



Conference Call Transcript

COSAN

Operator:

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Please note that this conference call is being recorded and will be available on the company's website, cosan.com.br, after the call, during the company's presentation, all participants will have their microphones muted. We will then begin the Q&A Session.

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I will now hand it over to Mr. Rodrigo Araujo.

Rodrigo Araujo:

Good morning, everyone. Thank you for participating in this call. Today, we will cover the material fact announced yesterday to capitalize Cosan and establish a strategic partnership.

So, first we have the usual disclaimers on future estimates and that this does not mean the realization of any offering from the company.

So, let me start with the merits of this operation. I think it's important. You probably have followed through time in our results calls and in recent quarters. The company has been going through a deleveraging journey to adjust its capital structure.

And this journey, well, has some divestment. We have divested earlier this year. There's also this exercise of liability management, and yesterday we announced a very important step in this journey. It's not the last one, but it is extremely important, which is increased capital —

10 billion reais by the company, anchored by anchored investors, or a consortium. And in this operation, they will subscribe to 7.25 billion reais.

This operation addresses several issues we had been discussing. It clearly has financial merits. It addresses the company's leveraging, and the operation also brings several other relevant characteristics. It brings new partners.

Aguassanta is still the controlling shareholder for the company, but now with two partners with amazing track record in capital placement, financial discipline, and infrastructure assets in Brazil.

Aguassanta is associating to two potential new investors that add a lot of value to the company. This operation brings much more than just a financial aspect. It brings governance, perennity of capital, continuity. So, this is a package that creates value. It's much more than just capitalization.

So, looking at the capital structure, it is important to mention two things. Funds are fully allocated to enhance Cosan's capital structure, and the proceeds will not be used to capitalize Raízen. These funds are exclusively to Deleverage Cosan. And this is an important point regarding strategic fit.

So, the profile of investors: We have BTG Pactual holding, and it's important to clarify this is not an investment made by the bank. It's made by the holding and by the asset management.

And we have Perfin Infra. These are investors who have a long track record in investments in Brazil and they are committed to Cosan and also to Cosan's shareholders in the long term. We have given more details about that in a minute.

Regarding governance, this new shareholder agreement creates alignment between these three investors and Aguassanta, the controlling shareholder, Mr. Rubens is still the controller and holds 50.01 of the shares bound to the agreement.

Okay, about the offering itself and capitalization. Before we go into details, it is important to mention that the offering is the result of a long process, a private competitive process. The company had been studying and mentioning this in previous calls possibilities to address a deleverage. A point that was always important for us was the preservation of the quality of our portfolio.

This is a deal that ensures the quality of our portfolio and the continuity of our journey. This is the result of several attempts and several conversations throughout recent months. This was actually a competitive process and that leads to the offering itself.

So, we have two offerings and I'm going to give more details. They are not simultaneous, it's one after the other. The first offering is an EGEM offering. So, it's a large market exposure or large issuance. It's a public offering, no priority. It's common shares, an ordinary book building process and it has a firm proposal, 5 reais per share and that can mean a subscription of 7.25 billion reais.

The public offering can have a hot issue of up to 25% of the base offering. So, that means an additional 1.81 billion reals. And it has relevant characteristics. The first offering. One of these characteristics is that all investors that participate in the transaction will receive 50% of the shares subscribed to with a two-year lock-up and 50% have no lock-up.

The investor consortium that is coming in as anchor investors for the offering agreed an adding an additional lock-up period, a four-year lock-up, so above the ordinary lock-up of the offering.

Another important point besides minimum allocation, which is traditional, is the book building process itself. So, the allocation of investors will give preference to current investors of the company. So, it's not a priority offering. But in the allocation process, the company will give preference to its current investors.

So, we want to also bring these investors into the deal. After the pricing of the first offering, we will have the second offering. Immediately after that. It's a priority offering. The investor consortium will not be part of the second offering.

The second offering is up to 2.75 billion reals. And I'm going to explain that it communicates with the first offering. So, the second offering depends on the amount raised in the first offering. Combined, these two offerings will reach 10 billion reals, depending on what comes additional to the firm offering the 7.25 billion reals, we can have more or less funds being raised in the second offering. And this is all capped or limited to 10 billion reals.

