Raízen Energia S.A. ⁽ⁱⁱ⁾	245,310	237,361	259,478	246,965
Raízen Combustíveis S.A.	6,571	12,385	6,572	12,386
Radar Propriedades Agrícolas S.A.	-	150	-	150
Rumo S.A.	3,545	571	3,678	704
Cosan Limited	37	26	37	26
Payly Soluções de Pagamentos S.A.	7,325	-	-	-
Cosan Lubrificantes e Especialidades S.A. ⁽ⁱ⁾	16,321	57,875	-	-
Other	-	-	88	5
	279,109	308,368	269,853	260,236
Financial and corporation operations				
Cosan Overseas Limited	36,448	26,045	-	-
Cosan Luxembourg S.A.	79,677	96,118	-	-
	116,125	122,163	-	-
	395,234	430,531	269,853	260,236
Non-current liabilities				
Financial and corporation operations				
Cosan Luxembourg S.A. ⁽ⁱⁱⁱ⁾	3,911,825	2,795,290	-	-
Cosan Lubrificantes e Especialidades S.A. ⁽ⁱ⁾	744,235	724,860	-	-
Cosan Overseas Limited ⁽ⁱⁱⁱ⁾	2,840,092	2,029,457	-	-
Other	-	-	746	-
	7,496,152	5,549,607	746	-
	7,496,152	5,549,607	746	-

- (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 Company. nor the information by segment.
- (ii) Current and non-current assets receivable from Raízen Energia and Raízen Combustíveis are, primarily, tax credits which will be reimbursed to the Company when realized. The preferred shares are used to Raízen reimburse Company, with preferential dividends, when the net operating loss is consumed in Raízen.

Current liabilities represent reimburse to Raízen Energia and Raízen Combustíveis related to expenses regarding legal disputes and other liabilities, generated before the formation of joint ventures, which are responsibility of Company.

- (iii) These operations serve as a vehicle for the transfer of resources from the Company to the subsidiaries, which are the bondholders and who are responsible for honoring their obligations. The increases observed in these liability balances refer to the exchange rate variation, which affected the PPE (Export Prepayment) operations that we have today between the Companies and the subsidiaries Cosan Luxemburgo S.A and Cosan Overseas Limited.

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

b) Related party transactions:

	Parent Company			
	July 1, 2020 to September 30, 2020	January 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019 (Restated)	January 1, 2019 to September 30, 2019 (Restated)
Purchase of goods / inputs				
Raízen Combustíveis S.A.	(8)	(8)	(1)	(48)
	(8)	(8)	(1)	(48)
Shared revenue (expense)				
Rumo S.A.	816	2,751	732	5,114
Cosan Lubrificantes e Especialidades S.A.	617	2,256	724	2,379
Raízen Energia S.A.	(469)	(2,124)	(408)	(2,224)
Other	-	-	(19)	385
	964	2,883	1,029	5,654
Financial result				
Usina Santa Luiza S.A.	-	-	-	(41)
Cosan Lubrificantes e Especialidades S.A.	(5,626)	(7,545)	81,298	80,265
Cosan Limited	40	394	81	610
Cosan Luxembourg S.A. ⁽ⁱ⁾	(154,305)	(1,235,375)	(269,910)	(307,865)
Pasadena Empreendimento Participação S.A.	-	-	-	137
Cosan Overseas Limited ⁽ⁱ⁾	(138,025)	(975,790)	(209,178)	(266,349)
Raízen Combustíveis S.A.	1,281	5,294	1,556	4,316
	(296,635)	(2,213,022)	(396,153)	(488,927)

	Consolidated			
	July 1, 2020 to September 30, 2020	January 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019 (Restated)	January 1, 2019 to September 30, 2019 (Restated)
Operating revenues				
Rumo S.A.	10,456	27,999	9,422	25,620
Raízen Combustíveis S.A.	8,356	26,890	9,565	30,758
Raízen Energia S.A.	4,998	21,652	7,473	20,490
	23,810	76,541	26,460	76,868
Purchase of goods / Inputs				
Raízen Energia S.A.	-	-	(4,314)	(6,970)
Rumo S.A.	-	-	-	(33)
Raízen Combustíveis S.A.	(961)	(961)	(1)	(48)
Other	(14)	(14)	-	-
	(975)	(975)	(4,315)	(7,051)
Shared revenue (expense)				
Rumo S.A.	816	2,751	732	5,114
Raízen Energia S.A.	(12,406)	(37,286)	(9,465)	(29,670)
	(11,590)	(34,535)	(8,733)	(24,556)
Financial result				
Usina Santa Luiza	-	-	-	(41)
Cosan Limited	333	1,223	386	1,100
Raízen Combustíveis S.A.	1,281	5,294	1,556	4,316
	1,614	6,517	1,942	5,375

- (i) The increases observed in these liability balances refer to the exchange rate variation. For these, we have derivative instruments to hedge against this variation.

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			
	July 1, 2020 to September 30, 2020	January 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019 (Restated)	January 1, 2019 to September 30, 2019 (Restated)
Short-term benefits to officers and directors	8,819	16,799	9,051	18,058
Post-employment benefits	167	167	-	-
Stock option expense	1,526	5,935	2,766	5,532
	10,512	22,901	11,817	23,590

5.6 Loans, borrowings and debentures

Description	Interest		Parent Company		Maturity ⁽ⁱ⁾	Purpose
	Index	Annual interest rate	September 30, 2020	December 31, 2019		
No Warranty						
Non-convertible debentures	106% CDI	3.87%	-	1,727,460	Feb/2021	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.

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

Description	Index	Interest	Consolidated		Maturity	Purpose
		Annual interest rate	September 30, 2020	December 31, 2019		
With warranty						
BNDES	TJLP ⁽ⁱ⁾	5.09%	-	1,667	Jun-23	Investments
	TJ462 ⁽ⁱ⁾	7.89%	-	144,573	Oct-20	Investments
	TJLP ⁽ⁱ⁾	7.09%	-	83,174	Jun-23	Investments
	Selic ⁽ⁱ⁾	5.52%	-	73,540	Oct-20	Investments
	Selic ⁽ⁱ⁾	5.68%	-	52,031	Jun-23	Investments
	IPCA - 3.25%	5.43%	709,922	-	Apr-29	Investments
	IPCA - 4.10%	6.30%	180,344	-	Apr-29	Investments
EIB	USD	3.88%	-	31,770	Jun-20	Investments
	USD + 2,94%	0.00%	-	29,081	Sep-20	Investments
	USD + Libor 6M + 0,54%	1.11%	67,286	71,129	May-21	Investments
	USD + Libor 6M + 0,61%	0.89%	62,730	89,336	Sep-21	Investments
			1,020,282	576,301		
No warranty						
Foreign loans	GBP + Libor	1.72%	182,893	150,253	Jul-21	Acquisition
	GBP + Libor	1.16%	145,848	106,643	Dec-21	Acquisition
	GBP + Libor	1.84%	256,503	186,604	Dec-22	Acquisition
	EUR - Fixed	4.42%	3,115	3,563	Mar-22	Investments
Loan 4131	USD + Libor	2.90%	-	81,107	Feb-20	Working capital
	USD	4.79%	15,312	20,688	Oct-20	Working capital
	USD + 3,67%	3.67%	452,020	313,493	May-23	Investments
	USD + 1,59%	1.59%	421,479	-	Apr-21	Investments
Perpetual Notes	USD	8.25%	2,855,898	2,040,752	Nov-40	Acquisition
Senior Notes Due 2023	USD	5.00%	611,051	438,985	Mar-23	Acquisition
Senior Notes Due 2027	USD	7.00%	4,633,146	3,234,648	Jan-27	Acquisition
Prepay	100% Libor-03 - 3.50% base 360	3.81%	56,407	-	Mar-21	Working capital
	100% Libor-03 - 1% base 360	1.26%	113,007	80,931	Nov-21	Working capital
	100% Libor-12 - 0,76% base 360	2.72%	57,807	40,474	Oct-20	Working capital
Debentures	106% CDI	3.87%	-	1,727,460	Feb-21	Working capital
Non-convertible debentures	IPCA + 5,57%	7.29%	-	108,133	Sep-20	Investments
	IPCA + 7,14%	9.40%	342,449	318,412	Dec-20	Investments
	IPCA + 7,48%	9.75%	307,280	286,271	Dec-22	Investments
	IPCA + 7,36%	9.63%	100,419	94,367	Dec-25	Investments
	IPCA + 5,87%	8.10%	898,092	859,996	Dec-23	Investments
	IPCA + 4,33%	6.53%	454,022	431,817	Oct-24	Investments
	IGPM + 6,10%	23.96%	277,276	240,900	May-28	Investments
	100% CDI +0,50%	2.41%	2,069,985	2,015,252	Oct-22	Investments
Working capital	100% CDI - 2.75%	4.70%	100,030	-	Jun-22	Working capital
Promissory Note	100% CDI - 3.00%	4.96%	593,028	-	Apr-21	Investments
	100% CDI - 3.40%	5.36%	513,030	-	Apr-21	Investments
			15,460,097	12,780,749		
Total			16,480,379	13,357,050		
Current			2,576,472	2,373,199		
Non-current			13,903,907	10,983,851		

- (i) On June 16, 2020, loans denominated Project VI and VII were renegotiated and consolidated into a single credit line and contract with BNDES, since such transaction enabled the subsidiary Comgás to simplify the contractual structure, as well as reduce the cost of debt.

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

The Company used for the calculation of the average rates, on an annual basis, the average annual interbank deposit rate ("CDI") rate of 1.90% and the long-term interest rate ("TJLP") of 4.91%.

