

Management comments for the periods ended June 30, 2019 compared to the same period in 2018.

Amounts expressed in thousands of reais, (unless otherwise stated)

1. General Customer Service Data


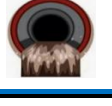
The Company operates in Water Supply and Sewage Treatment Systems in the vast majority of the State of Goiás, operating in 226 of the 246 municipalities in the state in which 57 have Program Contracts and 169 have Concession Contracts.

Contratos de Programa e Concessão	Unid.	6M2019	6M2018
Total de Municípios Atendidos pela Saneago	Nº	226	226
Total de Municípios Contrato de Programa	Nº	57	57
Total de Municípios Contrato de Concessão	Nº	169	169

2. General Customer Service Data

Table 01- General Customer Service Data for the Services Provided.

	INDICADORES OPERACIONAIS	Unid.	6M2019	6M2018	Var. (%)
	População Atendida	Mil.	5.694	5.615	1,4%
	Índice de Atendimento	%	97,00%	96,90%	0,1%
	Ligações	Mil.	2.178	2.118	2,8%
	Economias	Mil.	2.379	2.321	2,5%
	Extensão de Rede	Km	30.386	28.413	6,9%
	População Atendida	Mil.	3.578	3.393	5,5%
	Índice de Atendimento Esgoto	%	60,90%	58,50%	4,1%
	Índice de Atendimento Esgoto Tratado	%	56,60%	53,80%	5,2%
	Ligações	Mil.	1.158	1.092	6,0%
	Economias	Mil.	1.323	1.258	5,2%
	Extensão de Rede	Km	12.881	11.378	13,2%
	Índice de Atend. Esgoto Tratado	%	92,59%	92,30%	0,3%

INDICADORES OPERACIONAIS								
	Unid.	2T19	2T18	Var. %	6M19	6M18	Var. %	
	Volume Faturado	mil m ³	64.662	64.496	0,26%	130.046	127.796	1,8%
	Volume Produzido	mil m ³	95.417	92.742	2,88%	188.417	183.781	2,5%
	Volume Faturado de Esgoto	mil m ³	39.070	37.440	4,35%	78.065	73.964	5,5%
	Volume Esgoto Tratado	mil m ³	36.207	34.567	4,74%	72.279	68.266	5,9%

2.1. Water Supply System

For the full year 2019, the company expanded its performance in the provision of water supply services in the state of Goiás in relation to the population served by 1.4%, with the service index reaching 97% of the population in June 2019. There was an increase in the number of billed water connections by the Company by 2.8% while the extension of the water distribution networks was increased by 6.9%.

2.2. Sewerage System

Regarding sewerage systems, there was also expansion, the population served increased, representing a growth of 5.5%. This number represents a Sewerage Service Index of 60.90% of the total population served in the State (municipalities in which the Company holds a concession) for the whole month of June 2019.

The number of billed sewerage connections represented an increase of 6%. In relation to the billed volume of sewage, there was an increase of around 5.5%. The volume of treated sewage grew 5.9%. Table 01 shows the general data on the fulfillment of services provided by the Company.

3. Performance Indicators

The staff productivity index, measured by the ratio of connections (water + sewage) by number of employees, went from 582 connections / employees to 558 connections / employees with a reduction of 4.06%. Regarding the number of employees, there was an increase, going from 5,521 at the end of the accumulated 2nd quarter of 2018 to 5,867 in the same period in 2019, which represents a 6.27% growth. This growth is a reflection of the call for employees approved in civil service examinations and destined to provide the recomposition of the staff after the Voluntary Job Termination Plant (PDV) held in 2017.

Table 02- Performance Indicators

Indicadores	6M2019	6M2018	Var. %
Quantidade de empregados	5.867	5.521	6,27%
Ligações/Empregado	558	582	-4,06%
Economias/Empregado	631	648	-2,69%
Índice de Hidromederação	99,73%	99,73%	0,00%
Índice de Macromederação	98,65%	98,40%	0,25%
Índice de Perdas	29,33%	28,53%	2,80%

The macro-measurement index reached 98.65% compared to 98.40% in the same period last year. The loss rate reached an average level of 29.33%.