The second offering is a priority one that takes into account the shareholder base from the last Friday, the last trading session. So, investors will not be part of the second offering.

Another important point, the price of the second offering is the same of the first one. So, just to explain this a little bit better and the main aspect, first offering is an EGEM offering with no priority rights that will attempt to allocate the consortium fully with the firm offering that was made by them.

The process entails traditional book building and offerings of this case that happens, and we have this possibility of 25% of hot issuing in the first offering. In these 25% we will give preference to historic shareholders of the company.

I'd like to highlight the allocation of the first offering, so, the characteristic of the first offering, each investor will receive 50% of subscribed shares with a two-year lock-up. And 50% of the shares have no lock-up for the second offering. The volume will depend on the first offering, as I said.

So, the total will reach 10 billion reals. Second offering, no lock-up. And that's another important characteristic. Second offering has no lock-up to investors whatsoever. It considers our cut date of September 19th and it has the same price of the first offering.

If I can give you some color in the use of proceeds, the use of proceeds will be used for deleveraging purposes at Cosan, as I said. So, here you see our net debt, our financial debt, and it's clear that the deal is sizable and it is quite relevant in our deleveraging process.

It's important to mention something we have said before. The future growth of the company will take place through its business portfolio, through the development of groups and businesses and of course having a healthier capital structure at the holding level enables the business development of our portfolio in a more effective and strategic manner.

Regarding the two investors that are coming in now to partner with Aguassanta, this is a summary of their credentials. They're very well-known, very relevant groups with expertise. Not just financial expertise, but operational expertise, infrastructure, management expertise. As I said, BTG is not investing through the bank, they're investing through the holding and the asset manager. This is an investment from their partners, of course, shareholders. They have their sound investors. So, besides their operational track record and the execution capacity, these are shareholders that do bring perennial and long-term capital into our company.

Let's look at the share, the final shareholder structure. There are some important aspects here. The first one, as I said, Aguassanta remains as a controlling shareholder of Cosan 50.01% of the shares bound to the shareholder agreement. If you look at the table on the right-hand side, it's clearer for the agreement we have the bound and unbound shares. So, we can see that Aguassanta has the largest share, largest percentage of bound shares.

When we look at the total figures, Aguassanta we have the figures 21 and as you see on the graph, but four bound shares. Aguassanta holds directly and indirectly most shares so, it remains the controlling shareholders.

On the left-hand side, you see that the capitalization of the shares, 7.25 billion reais. This happens through the holding structure. That's the HoldCo that has 24.9% of shares. Well, Holdco organizes the bound share process and the inbound share process and it organizes the governance between the partners.

That is the function of the HoldCo and as you can see also at the bottom part of the slide, that unbound shares will appear also directly at the company. So, Holdco plays this role. Part of BTG and Perfin shares are unbound from the shareholder agreement.

Let's look at the governance structure. As I mentioned, the shareholder agreement establishes a long-term relationship. It's a 20 year agreement and investors are committed to a four year lock-up period.

Mr. Rubens or a person appointed by him remains as chairman. So, six year period and after the six year period there's the possibility of a change in the bound aspects of the agreement and maybe a rediscussion but Aguassanta still has most bound shareholders and they are controlling shareholders. Aguassanta appoints five board members and one will be an

independent one. BTG and Perfin will appoint four board members and one will be an independent member.

The consortium of investors will be participating. This is part of the process to improve our portfolio and to create more value for shareholders. So, they will be participating in the boards of the companies in our portfolio. And this is an important aspect as well.

Another characteristic of the agreement worth highlighting is the search to implement new committees at Cosan, but also to improve our work. So, we have an important focus in the people committee. They have relevant responsibility in managing the talent pipeline for the company and also the creation of an operation and financial committee focusing on maximizing value of the assets in our portfolio.

So, this is governance that allows for joint value creation between investors in Cosan's portfolio. So, let's look at the transaction timeline. So, first we have the deal announcement that was yesterday and we are here detailing that as part of the process the company will convene by tomorrow an extraordinary general meeting. And the goal will be to approve the waiver of the clause for the consortium of investors and approve the increased capital that will make feasible the 10 billion capitalization for the company.