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

	Parent Company		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
13 to 24 months	-	566,054	542,574	1,058,400
25 to 36 months	-	-	3,580,850	2,526,040
37 to 48 months	-	-	1,025,742	1,504,498
49 to 60 months	-	-	598,020	463,553
61 to 72 months	-	-	247,917	29,510
73 to 84 months	-	-	4,799,143	233,609
85 to 96 months	-	-	215,929	3,152,892
Thereafter	-	-	2,893,732	2,015,349
	-	566,054	13,903,907	10,983,851

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

	Parent Company		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Reais (R\$)	-	1,727,460	6,545,877	6,437,593
Dollar (U.S.\$)	-	-	9,346,143	6,472,394
Euro (EUR)	-	-	3,115	3,563
Pound (GBP)	-	-	585,244	443,500
	-	1,727,460	16,480,379	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 year ended September 30, 2020:

	Parent Company	Consolidated
At December 31, 2019	1,727,460	13,357,050
Raised	-	2,350,608
Amortization of principal on loans, borrowings and debentures	(1,700,000)	(2,271,624)
Payment of interest on loans, borrowings and debentures	(35,203)	(496,828)
Interest, exchange rate and fair value	7,743	3,541,173
At September 30, 2020	-	16,480,379

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 September 30, 2020, the balance of bank guarantees contracted was R\$144,028 (R\$532,558 as of December 31, 2019).

b) Financial covenants

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

Debit	Triggers ⁽ⁱ⁾	Ratios
Senior Notes 2027	Pro forma net debt (ii)/(iii) / EBITDA (iv) not higher than or equal to 3.5	2.64
Debenture de 3th and 8th issue Comgás	Net debt (i) / EBITDA (iv) cannot exceed 4.0	1.41
BNDES	Net debt (i) / EBITDA (iv) cannot exceed 4.0	1.41
Loan 4131	Net debt (i) / EBITDA (iv) cannot exceed 4.0	1.41
Promissory note	Net debt (i) / EBITDA (iv) cannot exceed 4.0	1.41
Debenture de 3th and 4th issue Comgás	Short-term indebtedness (v) / Total indebtedness (v) cannot exceed 0.6	0.30

- (i) Net Debt consists of current and non-current loans and borrowings, net of cash and cash equivalents and derivative assets on debt. Adjusted Net Debt is a non-GAAP measure.
- (ii) Adjusted Net Debt consists of current and non-current debt, net of cash and cash equivalents, derivative assets on debt and included joint ventures. Adjusted Net Debt is a non-GAAP measure;
- (iii) 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. Pro forma EBITDA considers the Company's consolidated EBITDA plus the proportional participation in Raízen Energia, Raízen Combustíveis and its subsidiaries, an eventual equity in the consolidated calculation, coming from Raízen, is excluded to avoid duplication. Pro forma EBITDA is a non-GAAP measure. For the other loans, borrowings and debentures of the Company there are no financial covenants;

- (iv) Corresponds to the EBITDA accumulated in the last twelve months;
- (v) Short-term debt corresponds to the sum of short-term loans, financing, debentures and leases of the subsidiary Comgás and total debt corresponds to the same short and long-term values, on a consolidated basis (including the net balance of operations derivatives to which Comgás is a party).

For the other loans and financing of the Company, there is no financial clause.

As at September 30, 2020, the Company and its subsidiaries were in compliance with all debt financial covenants.

Loan terms include provisions for cross-default.

c) 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 5.9) due to the data observation, including own credit risk.

The details of the Company's exposure to risks arising from loans are disclosed in Note 21.

5.7 Trade payables

	Parent Company		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Natural gas suppliers	-	-	737,009	815,798
Raw material and service suppliers	2,637	5,175	948,029	860,927
	2,637	5,175	1,685,038	1,676,725

5.8 Derivative financial instruments

Accounting policy (new operations)

Derivatives are initially recognized at fair value on the date that a derivative contract is entered into and are subsequently remeasured at fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedge instrument and, if so, the nature of the hedged item. The Company designates certain derivatives as:

- *fair value hedge of recognized assets or liabilities or a firm commitment (fair value hedge); or*
- *hedge of a particular risk associated with cash flows from recognized assets and liabilities and highly probable forecast transactions (cash flow hedge).*

At the beginning of the hedge relationship, the Company documents the economic relationship between the hedge instruments and the hedged items, including changes in the cash flows of the hedge instruments, which should offset the changes in the cash flows of the hedged items. The Company documents its risk management objective and strategy for carrying out its hedge operations. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognized immediately in the income statement and are included in other gains / (losses).

The fair values of the derivative financial instruments designated in hedge relationships are disclosed below. The total fair value of a hedge derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is greater than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The Company makes an assessment, both at the beginning of the hedge relationship and on an ongoing basis, on whether the hedge instruments should be highly effective in offsetting changes in fair value or in the cash flows of the respective attributable hedged items. For the hedged risk, and if the actual results of each hedge are within a range of 60% to 140%.

The Company has a portfolio of energy contracts (purchase and sale) aimed at meeting demands and offers for consumption or supply of energy. In addition, there is a portfolio of contracts that comprises forward positions, usually short-term. For this portfolio, there is no purchase commitment with a sales contract.

The Company has the flexibility to manage the contracts in this portfolio in order to obtain gains from variations in market prices, considering its policies and risk limits. Contracts in this portfolio can be settled at the net cash value or by another financial instrument (for example: entering into a clearing contract with the counterparty; or “undoing its position” of the contract before its exercise or prescription; or shortly after purchase) , make a sale for the purpose of generating profit through short-term price fluctuations or gain with resale margin).

Such energy purchase and sale transactions are traded on an active market and meet the definition of financial instruments, due to the fact that they are settled at the net cash value, and readily convertible into cash. Such contracts are accounted for as derivatives and are recognized in the balance sheet at fair value, on the date the derivative is entered into, and are revalued at fair value on the balance sheet date.

Financial assets and liabilities are offset and the net amount is shown in the balance sheet when there is a legal right to offset the recognized amounts and there is an intention to settle them on a net basis, or to realize the asset and settle the liability simultaneously. The legal right must not be contingent on future events and must be applicable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

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

The fair value of these derivatives is estimated based, in part, on price quotes published in active markets, insofar as such observable market data exist, and, in part, by the use of valuation techniques, which considers: (i) prices established in recent purchase and sale operations, (ii) risk margin in supply and (iii) projected market price in the availability period. Whenever the fair value at initial recognition for these contracts differs from the transaction price, a gain in fair value or loss in fair value is recognized on the base date.

	Notional ⁽ⁱ⁾		Fair value	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Forward agreements				
Exchange rate derivative ⁽ⁱⁱ⁾	317,514	-	34,571	-
	317,514	-	34,571	-
Fuel derivative agreements				
Exchange rate derivative ⁽ⁱⁱⁱ⁾	13,422	-	(2,002)	-
	13,422	-	(2,002)	-
Energy derivative agreements				
Exchange rate derivative ^(iv)	1,037,185	-	153	-
	1,037,185	-	153	-
Swap agreements				
Interest rate	1,822,361	2,633,796	540,700	692,642
Exchange and interest rate	4,290,643	3,877,328	3,105,198	1,157,952
	6,113,004	6,511,124	3,645,898	1,850,594
Total financial instruments			3,678,620	1,850,594
Current and non-current assets			3,882,102	1,900,379
Current and non-current liabilities			(203,482)	(49,785)

- (i) Notional amounts in U.S. dollars are converted into reais at the exchange rate on the contracting day.
- (ii) It also considers cash flow hedge operations in the import of raw materials in the Moove subsidiary.
- (iii) 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 lubricant costs.
- (iv) The subsidiary Compass Trading has a portfolio of energy contracts (purchase and sale) aimed at meeting demands and offers for consumption or supply of energy. In addition, there is a portfolio of contracts that comprises forward positions, usually short-term. For this portfolio, there is no purchase commitment with a sales contract.

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	
		June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Debit					
Sênior Notes 2023 (Cosan)	564,070	(611,041)	(438,985)	(200,599)	(99,541)
3rd issue - 3rd series (Comgás)	-	-	(108,133)	575	(14,822)
5th issue - single series (Comgás)	684,501	(898,092)	(859,996)	(29,474)	(90,110)
Total debit	1,248,571	(1,509,133)	(1,407,114)	(229,498)	(204,473)
Derivative					
Swaps Sênior Notes 2023 (Cosan)	(564,070)	442,980	418,340	9,974	128,357
Swaps 3rd issue - 3rd series (Comgás)	-	-	24,842	862	5,510
Swaps 5th issue - single series (Comgás)	(684,501)	192,894	175,262	17,632	88,583
Total derivativo	(1,248,571)	635,874	618,444	28,468	222,450
Total	-	(873,259)	(788,670)	(201,030)	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

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	June 30, 2020	December 31, 2019
Senior Notes Due 2023	Cosan S.A	100.37%	101.46%
Senior Notes Due 2027	Cosan S.A	106.10%	109.18%
Bônus perpétuos	Cosan S.A	102.33%	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					
			September 30, 2020			December 31, 2019		
	September 30, 2020	December 31, 2019	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets								
Investment funds	2,261,993	3,277,789	-	2,261,993	-	-	3,277,789	-
Marketable securities	2,255,464	1,363,048	-	2,255,464	-	-	1,363,048	-
Other financial assets	842,769	843,420	842,769	-	-	843,420	-	-
Derivate financial instruments	3,882,102	1,900,379	-	3,882,102	-	-	1,900,379	-
Total	9,242,328	7,384,636	842,769	8,399,559	-	843,420	6,541,216	-
Liabilities								
Loans, borrowings and debentures	(6,922,265)	(5,359,298)	-	(6,922,265)	-	-	(5,359,298)	-
Contingent consideration payable ⁽ⁱ⁾	(235,424)	(184,370)	-	(207,761)	(27,663)	-	(158,275)	(26,095)
Derivate financial instruments	(203,482)	(49,785)	-	(203,482)	-	-	(49,785)	-
Total	(7,361,171)	(5,593,453)	-	(7,333,508)	(27,663)	-	(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\$207,761 (level 2); and (ii) contingent variable consideration payable of R\$27,663 (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%.

