

## **Biosev S.A.**

Publicly-held Company  
CNPJ: 15.527.906/0001-36  
NIRE: 35.3.0034518.5  
CVM: 22845

### **Material Fact**

#### **TRANSACTION WITH RAÍZEN**

**Biosev S.A.** ("Biosev"), pursuant to the Brazilian Corporation Law (Law No. 6,404/1976) and Instruction No. 358/2002 of the Brazilian Securities and Exchange Commission ("CVM"), informs its shareholders and the market in general, following the Material Facts disclosed on September 9, 2020 and January 28, 2021 and the Market Informs disclosed on September 10, 2020, November 24, 2020, December 3, 2020, January 21, 2021 and January 28, 2021, that, on the date hereof, an Acquisition Agreement ("Agreement") was entered into by and among Biosev, its controlling shareholder Hédera Investimentos e Participações S.A. ("Hédera"), Raízen Energia S.A. and Raízen Combustíveis S.A. (jointly, "Raízen"), among others, establishing the terms and conditions for the combination of Biosev's and Raízen's businesses, resulting in the conversion of Biosev into a subsidiary of each of the Raízen entities (or, depending upon the implementation of a corporate reorganization of Raízen, of one of such companies or a parent thereof) and the shareholders of Biosev indirectly (through Hédera) receiving a minority stake represented by preferred non-voting shares in each of the Raízen entities (or such single entity, as the case may be) ("Transaction"). The Transaction also involves (i) a capitalization of Biosev by Hédera as part of the debt restructuring of Biosev; (ii) a capitalization of Biosev by Raízen in the amount of R\$ 3.6 billion, as adjusted by usual net debt and working capital variations as well certain other operational adjustments in view of the conduct of business until the date of the consummation of the Transaction ("Cash Consideration") and (iii) a potential payment by Raízen to Hédera of an earn-out amount in the fifth anniversary of the consummation of the Transaction, of up to R\$ 350 million, contingent on the verification of certain metrics based on the sugar and ethanol prices as set forth in the Agreement.

The Transaction was approved by the Board of Directors of Biosev on a meeting held on February 7<sup>th</sup>, 2021.

#### **Main Conditions Precedent**

The consummation of the Transaction is subject to the satisfaction of certain conditions precedent set forth in the Agreement, amongst which is the approval of the Transaction by the Brazilian Antitrust Authority – CADE, the roll up of the shareholders of Biosev to Hédera through a merger of shares of Biosev into Hédera, the restructuring of Biosev's financial indebtedness and the transfer to Hédera of Biosev stake in Crystalsev Comércio e Representação Ltda. (and its

subsidiaries) and Biosev Terminais Portuários e Participações Ltda. (and its subsidiaries), which are excluded from the scope of the Transaction. Pursuant to the Material Fact of Biosev dated of January 28<sup>th</sup>, 2021, the Transaction has already been submitted to CADE and, on the date hereof, is pending merger review and approval.

### Merger of Shares

Prior to and as condition precedent for the consummation of the Transaction, Biosev will submit to its shareholders a proposal for the merger of Biosev's shares by and into Hédera ("Merger of Shares"). Hédera, which is currently the controlling shareholder of Biosev, is a non-operational private holding company ultimately owned by the Louis Dreyfus Group. Hédera does not have any indebtedness or liabilities on the date hereof and its sole asset is the controlling equity interest held by it in the capital stock of Biosev

As a result of the Merger of Shares, all current shareholders of Biosev will become shareholders of Hédera, with each share held by such shareholders in Biosev being converted into a pro-rata number of shares in Hédera. As Biosev will consequently become a wholly-owned subsidiary of Hédera – and since Hédera will not be listed in the B3 Novo Mercado segment – the Merger of Shares shall require the affirmative vote of the majority of the free float shareholders of Biosev present at the Shareholders Meeting resolving on the Merger of Shares.

Dissenting shareholders will have the right to withdraw from Biosev, pursuant to article 137 of the Brazilian Corporation Law and the provisions at Biosev's by-laws.

More information regarding the Merger of Shares shall be disclosed upon release of the Call Notice and other mandatory information pursuant to CVM Instruction No. 565/2015.