4. Investment

Chart 1 - Volume of Investments by System in 2T2019

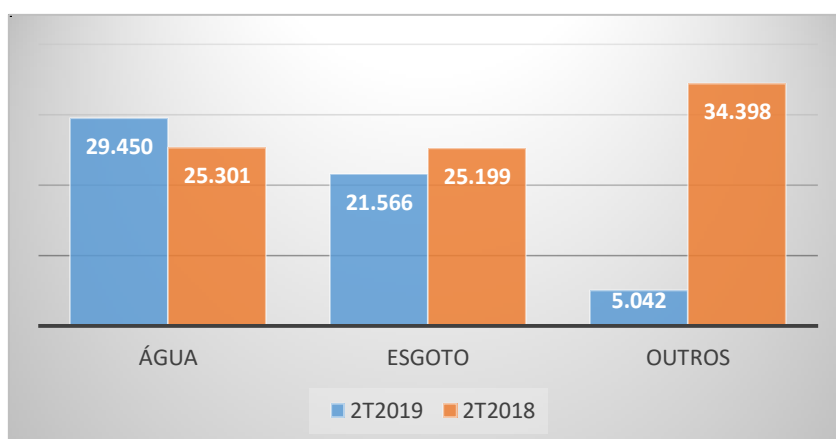
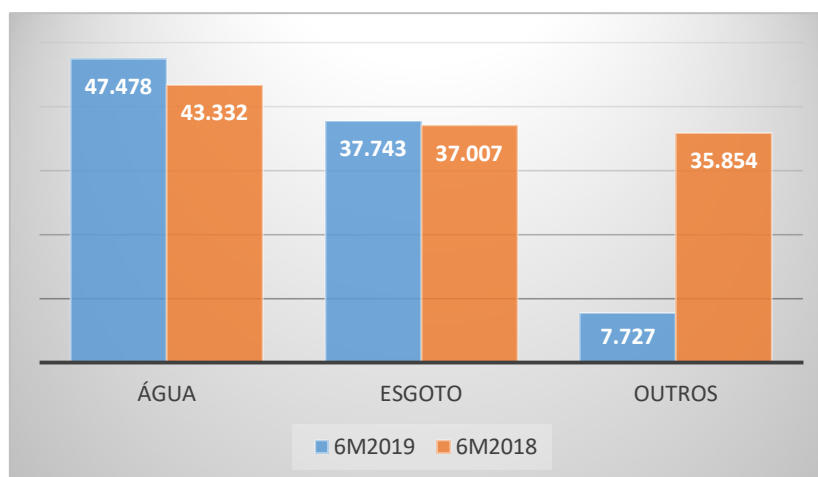


Chart 2 - Volume of Investments by System in 6M2019



Investments made in the accumulated 2nd quarter of 2019 in the full period totaled BRL 92,948, as shown in Chart 2. From this amount, 51% was invested in water supply systems, while 41% was invested in sanitary sewage collection and treatment systems, the remaining 8% was invested in operational improvement programs, business development, general purpose goods and others. Within the 'Others' Group is the acquisition of goods not intended for Water and Sewerage Systems such as the acquisition of vehicles, computers, construction of administrative areas and software. In 2018, in June, the SAP System was acquired with an approximate cost of BRL 20,000, a fact that increased this investment that year.