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

6 Other current tax recoverable

	Parent Company		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
COFINS (tax for security financing)				
- Revenue tax	31,557	24,695	523,819	452,411
ICMS (value added tax on sales and services) - State VAT	-	-	104,912	79,307
PIS (social integration program) - Revenue tax	2,785	8,597	52,595	55,360
Credit installment	42,038	41,516	42,038	41,516
ICMS CIAP - State VAT	-	-	16,366	12,514
Other	1,162	15	43,712	25,000
	77,542	74,823	783,442	666,108
Current	35,504	33,307	712,132	602,927
Non-current	42,038	41,516	71,310	63,181

7 Inventories

	Consolidated	
	September 30, 2020	December 31, 2019
Finished goods	499,577	457,378
Raw material for construction process	113,069	55,347
Spare parts and others	13,164	26,072
	625,810	538,797

8 Investments in associates and investments with unsecured liabilities

8.1 Subsidiaries and Associates

Cosan's subsidiaries are listed below:

	September 30, 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%

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

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%
Cosan Lubricants España S.L.U.	100.00%	100.00%
Techniques ET Technologies Appliquees SAS	75.00%	75.00%
Cosan Lubrificantes S.R.L.	98.00%	98.00%
Lubrigrupo II - Comércio e Distribuição de Lubrificantes SA	100.00%	100.00%
Comma Oil & Chemicals Marketing SRL	100.00%	100.00%
Comma Otomotiv Yag Ve Kimyasallari		
Pazarlama Limited Sirketi	100.00%	100.00%
Comma Oil & Chemicals Marketing B	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%
Cosan Paraguay 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\$ 442,645 as of September 30, 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 September 30, 2020:

a) Parent company

	Shares issued by the associate	Shares held by Cosan	Cosan ownership interest	Economic benefit (%)
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
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

	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	January 1, 2020 to September 30, 2020
Comgás	2,861,936	-	-	-	-	(2,861,936)	-	-	
Compass Gás e Energia	-	751,226	44,569	-	-	2,861,936	(1,621)	-	3,656,110
Cosan Global Limited	103,989	41,405	-	-	-	-	-	-	145,394
Cosan Investimentos e Participações S.A.	5,849,473	209,015	-	(33,076)	(217,783)	-	-	(174,226)	5,633,403
Cosan Lubes Investment	1,104,567	63,869	-	175,688	-	-	-	-	1,344,124
Radar II Propriedades Agrícolas S.A.	31,976	696	-	70	(191)	-	-	-	32,551
Radar Propriedades Agrícolas S.A.	59,861	1,119	-	14	-	-	-	-	60,994
Tellus Brasil Participações S.A.	102,342	2,850	-	-	(2,974)	-	-	-	102,218
Janus Brasil Participações S.A.	126,087	1,668	-	-	(2,514)	1,132	-	-	126,373
Pasadena Empreendimentos e Participações S.A.	555	(70)	-	-	-	-	-	-	485
Payly Soluções de Pagamentos S.A.	7,075	(10,122)	-	-	-	20,000	-	-	16,953
Other	51,804	(1,772)	-	17,344	-	10	-	1,727	69,113
Total investments in associates	10,299,665	1,059,884	44,569	160,040	(223,462)	21,142	(1,621)	(172,499)	11,187,718
Compass Gás e Energia	(1,621)	-	-	-	-	-	1,621	-	-
Cosan Luxemburgo S.A.	(151,206)	(291,439)	-	-	-	-	-	-	(442,645)
Total investments in capital deficiency	(152,827)	(291,439)	-	-	-	-	1,621	-	(442,645)
Total	10,146,838	768,445	44,569	160,040	(223,462)	2,883,078	-	(172,499)	10,745,073

- (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.

(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 subsidiarie s	Changes in interest in subsidiarie s	Other comprehen sive income	Dividends	Increase / decrease of capital	Other	January 1, 2020 to September 30, 2020
Tellus Brasil Participações S.A.	102,342	2,850	-	-	(2,974)	-	-	102,218
Janus Brasil Participações S.A.	126,087	1,668	-	-	(2,514)	1,132	-	126,373
Radar Propriedades Agrícolas S.A.	59,861	1,119	-	14	-	-	-	60,994
Radar II Propriedades Agrícolas S.A.	31,976	696	-	70	(191)	-	-	32,551
Other	5,429	(3,827)	-	328	-	10	(249)	1,691
Total investments in associates	325,695	2,506	-	412	(5,679)	1,142	(249)	323,827
	325,695	2,506	-	412	(5,679)	1,142	(249)	323,827

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	Generation of thermal energy by natural gas
Compass Energia Ltda	No operation
Black River Participações	No operation

Accurate and reliable estimates of the purchase price were made to determine the amount of goodwill paid on the transaction. Goodwill is the difference between the value of the net assets acquired and the price paid for the shares.

The Company, through independent consultants, evaluated whether the fair value of all assets and liabilities in the opening balance sheet is different from the declared book value. Assets and liabilities assessed include fixed assets, customer portfolios, brands and, possibly, also long-term loans. No material differences were identified between fair value and book value, and the net price paid was fully allocated to goodwill.

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

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

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	149,163	-	161,547
Advance of suppliers	15	-	-	15
Other current tax receivable	134	89	31	254
Derivative financial instruments	1,377	-	-	1,377
Investments in associates	9	28	-	37
Property, plant and equipment	69	-	-	69
Trade payables	(13,585)	(83,669)	-	(97,254)
Other taxes payable	-	(162)	-	(162)
Other current liabilities	(97)	-	-	(97)
Other financial liabilities	-	(48,007)	-	(48,007)
Dividends payable	-	(508)	-	(508)
Payables to related parties	-	(17,063)	-	(17,063)
Deferred tax liabilities	(468)	-	-	(468)
Total identifiable assets, net	4,377	48	68	4,493

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

	Total
Consideration transferred ⁽ⁱ⁾	99,385
Total net assets acquired and liabilities assumed at fair value (-)	4,493
Goodwill	94,892

- i) Effect of consideration transferred net of acquired cash R\$94,631.

Information obtained about facts and circumstances existing on the acquisition date may result in adjustments to the allocation of goodwill. The goodwill of R\$94,892 comprises the amount of future economic benefits from the acquisition.

Goodwill represents the portion of the purchase price greater than the sum of the net fair value of all assets acquired in the acquisition and liabilities assumed in the process. The useful life of the goodwill is indefinite and the balance of this asset is evaluated annually by the Company, or when there is an indication of impairment, using the discounted cash flow method.

	Nature	Evaluation methodology	Fair value	Useful life
Goodwill	It represents the part of the purchase price greater than the sum of the net fair value of all assets acquired in the acquisition and the liabilities assumed in the process.	Discounted cash flow	94,892	Undefined

If the acquired subsidiaries had been consolidated since January 1, 2020, the consolidated statement of income for the year ended September 30, 2020, would have net income of R\$9,729,661 and profit of R\$270,254.

8.3 Non-controlling interests in subsidiaries

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

	Shares issued by the subsidiary	Shares held by non-controlling shareholders	Non-controlling interest
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 at Compass Gás e Energia, 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), generating an adjustment of R\$ 44,569 in the investment amount held by Cosan S.A., due to the change in the percentage of equity interest.

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

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

	At January 1, 2020	Profit (loss) of the year, net	Sales or purchase of interests	Other comprehensive income	Dividends	Increase / decrease of capital	Other	At June 30, 2020
Comgás	24,569	6,554	-	(11)	(1,158)	-	14	29,968
Compass Gás e Energia	-	6,124	30,431	17	-	-	3	36,575
Cosan Lubes	470,497	27,467	-	75,540	-	-	-	573,504
TTA	10,057	1,190	-	4,669	-	-	-	15,916
Payly	2,359	(3,973)	-	-	-	6,666	-	5,052
	<u>507,482</u>	<u>37,362</u>	<u>30,431</u>	<u>80,215</u>	<u>(1,158)</u>	<u>6,666</u>	<u>17</u>	<u>661,015</u>

9 Investments in joint ventures

Changes to investments in joint ventures were as following:

	Consolidated		
	Raízen Combustíveis S.A	Raízen Energia S.A	Total
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 September 31, 2019	563,987	(53,559)	510,428
At December 31, 2019	3,212,601	4,336,359	7,548,960
Interest in earnings of joint ventures	140,625	58,265	198,890
Other comprehensive (losses) income	514,966	(548,042)	(33,076)
Interest on capital ⁽ⁱ⁾	(56,120)	-	(56,120)
Dividends	-	(417)	(417)
At September 30, 2020	3,812,072	3,846,165	7,658,237

(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 September 30, 2020.

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

At September 30, 2020, the Company was in compliance with the covenants of the agreements governing the respective Joint Ventures.