So, we will convene an assembly. It will take place on October 23. The assembly then will approve these two topics, the waiver and the increased capital. And on the 23rd the company will launch the first offering, the one that I mentioned, the EGEM offering, non priority traditional book building model. This offering will have a seven day roadshow as well as the operational subscription for retail investors. And the offering will be priced on November 3rd.

After it's priced on November 3rd, the company immediately launches the same day the second offering. And that is a priority offering. The second offering takes into account the shareholder base from the last trading session. So, from Friday, anchor investors are not part of the priority offering. And then we will have the book building process, the roadshow for the second offering as well. And the second offering will be priced on November 11th. So, this process will be executed using financial information from Q2 25 and this will be concluded before we make public Q3 results from the company.

Just summarizing, the company, as I said, is going through this deleveraging journey and now with this event, with relevant capitalization, we enter a new chapter in our journey. It's not the end of the journey. The company has a multi-year plan to reduce leveraging, to streamline and simplify the holding structure. To reduce costs and expenses in the holding structure. So, we go into a process to continue in our deleveraging journey in order to simplify it. I also want to mention that the funds will be used to deleverage Cosan. There will be no capital injection in Raízen with these funds.

The focus is still the existing portfolio of companies. The growth journey of our group will not have new verticals. We will not open new verticals. We will use the existing portfolio companies. And we want to develop this portfolio, but with a sounder and more healthier

capital structure. We can do that in a more efficient and strategic manner. No new verticals. And there's something that is extremely important for us, which is very high level of discipline in capital allocation. And now with these two new partners, amazing in capital allocation, they will certainly contribute to the future of the company and of our portfolio.

Before we move to the Q&A session, I just wanted to give the floor to Marcelo Martins for his closing remarks and also to Mazzola on behalf of BTG and Ralph on behalf of Perfin. Thank you for your attention.

Marcelo Martins:

Good morning, everyone. I think Rodrigo spoke about the main characteristics of this deal. We are currently doing so, as this announcement to the market. As of last year, we've had frequent conversations, and I believe clear communications with the market about our goals. As you know, we wanted to rebalance Cosan's capital structure.

Our goal is to deleverage the company so, we have more financial flexibility to keep the assets in our portfolio and manage our business healthily and sustainably. That's why we now have these new partners adding value to our strategy. So, now we will gain traction with these partners and also they will bring a relevant contribution to the company. These two points are very relevant.

And thirdly, as I spoke in our last earnings conference call, we also want to ensure we have a smooth succession process in time. What we've announced to the market yesterday and today will address all of these points in a very adequate manner. We've attracted private investors who are willing to participate in the public offering.

This was one of the requirements and according to terms whereby the market will be able to participate. As Rodrigo mentioned, we will conduct a public offering and although there will be no priority in the subscription, we open up the possibility for participation and the result may be a price different from five Brazilian Reais.

We've also opened the possibility of having an effective second public offering under different conditions. From the first and the first offering, we've had a shorter lock-up than that lock-up of our anchor investors. And in the second offering, there will not be a lock-up period.

I'd like to thank BTG and Perfin, who are great partners in terms of their financial expertise and portfolio managers. They will contribute with their expertise for the future of Cosan.

In addition, we have been able to protect our portfolio, which was key for Cosan, so, that we remain attractive for current and future shareholders as we believe we will have your confidence to build the company from now on to the future.

Thank you all for joining us. I want to thank Mazzola and Ralph. And let me now give the floor to Mazzola.

Renato Mazzola:

Good morning, everyone. Thank you, Marcelo. Thank you, Rodrigo.

Let me begin by telling you. We want to make it clear that this investment is made by the bank's holding, by the bank's partner, together with our asset management area, where we have private equity funds, venture capital funds. So, this investment is made by the partners in our holding.

Let me also emphasize that we feel highly confident in Cosan's assets and in the team of people who manage these assets every day. We believe these are unique assets. We really believe in the team, we believe in the assets, and we believe we have a great potential ahead of us. There are many interesting things we can do and we believe we can contribute to develop these assets.

On BTG's side, all future investments in highway and railway assets or also in lubricants. When we look at Compass, where we have the gas operations, we will have investments only in these vehicles. There will not be competing vehicles on our side.