### Voting Agreement and Put and Call Option Agreement

The parties below have entered into the following agreements ("Minority Shareholders' Agreements") with certain minority shareholders holding Biosev's free float shares:

(i) a Voting and Support Agreement entered into by and among Hédera, Biosev and certain minority shareholders, pursuant to which such minority shareholders have agreed to vote favorably to the Merger of Shares; and

(ii) a Put and Call Option Agreement entered into by and Sugar Holdings B.V., Hédera, Louis Dreyfus Commodities and Energy Holdings N.V. and certain minority shareholders, whereby the new shares issued by Hédera and held by such minority shareholders as a result of the Merger of Shares shall be acquired by Hédera's controlling shareholder (or any affiliate thereof), upon the exercise of put and call options rights in the windows and following the procedures set forth in the referred agreement ("Put and Call Options"). The exercise price per Biosev share held by the minority shareholders of Hédera shall be of US\$2.00 (two American dollars), to be adjusted by the number of issued and outstanding shares of Hédera's capital stock upon implementation of the Merger of Shares. All payments

shall occur in Brazilian Reais and the applicable conversion rate shall be the ask (*venda*) rate published by the Brazilian Central Bank at the end of the Business Day immediately preceding the relevant payment date.

Any minority shareholder of Biosev shall be entitled (but not in any way obliged) to adhere to either of or both such Minority Shareholders' Agreements, provided that the Put and Call Options referred to above shall only be consummated in relation to shares issued by Hédera that are free and clear of any liens or encumbrances of any kind. Minority shareholders may choose to adhere only to the Put and Call Option Agreement even if they do not wish to adhere to the Voting Agreement.

More information to the minority shareholders interested in adhering to any such agreements, including delivery of copy of the agreements and Biosev's subsequent instructions for signature and delivery of the corresponding documentation, will be disclosed through a material fact of Biosev in due course.

### Debt Restructuring

Prior to and as condition precedent for the consummation of the Transaction, Biosev and Hédera shall finalize the negotiations with the main creditor banks of Biosev in order to arrange for a debt restructuring of Biosev, which outstanding financial debt on January 31<sup>st</sup>, 2021 is of R\$ 7,731,112,140.93. In connection with the debt restructuring, (i) approximately R\$ 4,131,112,140.93 shall be assumed by Hédera without recourse against Biosev through new financing instruments to be offered by the creditor banks to Hédera (with new and extended maturity dates); and (ii) approximately R\$ 3,600,000,000.00 shall remain at Biosev and be paid on the date of consummation of the Transaction (or immediately after such date) with funds originating from the Cash Consideration.

### **Consummation of the Transaction**

After the satisfaction of all conditions precedent set forth in the Agreement:

- (i) Raízen shall have its capital increased upon the contribution by Hédera of the totality of shares it will hold in Biosev ("Raízen's Capital Increase"); and
- (ii) Hédera shall receive, in consideration for the contribution of Biosev's shares, non-voting preferred shares representing approximately 4.999% of the capital stock of Raízen, being 3.5% represented by non-redeemable shares and 1.4999% represented by redeemable shares at the early of a 10-year period or the occurrence of a liquidity event.

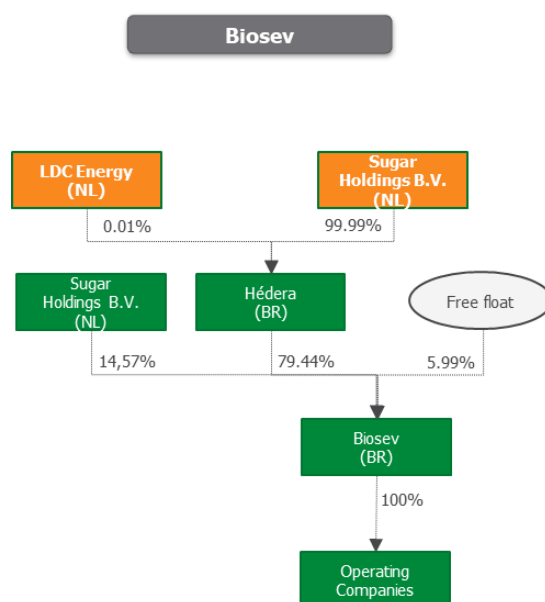
Upon consummation of the Transaction, a shareholders' agreement shall be entered into between Hédera and the controlling shareholders of Raízen, amongst others, in order to govern Hédera's rights regarding dividends flow and certain liquidity rights and obligations as a shareholder of Raízen, including call and put options involving the preferred and non-redeemable preferred shares to be held by Hédera. The call option may be exercised by Raízen 6 months after the 6<sup>th</sup>,