10 Property, plant and equipment, intangible assets, goodwill and contract assets

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	19	1,555	35,664	740	37,978	10,177
Disposals	(44)	(818)	-	(2,231)	(3,093)	(132)
Transfers ⁽ⁱⁱ⁾	8,459	57,557	(26,649)	21,673	61,040	-
Effect of exchange rate fluctuation	22,681	33,457	646	19,213	75,997	-
At September 30, 2020	263,902	293,538	39,823	136,465	733,728	81,226
Depreciation						
At December 31, 2019	(70,597)	(88,281)	-	(22,891)	(181,769)	(13,865)
Additions	(12,779)	(15,568)	-	(9,114)	(37,461)	(4,635)
Disposals	7	641	-	1,504	2,152	36
Transfers ⁽ⁱ⁾	(7,333)	(38,107)	-	(18,299)	(63,739)	-
Effect of exchange rate fluctuation	(8,969)	(17,568)	-	(10,008)	(36,545)	-
At September 30, 2020	(99,671)	(158,883)	-	(58,808)	(317,362)	(18,464)
At December 31, 2019	162,190	113,506	30,162	74,179	380,037	57,316
At September 30, 2020	164,231	134,655	39,823	77,657	416,366	62,762

- 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	-	-	-	72,087	7,104	79,191	121
Business combinations ⁽ⁱ⁾	94,892	-	-	-	-	94,892	-
Disposals	-	(40,218)	-	(92)	(2,526)	(42,836)	-
Transfers	-	417,880	3,697	13,086	38,114	472,777	18
Effect of exchange rate fluctuation	94,703	-	14,977	71,915	14,882	196,477	-
At September 30, 2020	991,326	10,489,726	64,844	986,087	310,109	12,842,092	15,433
Depreciation							
At December 31, 2019	-	(1,982,241)	(9,201)	(410,449)	(174,019)	(2,575,910)	(11,995)
Additions	-	(270,206)	-	(62,776)	(51,957)	(384,939)	(970)
Disposals	-	12,572	-	75	2,265	14,912	-
Transfers	-	(10)	-	4,853	867	5,710	(18)
Effect of exchange rate fluctuation	-	-	-	(19,096)	(7,792)	(26,888)	-
At September 30, 2020	-	(2,239,885)	(9,201)	(487,393)	(230,636)	(2,967,115)	(12,983)
At December 31, 2019	801,731	8,129,823	36,969	418,642	78,516	9,465,681	3,299
At September 30, 2020	991,326	8,249,841	55,643	498,694	79,473	9,874,977	2,450

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

Capitalization of borrowing costs

During the period on September 30, 2020, R\$ 26,661 was capitalized at an average rate of 5.26% per year (R\$ 13,683 and 7.95% in the period ended September 30, 2019).

Amortization methods and useful lives

Intangible assets (excluding goodwill)	Annual rate of amortization %	September 30, 2020	December 31, 2019
Comgás ⁽ⁱ⁾	Concession term and extension	8,249,841	8,129,823
		8,249,841	8,129,823
Trademarks: Comma	Undefined	55,643	36,969
		55,643	36,969
Relationship with customers:			
Comgás	20.00%	186,818	161,786
Moove	8.70%	311,876	256,856
		498,694	418,642
Other			
Software license	20.00%	55,296	53,599
Other		24,177	24,917
		79,473	78,516
Total		8,883,651	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 September 30, 2020, no impairment indicators were identified that would require the review of the last test performed on December 31, 2019.

10.3 Contract assets

Accounting policy

Contract assets are measured at acquisition cost, including capitalized borrowing costs. When the assets enter into operation, the depreciable amounts in the concession contract are transferred to intangible assets. Comgás reassesses the useful life, whenever this assessment indicates that the amortization period will exceed the term of the concession contract, part of the asset is converted into a financial asset, as it represents an accounts receivable from the granting authority. This classification is in accordance with ICPC 01 / IFRIC 12 - Concession Contracts.

Cost value	Contract assets
Balance on January 1, 2020	600,541
Additions	642,996
Transfers to intangible assets ⁽ⁱ⁾	(496,091)
Balance on September 30, 2020	747,446

- (i) The amount of the transfers contemplated, also, a portion of the intangible asset that was reclassified to a financial asset according to the precepts of IFRIC 12 / ICPC 01.

11 Other taxes payable

	Parent Company		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Tax amnesty and refinancing program - Refis	193,568	195,600	200,015	202,418
ICMS – State VAT	-	-	185,273	158,112
COFINS - Revenue tax	41,021	63,027	177,420	80,646
PIS - Revenue tax	11,929	15,038	41,040	18,580
Other	13,387	10,099	38,951	38,511
INSS - Social security	7,523	676	9,066	1,118
	267,428	284,440	651,765	499,385
Current	125,878	143,091	504,459	351,895
Non-current	141,550	141,349	147,306	147,490

12 Sector financial assets and liabilities

Accounting policy (new policies)

The sectorial financial assets and liabilities have the purpose of neutralizing the economic impacts on the result of the subsidiary Comgás, due to the difference between the cost of gas and tax rates contained in the ordinances issued by ARSESP (Sanitation and Energy Regulatory Agency of the State of São Paulo), and those effectively included in the tariff, at each adjustment / tariff review.

These differences between the real cost and the cost considered in the tariff adjustments generate a right as the cost realized is greater than that contemplated in the tariff, or an obligation, when the costs are lower than those contemplated in the tariff. The differences are considered by ARSESP in the subsequent tariff adjustment, and are now included in the Company's tariff adjustment index.

On June 10, 2020, ARSESP published Resolution No. 1,010, which provides for the mechanism for updating the weighted average cost of gas and transportation in piped gas tariffs and the mechanism for recovering the balance of the graphic account, due to variations the price of gas and transport. This mechanism aims at monthly calculation by segment of users and considering the recovery installments previously established and in the process of compensation. As provided for in this resolution, any balances in the graphic accounts existing at the end of the concession will be indemnified to the subsidiary Comgás or returned to users within 12 months before the end of the concession period. The balance consists of: (i) the previous cycle (in amortization), which represents the balance approved by ARSESP already included in the tariff and (ii) by the cycle being constituted, which are the differences that will be approved by ARSESP in the next tariff adjustment.

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

In addition, this resolution dealt with the balance contained in the current account of taxes, which accumulated amounts related to tax credits taken advantage of by Comgás, but which essentially are part of the tariff composition and must subsequently be transferred via the tariff.

With the advent of this resolution, the subsidiary Comgás understands that there is no longer significant uncertainty that would hinder the recognition of sectorial financial assets and liabilities as amounts actually receivable or payable. Accordingly, as of June 10, 2020, it recognizes the sectorial financial assets and liabilities in its interim financial statements. In the period ended September 30, 2020, the subsidiary Comgás recorded a net sectorial financial liability balance of (R\$ 92,147), of which (R\$ 101,812) against net operating revenue and cost of products sold, and R\$ 9,665 against the financial result.

The change in the net sectorial financial assets (liability) for the period ended September 30, 2020 was as follows:

	Sectorial assets	Sectorial liabilities	Total
At January 1, 2020	-	-	-
Cost of gas to be recovered	279,908	-	279,908
Credits of taxes to be transferred ⁽ⁱ⁾	-	(530,935)	(530,935)
Monetary variation	11,831	-	11,831
Other revenue	26,945	-	26,945
At September 30, 2020	318,684	(530,935)	(212,251)
Current	318,684	(93,414)	(225,270)
Non-current	-	(437,521)	(437,521)
	318,684	(530,935)	(212,251)

(i) PIS and COFINS credits on certain operating expenses.

13 Income tax and social contribution

a) Reconciliation of income and social contribution tax expenses

	Parent Company			
	July 1, 2020 to September 30, 2020	January 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019 (Restated)	January 1, 2019 to September 30, 2019 (Restated)
Profit before taxes	210,952	(26,462)	949,866	1.798.724
Income tax and social contribution nominal rate (34%)	(71,724)	8,997	(322,954)	(611.566)
<i>Adjustments to determine the effective rate</i>				
Equity method investments (nontaxable income)	163,840	241,325	175,561	421,626
Non-deductible expenses (donations, gifts, etc.)	-	-	8,740	8,200
Stock options	1,974	9,567	19,786	19,233
Differences in tax rates on earnings / losses			-	-
of overseas companies	(61)	(63)		
Other	(1,142)	(1,660)	(8,208)	11,125
Income tax and social contribution expense (current and deferred)	92,887	258,166	(127.075)	(151.382)
Effective rate	(44.03%)	(975.61%)	13,38%	8,42%

	Consolidated			
	July 1, 2020 to September 30, 2020	January 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019 (Restated)	January 1, 2019 to September 30, 2019 (Restated)
Profit before taxes	402,886	364,152	1.151.812	2.315.489
Income tax and social contribution nominal rate (34%)	(136,981)	(123,812)	(391.616)	(787.266)
<i>Adjustments to determine the effective rate</i>				
Equity method investments (non taxable income)	77,339	68,475	50,797	163,526
Non-deductible expenses (donations, gifts, etc.)	(1,215)	(1,864)	(617)	(8,279)
Stock options	1,974	9,567	19,786	19,233
Interest capital - benefit	(6,331)	(19,081)	(6,443)	(21,233)
Other temporary differences	(832)	(3,285)	(5,930)	(15,632)
Differences in tax rates on earnings / losses				
of overseas companies	(6,716)	(34,653)	(852)	74
Other	(916)	9,567	6,577	42,533
Effective rate	(73,678)	(95,086)	(328.298)	(607.044)
Effective rate	18.29%	26.11%	28,50%	26,22%