The only perception of a possible conflict with Eneva would be on Edge. But we've decided to be out of that board, so, there will be no problems, not for Compass, not for this deal. So, we just want to emphasize we feel highly confident, and we believe we can add a lot of value to these assets in the next few years. As Marcelo mentioned, we will be together for many years ahead after this shareholders agreement. Thank you.

Ralph Gustavo:

Good morning. Good morning, everyone. Thank you, Marcelo, Rodrigo and Mazzola.

For us at Perfin, it's a huge privilege to be part of this very relevant group. We admire the founders and we're Happy now because Mr. Rubens allowed for us to also contribute as partners. We want to humbly contribute for these processes for the company.

We truly believe in the assets that the company currently manages, and we believe if we can improve the capital structure, we will be able to also improve the company's portfolio, to be able to grow organically and also maybe through acquisitions. We believe these companies can still add a lot of value. In the mid and long term, as Mazola mentioned, here at Perfing, we always want to be part of platforms where we have top partners. And so, that is why we made a decision to participate in this consortium, so, that we can grow together in the long term. Thank you.

Let us now begin our Q&A session.

Operator:

We will open the questions and answer session with Mr. Marcelo Matins and Mr. Rodrigo Araújo. Now, the first question comes from Thiago Duarte from BTG Pactual. We will enable your microphone so, you can ask your question. Thiago, you may continue, please.

Thiago Duarte -BTG:

Hello. Thank you. Good morning, everyone.

It's a pleasure to join you this morning. I'd like to ask Marcelo. Marcelo, in your earlier presentation you referred to succession and I believe you also mentioned about succession by the midpoint of August. In the last earnings conference call, you said succession in Cosan was one of the top priorities for the group, as well as the capital structure. And I believe you have spoken about the capital structure, you've spoken about this deal and it will address both things at the same time, I believe.

But there's something else which you've also mentioned, and somehow, you've emphasized it today, that's about the mid and long term, that the Cosan holding will no longer have a net debt. We have been discussing about this for a number of years because you don't really have tax benefits and so, it doesn't really make a lot of financial sense.

And so, now trying to bring these things together. So, the succession plan which has now been addressed, thinking about the medium and long term for the company, and also your ambition to deleverage the company, which will be significantly reduced after this deal, but it will not come to zero, I believe. And maybe that was one of the goals you mentioned. So, I'd like to ask you about the next steps in terms of growth and also in terms of opportunity to release value, considering you've addressed the succession in the company, and also about your goal in the medium and long term to bring the net debt to zero. Thank you.

Marcelo Martins:

Thank you, Tiago, for the question.

Let me begin talking about the company leverage. We have a complex equation which is that we want to reduce the group's leverage gradually. So, we cannot bring it down to zero now, but we have a clear goal that we will come close to zero in time. This is our goal. As you've said, it's not efficient to run a debt in Cosan and it hasn't been favorable historically, but we've had a high debt. And so, that was no longer sustainable. That's why we needed to take urgent action.

So, first I wanted to mention this sense of urgency in our team to find a solution. And when looking at the market, it's not really easy to sell assets. But we were looking for alternatives so, we could reduce our debt, gain a new balance.

And so, we looked at different potential transactions. We believe it is below what would be desirable in terms of value. But we want to maintain an attractive portfolio so that we can continue to attract current and future shareholders.

So, we spoke to private investors who could contribute with capital. So, helping us deleverage the company and open room so, that we could continue to manage our portfolio in time by divesting assets.

Assets at the right price, at the right time, whenever it makes sense to protect the quality of our assets for the future. Because we want to continue to grow and growth will come after we can address the financial structure. So, we will now use all of this fund to deleverage the company.

We've discussed about many different alternatives. We have been working hard searching for the best alternatives at the best possible price, with the best possible conditions for us to rebalance our capital structure.

About the company succession. I clearly said it was urgent for us to have a succession plan. I actually used the expression urgent in our last earnings conference call. Because even our controller, our controlling shareholder, knows that in time we must build a sustainable business model for the company and for the partners, investors, shareholders who will be with us now and in the future. So, we listed a few conditions that would be important for us to have an organized and structured succession plan in time.