7<sup>th</sup>, 8<sup>th</sup> and 9<sup>th</sup> anniversaries of the consummation of the Transaction, at fair market value. The put option may be exercised by Hédera 6 months after the 9<sup>th</sup> anniversary of the consummation of the Transaction (and after the window for the exercise of the call option by Raízen), at 80% of its fair market value. The call and put options will be terminated if Raízen consummates an initial public offering in the stock exchange that fulfills with certain criteria set forth in the shareholders' agreement.

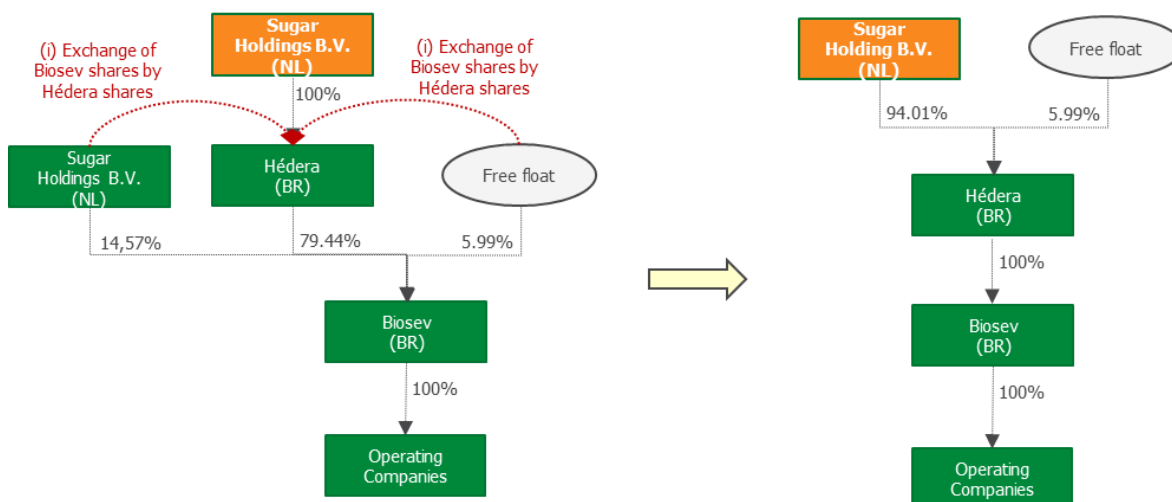
## Step-by-Step of the Transaction

The Transaction will be implemented through a series of corporate acts, as described below:

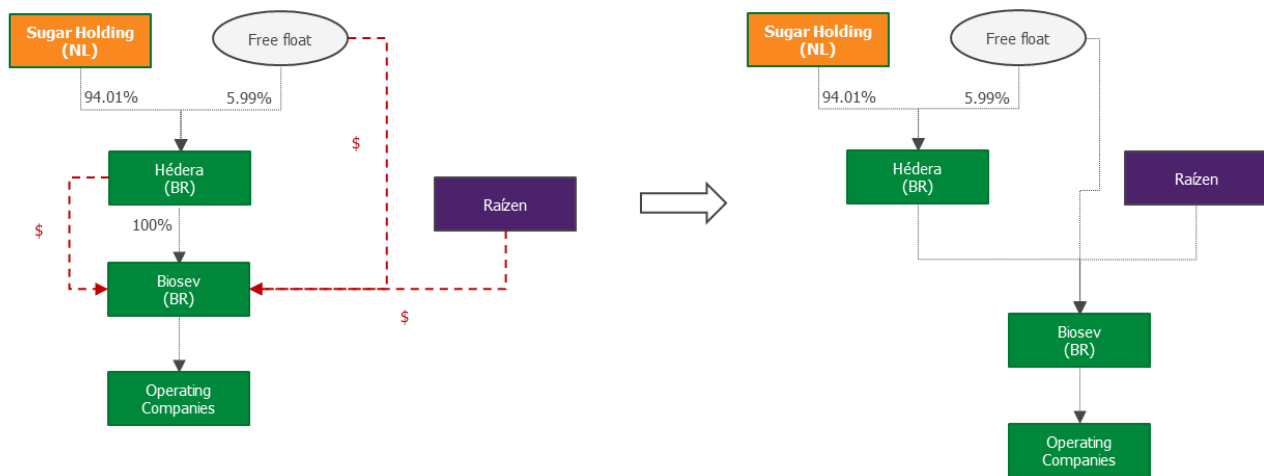
### (i) Current Structure



### (ii) Merger of Shares

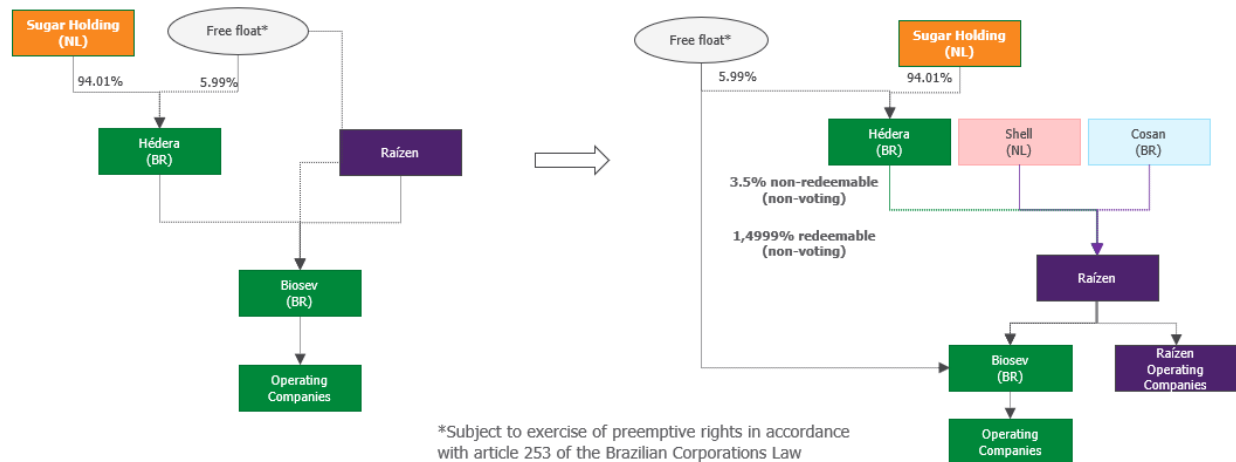


(iii) Biosev Capitalization and Acquisition of Shares by Raízen



The shares issued by Biosev acquired by Raízen from Hédera will be subject to Hédera's minority shareholders statutory preemptive rights in accordance with article 253 of the Brazilian Corporation Law. More information to the minority shareholders on such preemptive rights will be provided in due course.

(iv) Raízen's Capital Increase and contribution of Biosev by Hédera



Biosev will keep its shareholders and the market in general updated and informed about any new developments regarding the Transaction, its condition precedents and outcomes.

São Paulo, February 8<sup>th</sup>, 2021.

Leonardo Oliveira D'Elia  
**Relation with Investors Officer**

## PROTOCOLO DE ASSINATURA(S)

O documento acima foi proposto para assinatura digital na plataforma Portal de Assinaturas Biosev. Para verificar as assinaturas clique no link: <https://biosev.portaldeassinaturas.com.br/Verificar/5A20-F9C4-A932-5677> ou vá até o site <https://biosev.portaldeassinaturas.com.br> e utilize o código abaixo para verificar se este documento é válido.

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☒ Leonardo Oliveira D Elia - 277.681.878-57 em 08/02/2021 07:38

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