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

b) Deferred income tax assets and liabilities

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	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Assets credit of:				
Income tax loss carry forwards	581,803	183,293	749,211	350,584
Social contribution tax loss carry forwards	209,984	66,897	272,364	124,231
Temporary differences				
Foreign exchange - Loans and borrowings	1,495,785	838,825	1,593,402	853,279
Legal proceedings provision	68,272	61,877	115,568	104,602
Provisions for employee benefits	-	-	225,539	214,496
Allowance for doubtful accounts	-	-	25,111	12,321
Regulatory asset (liability)	-	-	-	53,875
Impairment of tax credit	6,985	6,985	37,916	38,633
Share-based payment transactions	-	-	4,040	1,754
Profit sharing	(1,190)	4,223	17,329	24,442
Interest on preferred shareholders payable in subsidiaries	168,200	89,931	168,200	89,931
Property, plant, equipment and intangible - useful life review	-	-	(236,932)	(257,436)
Provisions	194,919	195,087	267,993	266,660
Other	-	(3,189)	6,077	(2,141)
Deferred taxes - Assets	2,724,758	1,443,929	3,245,818	1,875,231
(-) Deferred taxes assets not recognized	-	-	(17,395)	(8,817)
Liabilities credit of:				
Temporary differences				
Business combination - Property, plant and equipment	-	-	(21,455)	(21,627)
Tax deductible goodwill	(21,823)	(21,823)	(365,411)	(365,411)
Lease	-	-	301	243
Unrealized (loss) gains on derivatives instruments	(1,015,039)	(446,024)	(1,161,613)	(533,671)
Income on formation of joint ventures	(1,135,036)	(1,135,036)	(1,135,036)	(1,135,036)
Business combination - Intangible asset	-	-	(1,067,802)	(1,089,907)
Provision for realization - Goodwill recorded in PL ⁽ⁱ⁾	(449,155)	-	(449,155)	-
Other	(61)	-	328,420	153,173
Total	(2,621,114)	(1,602,883)	(3,871,751)	(2,992,236)
Total of deferred taxes recorded	103,644	(158,954)	(643,328)	(1,125,822)
Deferred assets	103,644	-	610,937	432,920
Deferred liabilities	-	(158,954)	(1,254,265)	(1,558,742)

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

- (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 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 (Charged) / credited	250,190	4,223	263,949	925,567	1,443,929
Net income of the period	537,204	(5,413)	6,227	81,458	619,476
Directly to equity	4,393	-	-	-	4,393
Foreign exchange	-	-	-	656,960	656,960
Asset's balance as at September 30, 2020	791,787	(1,190)	270,176	1,663,985	2,724,758

Consolidated							
	Taxes loss carryforwards	Employee's benefits	Provisions	Post- employment liabilities	PP&E	Others	Total
Asset's balance as at December 31, 2019 (Charged) / credited	474,815	26,196	422,216	214,496	(257,436)	994,944	1,875,231
Net income of the period	542,367	(4,827)	24,372	11,043	20,504	(31,884)	561,575
Other comprehensive income	-	-	-	-	-	71,137	71,137
Directly to equity	4,393	-	-	-	-	(6,641)	(2,248)
Foreign exchange	-	-	-	-	-	740,123	740,123
Asset's balance as at September 30, 2020	1,021,575	21,369	446,588	225,539	(236,932)	1,767,679	3,245,818

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

Deferred tax liabilities:

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	-	(569,015)	(449,216)	(1,018,231)
Liability's balance as at September 30, 2020	(1,135,036)	(1,015,039)	(471,039)	(2,621,114)

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	-	22,105	(627,942)	58	(8,578)	(273,268)	(887,625)
Business combination ⁽ⁱ⁾	-	-	-	-	-	(468)	(468)
Liability's balance as at September 30, 2020	(1,135,036)	(1,067,802)	(1,161,613)	301	(17,395)	(507,601)	(3,889,146)

- i. For more details, see note 8.2.

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

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

14 Provision for legal proceedings

The Company has contingent liabilities as of September 30, 2020 and December 31, 2019 in respect of:

Provision for legal proceedings				
	Parent Company		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Tax	169,095	163,793	526,215	510,174
Civil, environmental and regulatory	72,991	56,001	223,521	195,446
Labor	78,102	81,584	165,090	167,608
	320,188	301,378	914,826	873,228

Judicial deposit				
	Parent Company		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Tax	299,899	297,578	415,552	437,727
Civil, environmental and regulatory	49,360	17,159	75,373	42,900
Labor	35,097	34,679	49,298	46,603
	384,356	349,416	540,223	527,230

Changes in provision for legal proceedings:

Parent Company				
	Tax	Civil, environmental and regulatory	Labor	Total
At December 31, 2019	163,793	56,001	81,584	301,378
Provisions	1,755	24,085	7,839	33,679
Settlement / Write-offs	-	(10,722)	(11,558)	(22,280)
Monetary variation ⁽ⁱ⁾	3,547	3,627	237	7,411
At September 30, 2020	169,095	72,991	78,102	320,188

Consolidated				
	Tax	Civil, environmental and regulatory	Labor	Total
At December 31, 2019	510,174	195,446	167,608	873,228
Provisions	5,191	28,396	12,163	45,750
Settlement / Write-offs	(687)	(14,486)	(15,851)	(31,024)
Monetary variation ⁽ⁱ⁾	11,537	14,165	1,170	26,872
At September 30, 2020	526,215	223,521	165,090	914,826

(i) Includes interest reversal.

The Company's debts with legal proceedings are secured by assets, cash deposit, bank guarantee or insurance guarantee.

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

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	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Compensation with FINSOCIAL	-	-	295,939	293,291
INSS - Social security	62,998	61,560	73,691	72,803
State VAT - ICMS credit	38,967	38,004	49,236	46,613
PIS and COFINS	360	357	724	866
IPI - Excise tax credit - NT	54,193	53,693	54,193	53,693
Federal income tax	69	68	8,667	1,707
Other	12,508	10,111	43,765	41,201
	169,095	163,793	526,215	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.

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

- **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 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	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Tax	4,541,522	4,514,769	10,012,493	8,730,917
Civil, environmental and regulatory	898,943	904,466	1,584,687	1,630,315
Labor	42,436	49,117	78,697	93,248
	5,482,901	5,468,352	11,675,877	10,454,480

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

• **Taxes**

	Parent Company		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
ICMS - state VAT	1,558,130	1,544,071	2,036,114	2,029,277
Federal income taxes ⁽ⁱ⁾	717,670	701,604	4,212,869	3,145,001
PIS and COFINS	1,292,116	1,370,789	1,297,206	1,374,474
IRRF - Withholding tax	1,344	1,335	1,090,133	899,579
INSS - Social security	153,038	165,951	208,042	220,091
IPI - Excise tax credit - NT	315,351	313,351	455,779	451,781
MP 40 - Tax installments	191,816	189,882	191,816	189,882
Compensations tax on loan	137,799	136,871	137,799	136,871
Other	174,258	90,915	382,735	283,961
	4,541,522	4,514,769	10,012,493	8,730,917

- (i) On February 14, 2020, the subsidiary Comgás received tax assessment notices from the Brazilian tax authorities, for the years ended in 2015 and 2016, related to the amortization of the goodwill paid for the acquisition in the reverse merger of Provence Participações SA, in the amount of R\$ 2,293.605.

The Company's lawyers assessed the likelihood of loss as possible, with a remote loss bias and, therefore, no provision was recorded in accordance with CPC 25 / IAS 37.

In addition, the effects of the adoption of ICPC 22 / IFRIC 23 - Uncertainty on the Treatment of Taxes on Profit that could affect the accounting policies of the Company and its subsidiaries and these interim financial statements were not identified.

c) Contingent assets

- (i) On March 15, 2017, the Federal Supreme Court (“STF”) concluded the judgment of Extraordinary Appeal No. 574,706 and, under the system of general repercussion, established the thesis that the Tax on Circulation of Goods and Services (“ICMS”) does not compose the basis for calculating the Social Integration Program (“PIS”) and the Contribution for the Financing of Social Security (“COFINS”), since this amount does not constitute company revenue / billing. That is, taxpayers have the right to exclude the amount related to ICMS highlighted in the invoice of the PIS / COFINS calculation base.

There is still an amount of R\$ 949,462 in Comgás, related to the exclusion of ICMS on the basis of PIS and COFINS, arising from the period prior to the decision of the STF and without final judgment, which remains a contingent asset.

- (ii) On December 6, 2019, ARSESP published Resolution 933, for the purpose of non-tariff compensation to the Concessionaire, in the amount of R\$ 697,233 in April 2018 currency, before monetary restatements, as a result of the 3rd Ordinary Tariff Review, to be applied in the form that may be defined by the Granting Authority until May 31, 2020. With the publication of the aforementioned Resolution, there are no more tariff discussions related to previous periods with the Regulatory Agency.

On May 27, 2020, in continuation of Resolution 933, ARSESP approved, by means of Resolution 995, 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 value of assets returned by Comgás, at the end of the concession, or any amount payable by the subsidiary Comgás, if the concession is renewed or in connection with any renewal of the concession contract. The amount indicated in the resolution was not recognized in these interim financial statements as it does not meet the accounting criteria.

- (iii) The Company has an indemnity action due to the economic and financial imbalance of the Concession Agreement, with respect to tariff reviews. The right to recomposition is the result of mistaken criteria regarding the tariff review. The updated value of the share is R\$ 658,096 as an economic-financial rebalancing of Comgás.

15 Shareholders' equity

a) Share capital

The subscribed capital is R\$ 5,727,478 on September 30, 2020 and R\$ 5,045,214 on December 31, 2019, fully paid up, is represented by 394,210,000 registered, book-entry common shares with no par value. According to the bylaws, the authorized share capital can be increased up to the limit of R\$ 7,000,000.