So, we've introduced this four-year lock-up for the anchor investors. And of course, the market will not have this lock-up. The first offering will have a two-year lock-up and the second offering will not have a lock-up period. Aguassanta will continue to maintain the controlling share 50.01% and Rubens will remain as the chairman of the board or whoever he appoints.

And so, after these six years, because the deal has a long-term duration, 20 years is the time of this deal. But during the first six years the structure will remain as we've discussed. After that we can make changes in the original design of this new capital structure. So, it means that we will have a structured succession plan from the controlling shareholders. And for the first six years, and even after the initial six year period, we will continue to have the same controlling shareholder.

So, all of these points are important for us to be able to go to market and attract investment. The size of this Offering is right for the company at this point, so, that we can also have space to look for more deleverage mechanisms complying with these points I've already mentioned.

Thiago Duarte -BTG:

Thank you. Very clear. Marcelo.

Operator:

Our second question comes from Isabella Simonato from the bank of America. Isabella, we will enable your microphone. You can now ask your question, please.

Isabella Simonato- BOFA:

Thank you. Good morning, Marcelo and Rodrigo, thanks for this opportunity.

I have a few questions. First, about the shareholders' approval of the deal. Can you please provide more color on what is required in terms of presence of shareholders and the number of votes you need to approve of the shareholders agreement.

My second question is about the offering price. We see a relevant discount compared to the current market price and also a discount compared to previous issuances by Cosan itself. So, I'd like to understand a bit more about your decision process. Now you are doing this capital increase. I can understand the 10 billion Brazilian reais number. You know, it's a relevant number, but that's what the company needs. But I see now a price dilution. So, I'd like to understand your rationale. And also, the interest shareholder doing this price dilution. So, I'd like to understand the rationale behind this pricing decision. Thank you.

Rodrigo Araújo:

Thank you, Isabella, for the question about the first question.

Now, the number of voting share I mean to install the extraordinary general meeting would be simple majority. So, if we have a simple majority of votes, that is the procedure, that is the process whereby we will approve of the deal in the extraordinary general meeting. And we believe this deal will add value, will add relevant value to the company.

Now, about your second question. I'd like to mention a few aspects. First. Now during the presentation, we spoke about the offering design that we presented to the market yesterday. And this design was the result of a long process of discussions, evaluations, conversations with a number of players, financial consulting, and corporate consulting. I mean, this was a process we built to address all the points that Marcelo mentioned.

This design was not only to attract capital to the company. Of course this is important. We want to increase capital, but we also want to improve governance and have a succession plan. We want to have good shareholders fit, so, we ensure long term stability. So, that was important. Secondly, I mean, if we look at the performance, the most recent performance of the company stock, especially after we began to hear rumors about the company participating in a new deal, when we have a long term perspective, this discount is not really relevant.

I mean, if we can extend our time window going longer than the short term, we can see that the company shares already had a relevant discount in Price because of the uncertainty around our capital structure. I mean, the market did not know how the company would adjust our capital structure. And Marcelo will also add.

Marcelo Martins:

Isabella, thank you for the question.

Let me recap. We know the performance trend of our shares until September. We had a significant, significant decline. And although in the earnings conference call, we spoke about our efforts to improve our capital structure and this was a priority. We actually tried the

path of divestment, but we needed that in a magnitude that would make sense. But during that process, our share price plummeted.

The trend only changed when our media, our mainstream media, began to speak about new potential partners joining the company. That's when we saw a change in the share price performance, when we began to hear rumors that there would be a capital increase.

So, obviously we now have a clear deal with the new partners, with the new investors anchoring the deal. And today we are announcing the characteristics of this deal that the market will be able to participate.

About Rubens, you know that he can always sign a shareholder's agreement. We all know about that. This is public information.

This is really important for Mr. Rubens. He would like to preserve the 50.01% of votes so that he remains the controlling shareholder. And this condition was respected in this negotiation with the shareholders that will bring in their capital.

Isabella Simonato- BOFA:

Clear. Thank you.

Operator:

Next question comes from Matheus Enfelt, from UBS. Matheus, please unmute your microphone.

Matheus Enfelt- UBS:

Good morning, everyone. Thank you for your time.