As at September 30, 2020 the Company's capital stock is composed by the following:

	Quantity	%
Shareholders - Common shares		
Cosan Limited	255,272,586	64.76%
Other shareholders	4,028	0.00%
Management	104,075	0.03%
Free Float	129,493,305	32.85%
Total outstanding shares	384,873,994	97.63%
Treasury shares	9,336,006	2.37%
Total	394,210,000	100.00%

On July 29, 2020, a capital increase was released, through the capitalization of part of the existing balance in reserves, totaling R\$ 682,264.

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 June 30, 2020, 6,291,200 common shares were repurchased in the amount of R\$318,828, with a maximum unit cost of R\$61.24, a minimum unit cost of R\$47.37 and an average unit cost of R\$52.01. These shares represent 4.87% of the class A common shares issued and outstanding.

On September 30, 2020, the Company had 9,336,006 shares in treasury (3,355,789 shares on December 31, 2019), whose market price was R\$68.33 (R\$69.57 on December 31, 2019). In addition, 310,983 shares were delivered to members of the share-based compensation plans.

c) Other comprehensive (loss) income

	December 31, 2019	Comprehensive (loss) income	September 30, 2020
Foreign currency translation effects	50,183	850,013	900,196
Gain (loss) on cash flow hedge	(234,575)	(609,841)	(844,416)
Actuarial loss on defined benefit plan, net of tax	(202,444)	3,344	(199,100)
Financial instruments with subsidiaries	(45,631)	-	(45,631)
Change in fair values of financial assets, net of tax	25,979	83	26,062
Total	(406,488)	243,599	(162,889)
Attributable to:			
Owners of the Company	(349,501)	163,384	(186,117)
Non-controlling interests	(56,987)	80,215	23,228

	December 31, 2019	Comprehensive (loss) income	September 30, 2020
Foreign currency translation effects	(34,921)	108,318	73,397
Gain (loss) on cash flow hedge	22,207	(250,277)	(228,070)
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	105	25,892
Total	(153,801)	(141,854)	(295,655)
Attributable to:			
Owners of the Company	(95,994)	(133,499)	(229,493)
Non-controlling interests	(57,807)	(8,355)	(66,162)

16 Earnings per share

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

	July 1, 2020 to September 30, 2020	January 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019 (Restated)	January 1, 2019 to September 30, 2019 (Restated)
Profit attributable from continued operation to ordinary equity holders for basic earnings	303,839	231,704	822,791	1,647,342
Profit attributable from continued operation to ordinary equity holders for basic earnings	303,839	231,704	822,791	1,647,342
Effect of dilution:				
Dilutive effect of subsidiary's stock option plan	(1,392)	(3,830)	(934)	(1,876)
Profit from continued operation attributable to ordinary equity holders adjusted for the effect of dilution	302,447	227,874	821,857	1,645,466
Profit from continued operation attributable to ordinary equity holders adjusted for the effect of dilution	302,447	227,874	821,857	1,645,466
Weighted average number of common shares outstanding - basic (in thousands of shares)				
Basic	384,864	386,539	392,750	395,076
Dilutive effect of stock option plan	289	1,158	1,324	804
Diluted	385,153	387,697	394,074	395,880
Earning per share				
Basic (in R\$)	R\$ 0.7895	R\$ 0.5994	R\$ 2.0949	R\$ 4.1697
Diluted (in R\$)	R\$ 0.7853	R\$ 0.5878	R\$ 2.0855	R\$ 4.1565
Earnings per share - continued operation				
Basic (in R\$)	R\$ 0.7895	R\$ 0.5994	R\$ 2.0949	R\$ 4.1697
Diluted (in R\$)	R\$ 0.7853	R\$ 0.5878	R\$ 2.0855	R\$ 4.1565

17 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 from energy commercialization is recorded based on bilateral contracts signed with market agents and duly registered with the Electric Energy Trading Chamber ("CCEE").

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.

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

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

The following is an analysis of the Company's revenue:

	Consolidated			
	July 1, 2020 to September 30, 2020	January 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019 (Restated)	January 1, 2019 to September 30, 2019 (Restated)
Gross revenue from sales of products and services	4,473,497	12,039,695	4,442,174	12,201,621
Construction revenue	223,040	639,360	199,730	541,780
Indirect taxes and deductions	(981,614)	(3,101,001)	(955,657)	(2,619,496)
Net sales	3,714,923	9,578,054	3,686,247	10,123,905

	Consolidated			
	July 1, 2020 to September 30, 2020	January 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019 (Restated)	January 1, 2019 to September 30, 2019 (Restated)
At a point in time				
Gas distribution	1,987,789	5,270,388	2,367,022	6,398,122
Commercialization of electrical energy	207,030	520,919	-	-
Lubricants and basic oil	1,247,385	3,024,172	1,083,517	3,106,661
Other	9,068	31,359	18,780	44,483
	3,451,272	8,846,838	3,469,319	9,549,266
Over time	-	-	-	-
Construction revenue	223,040	639,360	199,730	541,780
Other services	40,611	91,856	17,209	32,888
	263,651	731,216	216,939	574,668
	-	-	(11)	(29)
Total of net sales	3,714,923	9,578,054	3,686,247	10,123,905

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

18 Costs and expenses by nature

The expenses are presented in the statement of profit and loss by function. The reconciliation of income by nature/purpose are as following:

Parent Company			
	July 1, 2020 to September 30, 2020	January 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019 (Restated)
			January 1, 2019 to September 30, 2019 (Restated)
Expenses with third-party services	(6,652)	(17,545)	(7,436)
Employee benefit expense	(20,273)	(50,966)	(43,419)
Depreciation and amortization	(2,783)	(8,428)	(2,456)
Other	(11,383)	(36,228)	(14,706)
	(41,091)	(113,167)	(68,017)
General and administrative	(41,091)	(113,167)	(68,017)
	(41,091)	(113,167)	(68,017)

Consolidated			
	July 1, 2020 to September 30, 2020	January 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019 (Restated) ¹
			January 1, 2019 to September 30, 2019 (Restated) ¹
Raw materials	(912,401)	(2,252,441)	(647,323)
Gas cost ⁽ⁱ⁾	(1,051,690)	(2,712,006)	(1,466,461)
Electrical energy purchased for resale	(193,383)	(494,419)	-
Construction cost	(223,041)	(639,360)	(199,730)
Expenses with third-party services	(73,321)	(215,294)	(85,102)
Employee benefit expense	(153,167)	(457,463)	(183,627)
Transportation expenses	(243,436)	(644,583)	(231,048)
Depreciation and amortization	(168,387)	(461,056)	(151,440)
Other	(78,075)	(322,987)	(90,169)
	(3,096,901)	(8,199,173)	(3,054,900)
Cost of sales	(2,637,040)	(6,775,307)	(2,541,397)
Selling expenses	(171,370)	(757,465)	(294,001)
General and administrative	(288,491)	(666,401)	(219,502)
	(3,096,901)	(8,199,173)	(3,054,900)

- i. Includes the amount of R\$279,908 resulting from the recognition of sectorial assets and liabilities (note 12).

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

19 Other income (expenses), net

	Parent Company			
	July 1, 2020 to September 30, 2020	January 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019 (Restated)	January 1, 2019 to September 30, 2019 (Restated)
Gain on compensation claims	-	-	-	50,284
Contractual obligations arising from assignment of credit rights ⁽ⁱ⁾	-	(68,311)	400,000	400,000
Regulatory Current Account	2,566	2,566	128,843	153,356
Loss on disposal of noncurrent assets and intangibles	(26)	(96)	693	4,248
Net effect of legal proceedings, recoverable and tax installments	(7,718)	(36,862)	(3,643)	(28,720)
Other	(14,329)	(12,879)	(5,783)	(47,232)
	(19,507)	(115,582)	520,110	531,936

	Consolidated			
	July 1, 2020 to September 30, 2020	January 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019 (Restated)1	January 1, 2019 to September 30, 2019 (Restated)1
Contractual obligations arising from assignment of credit rights ⁽ⁱ⁾	-	-	-	50,284
Contractual obligations arising from assignment of credit rights ⁽ⁱ⁾	-	(68,311)	400,000	400,000
Reimbursement of gas losses in the process ⁽ⁱⁱⁱ⁾	-	26,945	-	-
Regulatory Current Account	6,059	6,998	166,143	214,429
Loss on disposal of noncurrent assets and intangibles	(36)	(4,189)	(10,899)	(17,873)
Net effect of legal proceedings, recoverable and tax installments	-	-	(34)	(34)
Cost related to internal organization and prospective acquisitions	(21,089)	(49,112)	(4,849)	(29,978)
Other	(10,102)	35,384	(48,587)	(82,259)
	(25,168)	(52,285)	501,774	534,569

- (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 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.

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

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, in which R\$ 130,922 was received on April 2, 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.

In the period ended September 30, 2020, the second installment of the second precatory and third installment of the first precatory was received, with Copersucar retaining the amount referring to taxes, expenses and other withholdings, in accordance with the contractual obligation clauses, the Company indemnified Buyers at R\$ 31,857.

- (ii) Reimbursement of expenses with regulatory losses in accordance with Resolution ARSESP 977 of April 8, 2020, which was recognized, as detailed in note 12.

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

20 Finance results

Details of finance income and costs are as follows:

	Parent Company			
	July 1, 2020 to September 30, 2020	January 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019 (Restated)	January 1, 2019 to September 30, 2019 (Restated)
Cost of gross debt				
Interest on debt	-	(3,454)	(28,142)	(64,003)
Derivatives and fair value measurement	213,159	1,973,458	350,141	580,505
Amortization of borrowing costs	(31)	(4,381)	(950)	(2,237)
	213,128	1,965,623	321,049	514,265
Income from financial investment and exchange rate in cash and cash equivalents	5,907	46,975	5,304	32,829
	5,907	46,975	5,304	32,829
Cost of debt, net	219,035	2,012,598	326,353	547,094
Other charges and monetary variations				
Interest on other receivables	3,236	13,022	9,398	49,713
Interest on other financial assets	(122,237)	(216,381)	103,910	198,985
Interest on shareholders' equity	18,620	56,120	18,950	62,450
Interest on other liabilities	(9,517)	(39,329)	(18,808)	(87,195)
Bank charges and other	(5,837)	(15,035)	(1,864)	(19,154)
Exchange variation	(313,631)	(2,318,487)	(456,523)	(585,506)
	(429,366)	(2,520,090)	(344,937)	(380,707)
Finance results, net	(210,331)	(507,492)	(18,584)	166,387
Reconciliation				
Finance expense	(248,206)	(578,756)	(94,957)	(377,883)
Finance income	28,243	118,505	140,142	348,751
Foreign exchange (losses) gain, net	(197,853)	(1,938,609)	(402,205)	(350,791)
Derivatives	207,485	1,891,368	338,436	546,310
Finance results, net	(210,331)	(507,492)	(18,584)	166,387

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

	Consolidated			
	July 1, 2020 to September 30, 2020	January 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019 (Restated)	January 1, 2019 to September 30, 2019 (Restated)
Cost of gross debt				
Interest on debt	(193,946)	(518,038)	(175,580)	(532,709)
Monetary and exchange rate variation	(243,271)	(2,383,910)	(485,989)	(444,306)
Derivatives and fair value measurement	183,426	1,705,450	375,871	423,301
Amortization of borrowing costs	(452)	(5,498)	(1,150)	(2,823)
Guarantees and warranties on debt	(6,008)	(15,162)	(4,175)	(14,680)
	(260,251)	(1,217,158)	(291,023)	(571,217)
Income from financial investment and exchange rate in cash and cash equivalents	15,619	280,874	116,137	218,380
	15,619	280,874	116,137	218,380
Cost of debt, net	(244,632)	(936,284)	(174,886)	(352,837)
Other charges and monetary variations				
Interest on other receivables	6,925	64,842	59,242	153,303
Interest on other financial assets	(125,212)	(232,738)	103,910	198,985
Interest on other liabilities	(28,921)	(99,614)	(49,092)	(166,945)
Bank charges and other	(7,581)	(1,060)	(4,296)	(24,785)
Exchange variation	(18,016)	41,015	(65,589)	(46,468)
	(172,805)	(227,555)	44,175	114,090
Finance results, net	(417,437)	(1,163,839)	(130,711)	(238,747)
Reconciliation				
Finance expense	(353,530)	(1,357,007)	(297,344)	(1,026,850)
Finance income	38,187	245,281	246,475	568,131
Foreign exchange (losses) gain, net	(241,204)	(2,173,008)	(494,192)	(437,763)
Derivatives	139,111	2,120,894	414,350	657,735
Finance results, net	(417,436)	(1,163,840)	(130,711)	(238,747)

21 Financial risk management

a) Market risk

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

i) Foreign exchange risk

At September 30, 2020 and December 31, 2019, the Company had the following net exposure to foreign exchange variation on US dollar-denominated assets and liabilities:

	September 30, 2020	December 31, 2019
Cash and cash equivalents	2,236,586	464,313
Trade receivables	22,253	11,399
Trade payables	(128,989)	(80,093)
Loans, borrowings and debentures	(9,346,143)	(6,472,394)
Contingent consideration payable	(235,424)	(184,370)
Derivative financial instruments	6,602,300	4,652,205
Foreign exchange exposure, net	(849,417)	(1,608,940)

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 September 30, 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\$)				
		Scenario				
	September 30, 2020	Probable	25%	50%	-25%	-50%
U.S.\$	5.6407	5.2600	6.5750	7.8900	3.9450	2.6300

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

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 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	27,736	63,013	92,550	4,418	(24,959)
Trade receivables	20,751	25,939	31,126	15,563	10,376
Loans, borrowings and debentures	(625,069)	(1,601,750)	(3,760,841)	2,716,431	4,875,521
Contingent consideration payable	(219,537)	(274,421)	(329,305)	(164,653)	(109,769)
Trade payables	(120,286)	(150,357)	(180,429)	(90,215)	(60,143)
Derivative financial instruments	2,349,168	3,950,950	5,936,847	778,087	(941,500)
Impacts on profit or loss	1,432,763	2,013,374	1,789,948	3,259,631	3,749,526

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:

	Probable	Scenario			
		25%	50%	-25%	-50%
Cash and cash equivalents	94,831	108,512	132,380	61,256	37,548
Marketable securities	42,854	48,342	59,056	26,915	16,202
Contingent consideration asset	63,709	79,636	95,564	47,782	31,854
Derivative financial instruments	-	2,334,060	1,900,497	3,352,734	3,952,967
Loans, borrowings and debentures	(825,545)	(271,449)	(320,279)	(173,790)	(124,961)
Impacts on profit or loss	(624,151)	2,299,101	1,867,218	3,314,897	3,913,610

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

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				
	Scenario				
	Probable	25%	50%	-25%	-50%
SELIC	1.90%	2.38%	2.85%	1.43%	0.95%
CDI	1.90%	2.38%	2.85%	1.43%	0.95%
TJLP462 (TJLP + 1% p.y.)	5.70%	6.88%	8.05%	4.53%	3.35%
TJLP	4.70%	5.88%	7.05%	3.53%	2.35%
IPCA	3.83%	4.78%	5.74%	2.87%	1.91%
IGPM	6.78%	8.48%	10.18%	5.09%	3.39%
Libor	0.64%	0.80%	0.96%	0.48%	0.32%
Fed Funds	0.15%	0.19%	0.23%	0.11%	0.08%

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, in the period of availability of this information.

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

	September 30, 2020		
	Asset	Liabilities	Net gain
Energy trading	71,558	(71,405)	153

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

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 September 30, 2020, as follows:

	Probable	Scenario			
		25%	50%	-25%	-50%
Unrealized gains on trading operations	154	(182,267)	(364,535)	182,267	364,535

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:

	September 30, 2020	31 December, 2019
Cash and cash equivalents	4,845,149	6,076,644
Marketable securities	2,255,464	1,363,048
Trade receivables	1,471,853	1,415,111
Contingent consideration asset	68,319	134,637
Derivative financial instruments	3,882,102	1,900,379
Receivables from related parties	190,494	171,910
Dividends and interest on capital received	70,887	22,684
	12,784,268	11,084,413

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.

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

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:

	September 30, 2020	31 December, 2019
AAA	9,728,164	6,812,280
AA	1,254,551	2,527,791
	10,982,715	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:

	September 30, 2020					31 December, 2019
	Up to 1 year	1 - 2 years	3 - 5 years	More than 5 years	Total	Total
Loans, borrowings and debentures	(3,131,376)	(1,356,272)	(7,712,104)	(6,720,692)	(18,920,444)	(14,875,687)
Trade payables	(1,685,038)	-	-	-	(1,685,038)	(1,676,725)
Leases	(17,836)	(15,524)	(42,645)	(33,653)	(109,658)	(47,655)
Other financial liabilities	(133,571)	-	-	-	(133,571)	(132,927)
Payables to related parties	(269,853)	(746)	-	-	(270,599)	(260,236)
Tax installments - REFIS	(6,022)	(4,181)	(5,414)	(184,702)	(200,319)	(195,946)
Dividends payable	(16,092)	-	-	-	(16,092)	(590,204)
Preferred shareholders payable	-	(449,604)	-	-	(449,604)	(611,537)
	(5,259,788)	(1,826,327)	(7,760,163)	(6,939,047)	(21,785,325)	(18,390,917)

22 Post-employment benefits

	September 30, 2020	December 31, 2019
Defined contribution		
Futura II	217	277
Defined benefit		
Futura	76,475	74,093
Comgás	646,670	630,549
	723,145	704,642
Total	723,362	704,919

During the period ended September 30, 2020, the amount of the sponsors' contributions to the plans was R\$23,733 (R\$26,989 as of September 30, 2019).

23 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.

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

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	(14,405)	46,895	47.80
August 12, 2017	Comgás	5	97,780	(13,616)	84,164	54.25
August 1, 2018	Comgás	5	96,787	(5,338)	91,449	59.66
July 31, 2019	Comgás	5	83,683	(3,997)	79,686	78.58
Subtotal Comgás			339,550	(37,356)	302,194	
February 2, 2020	Compass Gás e Energia	5	1,858,969	-	1,858,969	13.58
Subtotal Compass Gás e Energia			1,858,969	-	1,858,969	
April 27, 2017	Cosan S.A.	5	274,000	(76,900)	197,100	37.00
July 31, 2017	Cosan S.A.	5	298,107	(82,548)	215,559	32.22
July 31, 2018	Cosan S.A.	5	210,602	(12,082)	198,520	38.61
July 31, 2019	Cosan S.A.	5	31,031	-	31,031	49.85
July 31, 2019	Cosan S.A.	5	15,020	-	15,020	83.73
Subtotal Cosan S.A.			828,760	(171,530)	657,230	
Total			3,027,279	(208,886)	2,818,393	
Share-based Compensation Plan - Modification						
08/18/2011 ⁽ⁱ⁾	Cosan S.A.	1 a 12	1,501,626	(1,276,283)	225,343	47.70
12/12/2012	Cosan S.A.	1 a 7	24,647	(24,647)	-	47.70
04/24/2013 ⁽ⁱⁱ⁾	Cosan S.A.	5 a 7	122,123	(121,059)	1,064	47.70
04/25/2014 ^{(iii) (vii)}	Cosan S.A.	5 a 7	283,808	(283,808)	-	47.70
08/31/2015 ^{(v) (vi) (iv)}	Cosan S.A.	5 a 7	463,906	(429,907)	33,999	47.70
			2,396,110	(2,135,704)	260,406	
Total			5,423,389	(2,344,590)	3,078,799	

- (i) On April 30, 2020, 225,531 shares were settled in cash in the amount of R\$ 20,281.
- (ii) On January 23, 2020, 9,579 shares were delivered, equivalent to the amount of R\$333.
- (iii) On March 5, 2020, 21,504 shares were delivered, equivalent to the amount of R\$748.
- (iv) On July 14, 2020, 9,416 shares were delivered, equivalent to the amount of R\$421.
- (v) On August 31, 2020, 241,283 shares were delivered, equivalent to the amount of R\$ 10,801.
- (vi) On September 1, 2020, 29,201 shares were delivered, equivalent to the amount of R\$ 1,307.
- (vii) On July 30, 2020, 10,752 shares were settled in cash in the amount of R\$ 533.