I have a couple of questions. Marcelo mentioned that the minimum price is 5 reais per share. If there are offerings or bookings higher than that, how is the capital raise from the controllers? I just want to understand the difference between the minimum price and the price that might take place in the booking stage. I also wanted to understand the rationale for the deal in this specific format. Why the choice of holding the two stages?

So, the preference for subscription is only for the second offering. I just wanted to understand the reasoning behind this format. Instead of having holding just one offering. These are my questions. Thank you.

Rodrigo Araújo:

Thank you, Matheus and good morning.

As to your first question, this is a firm offering of the consortium of investors. So, this is an anchored price, and we have the regular book building process. As we said before, the offering from investors comes together with a set of other processes. But yes, it's a regular book building process. Anchorage price for the offering. Regarding the rationale of holding the two offerings.

Well, this rationale has a logic of trying to ensure the allocation of the investor consortium and ensuring that the deal does take place the best possible manner with the shareholder agreement. And everything we've discussed here. So, the design with the two offerings is because you can actually bring the consortium of investors and you have the second offering, it allows you room for current company shareholders.

And this is a very important aspect when we look at the company's free float. This is 2.75 billion reais. So, you know, it's considerable money. There's relevant room here for allocation for our current shareholders. And in the second priority offering, or in the book building model that gives preference to current shareholders, there is considerable room so that our current shareholders can also participate. 2.75 billion reais. This is considerable, a considerable amount. So, that's what's behind the rationale. Thank you for your question.

Matheus Enfelt- UBS:

Thank you for answering.

Operator:

Next question comes from Gabriel Barra from CITI. Gabriel, please unmute and ask your question.

Gabriel Barra- CITI:

Hello, good morning. Thank you for taking my question.

I wanted to understand capital allocation. You were talking about deleveraging the company and you know, this wish to deleverage the company. I think this is a major step to do that. I actually asked this question in our. In the last conference call because you're thinking of succession as well, looking at the future. You mentioned capital allocation, selling Compass lubriers and other businesses.

I wanted to understand how is that going to happen, the sense of urgency, is it still there or are you sort of stepping on the brakes and waiting for a better moment from the market? So, how are the investments on subsidiaries looking forward and also thinking of new shareholders? Both they have stake and with some synergies with the businesses that you have in your own portfolio. So, maybe you could think of a broader strategy in the future, like a unique investment platform bringing the three investors together. So, what will Cosan look like after the process?

A second point is maybe more technical. It's a question I get asked in the hot issue. When you will consider the track record of the base of the company. Will there be a defined rule for the second tranche? Do you have the deadline? You have the deadline of September 19th.

I just wanted to have clarity. What is the rule for the hot issuing? Considering the current base and you know, minority shareholders as well. I just wanted to understand this better. Thank you.

Rodrigo Araújo:

Thank you, Barra and good morning.

As to your first question, capital allocation, I'm going to give you an overview to address all the points you brought. As I said in the presentation, there is great alignment between the three partners on what to do looking forward on our future path investment models, reducing leveraging through time, simplifying the structure of the holding, reducing size, cost, and expenses at the holding level. So, there's alignment among the partners in that regard. That in itself is already quite attractive and important for the future of the company.

As to you know, bringing these vehicles together, I think that Mazzola and Ralph were clear. This is not an objective or the interest of any of these funds. These are separate subjects regarding selling assets and deleveraging.

When we think of our perception and there's alignment between the three partners on what is the portfolio looking forward, yes, there is alignment. But this deal and the deleveraging it brings for the company, this allows us to work in a more efficient manner, creating more value to shareholders.

It is one thing to divest if you need to. It is another thing to divest when you have the approach appropriate conditions. So, we still have a sense of urgency in deleveraging the company, but this gives us a buffer to, you know, wait for the best market conditions and to see what asserts assets suffer more impact from the macro-economy environment. What's the best way to create value? So, this is more connected to value creation than to the direct selling of assets.

As to your hot issue question, this is an EGEM offering, as I said, with priority large market exposure issuer. During the book building process, we will give preference to shareholders that are already in our base. It's different from our priority offering when you have a cutoff date and you allocate based on that book.

With the book building, we can give preference to existing shareholders. It's discretionary. It is, but there will be preference to shareholders. Company shareholders with no written rules or no direct definition on this type of rules. And thank you for your question.