- 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
Granted	1,873,989
Vested	(586,601)
At June 30, 2020	<u><u>3,078,799</u></u>

- Expense recognized in profit or loss**

Share-based compensation expense included in the statement of profit and loss for the period ended September 30, 2020 and 2019 was as follows:

	<u>Stock option programs</u>	<u>Stock grant programs</u>	<u>Total</u>
Period ended September 30, 2019	1,627	32,890	34,517
Period ended September 30, 2020 ⁽ⁱ⁾	-	22,700	22,700

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

24 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 and nine-months periods ended on September 30, 2019.

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

	Parent Company			Parent Company		
	July 1, to September 30, 2019 (Published)	Discontinued operation	July 1, to September 30, 2019 (Restated)	January 1, to September 30, 2019 (Published)	Discontinued operation	January 1, to September 30, 2019 (Restated)
Gross profit	-	-	-	-	-	-
Selling, general and administrative expenses	(68,017)	-	(68,017)	(139,674)	-	(139,674)
Other income (expenses), net	520,110	-	520,110	531,936	-	531,936
Profit before equity in earnings of investees, financial results and taxes	452,093	-	452,093	392,262	-	392,262
Interest in earnings of associates	533,378	3,906	537,284	1,298,241	14,481	1,312,722
Interest in earnings of joint ventures	(20,927)	-	(20,927)	(72,647)	-	(72,647)
Equity in earnings of investees	512,451	3,906	516,357	1,225,594	14,481	1,240,075
Finance results, net	(18,584)	-	(18,584)	166,387	-	166,387
Profit before tax	945,960	3,906	949,866	1,784,243	14,481	1,798,724
Income taxes	(127,075)	-	(127,075)	(151,382)	-	(151,382)
Profit from continuing operations	818,885	3,906	822,791	1,632,861	14,481	1,647,342
Loss from discontinued operations, net of taxes	-	(3,906)	(3,906)	-	(14,481)	(14,481)
Profit for the year	818,885	-	818,885	1,632,861	-	1,632,861
Profit attributable to:						
Owners of the Company	-	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	-

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

	Consolidated			Consolidated		
	July 1, to September 30, 2019 (Published)	Discontinued operation	July 1, to September 30, 2019 (Restated)	January 1, to September 30, 2019 (Published)	Discontinued operation	January 1, to September 30, 2019 (Restated)
Gross profit	1,144,850	-	1,144,850	2,921,731	(281)	2,921,450
Selling, general and administrative expenses	(514,002)	499	(513,503)	(1,384,583)	1,842	(1,382,741)
Other income (expenses), net	501,243	531	501,774	526,568	8,001	534,569
Profit before equity in earnings of investees, financial results and taxes	1,132,091	1,030	1,133,121	2,063,716	9,562	2,073,278
Interest in earnings of associates	1,781	(564)	1,217	(26,505)	(2,965)	(29,470)
Interest in earnings of joint ventures	148,185	-	148,185	510,428	-	510,428
Equity in earnings of investees	149,966	(564)	149,402	483,923	(2,965)	480,958
Finance results, net	(134,151)	3,440	(130,711)	(246,631)	7,884	(238,747)
Profit before tax	1,147,906	3,906	1,151,812	2,301,008	14,481	2,315,489
Income taxes	(328,298)	-	(328,298)	(607,044)	-	(607,044)
Profit from continuing operations	819,608	3,906	823,514	1,693,964	14,481	1,708,445
Loss from discontinued operations, net of taxes	-	(3,906)	(3,906)	-	(14,481)	(14,481)
Profit for the year	819,608	-	819,608	1,693,964	-	1,693,964
Profit attributable to:						
Owners of the Company	-	818,885	818,885	-	1,632,861	1,632,861
Non-controlling interests	723	-	723	61,103	-	61,103
	723	818,885	819,608	61,103	1,632,861	1,693,964

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

	Parent Company			Consolidated		
	September 30, 2019 (Published)	Discontinued operation	September 30, 2019 (Published)	September 30, 2019 (Published)	Discontinued operation	September 30, 2019 (Published)
Cash flow from operating activities						
Profit before taxes	1,784,243	14,481	1,798,724	2,301,008	14,481	2,315,489
Adjustments for:						
Depreciation and amortization	8,702	-	8,702	430,162	(337)	429,825
Equity in subsidiaries and associates	(1,298,240)	(14,481)	(1,312,721)	26,506	2,964	29,470
Equity in joint ventures	72,647	-	72,647	(510,428)	-	(510,428)
Indexation charges, interest and exchange, net	(147,557)	-	(147,557)	346,995	(8,053)	338,942
Provisions for employee benefits	8,470	-	8,470	65,801	(55)	65,746
Other	(566,020)	-	(566,020)	(519,785)	(201)	(519,986)
	(137,755)	-	(137,755)	2,140,259	8,799	2,149,058
Variation in:						
Trade receivables	-	-	-	(443,850)	(8,058)	(451,908)
Inventories	-	-	-	(87,791)	4,131	(83,660)
Other current tax, net	34,855	-	34,855	62,791	2,409	65,200
Related parties, net	(3,671)	-	(3,671)	16,444	(7,751)	8,693
Trade payables	(2,145)	-	(2,145)	452,905	1,706	454,611
Employee benefits	(15,729)	-	(15,729)	(65,126)	627	(64,499)
Other assets and liabilities, net	(25,594)	-	(25,594)	(132,346)	2,084	(130,262)
Discontinued operation	-	-	-	-	(3,947)	(3,947)
Other	(11,985)	-	(11,985)	(79,185)	-	(79,185)
Cash flow from operating activities	(162,024)	-	(162,024)	1,864,101	-	1,864,101
Marketable securities	42,527	-	42,527	238,191	(1,362)	236,829
Additions to property, plant and equipment, intangible assets, contract assets and right to use	(1,743)	-	(1,743)	(553,782)	747	(553,035)
Discontinued operation	-	-	-	-	615	615
Other	634,607	-	634,607	853,871	-	853,871
Cash flow from investment activities	675,391	-	675,391	538,280	-	538,280
Loans, borrowings and debentures raised	1,692,647	-	1,692,647	1,733,167	(9,199)	1,723,968
Amortization of principal on loans, financing and debentures	(1,196)	-	(1,196)	(541,233)	7,848	(533,385)
Payment of interest on loans, borrowings and debentures	(56,176)	-	(56,176)	(449,482)	6,613	(442,869)
Receipt Derivative financial instruments	122,642	-	122,642	210,614	(379)	210,235
Payment Derivative financial instruments	(93,659)	-	(93,659)	(100,408)	-	(100,408)
Acquisition of non-controlling interests	(2,067,296)	-	(2,067,296)	(2,067,296)	-	(2,067,296)
Discontinued operation	-	-	-	-	(4,883)	(4,883)
Other	(664,472)	-	(664,472)	(366,435)	-	(366,435)
Cash flow from financing activities	(1,067,510)	-	(1,067,510)	(1,581,073)	-	(1,581,073)
Increase (decrease) in cash and cash equivalents	(554,143)	-	(554,143)	821,308	-	821,308
Cash and cash equivalents at beginning of year	928,077	-	928,077	2,696,947	-	2,696,947
Effect of exchange rate fluctuations on cash held	-	-	-	54,654	-	54,654
Cash and cash equivalents at end of year	373,934	-	373,934	3,572,909	-	3,572,909

25 Subsequent events

25.1 Disposal of the 51% stake in Petrobras Gás S.A. - Gaspetro

On October 26, 2020, the subsidiary Compass submitted, on this date, with the approval of its Board of Directors, proposed in the competitive divestment process promoted by Petróleo Brasileiro SA - Petrobras for the sale of its 51% stake in Petrobras' share capital Gás SA - Gaspetro ("Gaspetro"). The proposal submitted is guaranteed by the Company, and the other terms and conditions are confidential, due to the nature of the competitive process conducted by Petrobras.

The completion of the potential transaction is subject to several factors, including the choice of the proposal presented by Compass as the winner of the competitive process, the successful conclusion of the resulting negotiations and the signing of the respective purchase and sale agreement for the acquisition of a 51% stake. Gaspetro's share capital, which will provide for precedent conditions customary in transactions of this nature, including regulatory and competitive approvals.

Gaspetro is a holding company that holds stakes in 19 gas distributors, which exclusively operate local piped gas distribution services in several states in Brazil.

The Company will keep its shareholders and the market informed about the events related to this possible transaction.

25.2 Share buyback

On March 16, 2020, the Company approved the common share buyback program (note 15.b). On October 2 to October 19, 2020, 2,149,600 common shares were repurchased in the amount of R\$ 166,080.