Gabriel Barra- CITI:

Thank you both.

Operator:

Next question is from Monique Greco from Itau BBA. Mrs. Greco, you can unmute your microphone and ask your question.

Monique Greco- Itaú BBA:

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

I wanted to understand high easing. You made it clear that proceeds will not be used to inject capital at Raízen. I'd like you to talk about a little bit about the debates going on with

Raízen. And what are you thinking in terms of capital injection at Raízen? Also, this shareholder agreement, does it foresee any granting any specific part of Raízen? I also have an operational question at the shareholder meeting. Can Aguassanta vote at the shareholder meeting? Is there any conflict or restriction?

Rodrigo Araújo:

Thank you Monique for your question regarding Raízen.

As we said, we don't foresee any allocation of these funds for rising. These funds will be used to deleverage Cosan. You know that we have been leading A process to search for new partners for Raízen. This has not changed.

We want to attract new investors for high easing, and this is ongoing work. It remains. I want to highlight that we had said that there that we didn't foresee any capitalization for Raízen coming from Cosan because Cosan has its own issues and its own capital structure. So, this deal addresses Cosan's capital structure. This is an important point regarding shareholder meeting. Yes, the shareholder agreement.

There's a specific chapter about that. Essentially management and Raízen every day is still very much focused on Aguassanta. Aguassanta will be the vehicle they are controlling shareholders 50.01 of shares. This chapter states that the existing joint venture model will keep on existing governance will continue to be executed by Aguassanta substantially. So, no change regarding the original joint venture structure. As to your point about the General Assembly, Aguassanta has a vote. There is no restriction for Aguassanta to vote in the assembly in this. In the meeting, the shareholder meeting. Thank you.

Operator:

Next question comes from Regis Cardoso XP. Regis, you may unmute and ask your question.

Regis Cardoso- XP:

Thank you for taking my question and for the presentation.

My first question is about the offering itself. The hot issue allocation is not necessarily proportional to the current shareholder stake. I want to know if Aguassanta and Perfin, if they can acquire more in the hot issue, can they buy more in the market? Is there any restriction to that? Second question regarding the offering.

The second offering, will it entail subscription rights? The negotiation of subscription rights. Can you comment on retail investor participation? I think there's a cap of 10%, right? I have also another question. The deal, how will it create value, in your opinion? I understand that you want to solve in the short term the company's capital structure. But the holding still has debt, so, there's still need to divest. Value generation is in a position of having more bargaining power for new divestment or subsequent operations. Thank you.

Rodrigo Araújo:

Thank you, Regis. Thank you for your questions.

Well, let me. You talked about the 10% for retail investors. That's for the first offering. For the second offering, there's no such thing. So, 10% for retail investors in the first offering.

As for the first offering, I did mention that although it was in the slide, the consortium will not participate in the hot issuing, and they will not participate in the second offering. Second offering is priority based on the September 19 trading session and the consortium is not going to take part in the second offering. Regarding allocation in the first offering, as I said, it's a Traditional book building.

There's no written rule for allocation in the first offering, but we will give preference to current company shareholders.

As for the second offering, there's no negotiation for subscription rights. It's just a priority offering with no participation of the investors pool. No negotiation of rights for the second offering. You also asked about value generation. I'll hand it over to Marcelo.

Marcelo Martins:

Yes. We discussed this with the market. The need, the urgent need to raise funds and reduce Cosan's leveraging. What we had clearly said and stated to the market is that speed was fair amount. We wanted to sell the most liquid assets we had in our portfolio. And we did this immediately.

When we executed this strategy, we sold our stake and vali. And when we look at what happened with our shares and the carryover with the debt, everyone understood the benefit for the company of leaving that position quickly. We had to look for other alternatives as well. And we focused quite clearly looking at these assets, looking at several options, several formats. We thought we were not going to raise funds.

Well, first, because we had no perspective of capitalizing at this size, I thought it would not be feasible to capitalize at this amount based on the market. We didn't believe in that. And I still believe we would have had a problem had we gone there.

And we were searching for balance, you know, competence, capitalization at the right size, solving our debt levels, but not at 100%. Now we have a buffer. We have the time and we have the tranquility with the partners to define the divestment strategy through time. And this will be necessary to reach a debt level close to zero or zero, which is our end goal for the next few years.

Regis Cardoso- XP:

Thank you.

Operator:

Next question comes from Vicente Falanga from Bradesco BBI. Vicente, you may unmute and ask your question.

Vicente Falanga-Bradesco BBI:

Good morning, everyone. Thank you, Marcelo and Rodrigo, for holding this call.

I'd like to ask about capital allocation. After the offering, you will save 1.5 billion reais a year in interest rates. It's quite an expensive debt. Priority is to zero the holdings debt. I wanted to understand how you would distribute dividends within the four-year lock-up period. Is there a buy-back possibility?

Also, the restructuring process and the succession process, which I believe is quite welcome at this point in time. Can that help injecting liquidity for subsidiaries, and by that, I mean Raízen. Will that be good for future partners at Raízen? Thank you.

Rodrigo Araújo:

Thank you. Thank you for the questions about capital allocation.

As we've mentioned, this will be a whole deleverage journey. Obviously, today with this announcement, we're taking a relevant step, but it's not the last one. It's one more step in this journey.

Now, about dividend distribution or future buybacks, we will of course discuss about that among the shareholders. But we have to look at the company capital structure, the interest rate level, a whole number of variables that will be relevant to analyze whether the company will pay out dividends or have future buybacks. We don't want, of course, to be accumulating cash in the company. What we will do if the deleverage process is successful, I mean, we will continue this discussion and there is a lot of alignment among the shareholders in this discussion. However, we are still far from the right time for this discussion.

Now, the second point about succession, I will give you a broader answer, Vicente. Obviously, I mean, even as you look at the track record of our new investors, I mean, if you look at the track record of the new partners, the experience they contribute in infrastructure, in corporate management and asset management, I mean, that will certainly add value to all our portfolio businesses, be that in our own processes, even divestment process that we will conduct to continue in our deleverage journey. So, I think this is what we view in this process for now. Thanks for the questions.

Vicente Falanga-Bradesco BBI:

Thank you.

Operator:

Our next question comes from Lucas from the JP Morgan. You can now unmute and ask your question, Lucas, please. You can unmute and ask your question, Lucas, please.

I believe we've had a technical glitch.

And our next question comes from Bruno from Morgan Stanley. Bruno, you can now unmute and ask her question, please.

Bruno- Morgan Stanley:

Thank you, Marcelo, Rodrigo, for taking my questions.

I have two on my side now, as I was listening to your comments, this capitalization path was not the easiest in the beginning of your discussions. Now, what were the other alternatives that also entailed this debt restructuring?

And maybe you also understand why you've taken this path and not other alternative solutions about governance. And maybe what led the company to this debt level was maybe an interpretation that the Brazilian economy would have a lower interest rate or something like that.

Now, if we think about five years ahead of us, where succession will not have happened, but the interest rate will be lower and there will be a more favorable environment for investments. Do we have shareholders with the power of veto? Not only Rubens, but will we have the power of vote that would prevent the company to invest in new verticals? Or is that a case by case discussion? Thank you.

Rodrigo Araújo:

Thank you. Bruno.

About your first question. Yes, and we've spoken about that in our previous earnings conference calls. We've explored different paths, but debt restructuring was not exactly one of the solutions we assessed. We did not think about that because we have always thought that Cosan has a portfolio of assets that has to be protected and also had capacity to make the necessary adjustments.

Obviously, when we began to discuss about our new capital structure, this was a long process. And having new partners, that is something that you have to build, that you have to design. Of course, we explored other alternatives because, I mean, the deal we are currently announcing involved the participation of the controlling shareholder, but also two other very relevant shareholders.

About your second question about the power to veto investments in new verticals in the shareholders agreement, we have the usual provisions now. The value here can be seen if we think about the quality that is now being contributed by the new partners. So, we will have an increasingly robust process to manage capital. I mean, if you look at the track record of our partners, that is enough proof. So, the capital allocation will certainly grow because we now have these two partners that will certainly contribute with that.

Bruno- Morgan Stanley:

Thank you.

Operator:

Our questions and answer session is now closed and Cosan conference call is now closed. The investor relations team will be available to answer any questions you may have. Thank you all for joining us and have a great day!