5. Financial Result Performance

Table 3- Financial Result Performance

DESEMPENHO DO RESULTADO FINANCEIRO						
Indicadores Financeiros	2T19	2T18	Var. %	6M19	6M18	Var. %
Faturamento líquido	529.975	501.959	5,6%	1.044.190	996.823	4,8%
Receita de Serviços Técnicos	549	608	-9,7%	1.076	1.267	-15,1%
Outorga Subdelegação	2.275	2.275	0,0%	4.550	4.550	0,0%
Custo de Serviços	(273.208)	(255.945)	6,7%	(562.106)	(519.660)	8,2%
Resultado bruto	259.591	248.897	4,3%	487.710	482.980	1,0%
Despesas Comerciais	(52.638)	(68.864)	-23,6%	(105.374)	(130.062)	-19,0%
Despesas Administrativas	(97.176)	(81.161)	19,7%	(186.719)	(154.707)	20,7%
Outras Receitas e Outras Despesas Operacionais	(512)	373	-237,3%	1.077	3.378	-68,1%
Depreciação/Amortização	62.012	56.144	10,5%	120.004	111.679	7,5%
Provisões/Reversões/Perdas e Rec. Créditos	(70.057)	(1.499)	4573,6%	(80.991)	(29.014)	179,1%
Despesas Tributárias	(2.906)	(2.433)	19,4%	(7.269)	(7.089)	2,5%
EBITDA	98.314	151.457	-35,1%	228.438	277.165	-17,6%
Margem da EBITDA	18,45%	30,00%	-38,5%	21,76%	27,64%	-21,3%
EBTIDA Ajustado	168.371	152.956	10,1%	309.429	306.179	1,1%
Margem EBTIDA Ajustado	31,60%	30,30%	4,3%	29,47%	30,54%	-3,5%
Depreciação/Amortização	(62.012)	(56.144)	10,5%	(120.004)	(111.679)	7,5%
Despesas Financeiras	(14.482)	(41.074)	-64,7%	(29.009)	(63.748)	-54,5%
IRPJ/CSLL Diferido	12.986	2.958	339,0%	8.856	5.461	62,2%
RPJ/CSLL	(23.885)	(13.344)	79,0%	(35.200)	(28.790)	22,3%
Lucro Líquido	10.921	43.853	-75,1%	53.081	78.409	-32,3%

Regarding revenues, the Company recorded a 5.6% growth in net sales for the 2nd quarter 2019

and a 8.7% in gross income, both compared to the same period in the previous year.

The evolution of the aforementioned results has as main premises the expansion of the customer base and increase in the billed volume of sewage, as well as the tariff adjustment authorized by AGR (Agency for Regulation, Control and Inspection of Public Services of Goiás) in May 2018, in the order of 3.37% applied as of July 1, 2017.

Regarding costs and expenses, we can subdivide them into 3 (three) structures: Commercial, administrative and service expenses. Regarding commercial expenses, they decreased by 23.6%, while administrative expenses increased by 19.7%. Service costs increased 6.7% in the 2nd quarter 2019 compared to the same period in the previous year. Regarding EBITDA, there was a reduction of 28.3%, totaling BRL 103,940 in Q2/2019.

The Company discloses EBITDA and adjusted EBITDA margin in accordance with CVM Instruction No. 527 dated October 4, 2012. Bearing in mind that EBITDA is one of the main indicators used by the Company to measure economic and financial performance, the disclosure of adjusted EBITDA is intended to provide supplementary information on its operational cash generation capacity, even though it is not a measure defined by International Financial Reporting Standards (IFRS) and may not be comparable with the same indicator disclosed by other companies.

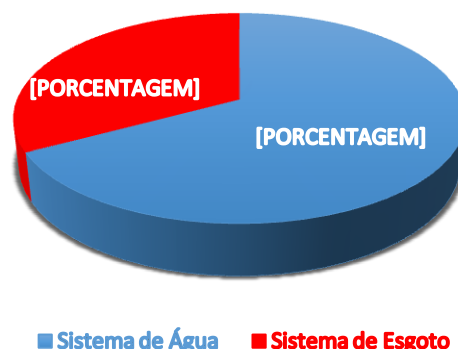
Adjusted EBITDA, calculated excluding Provisions / Reversals / Losses and Receivables Accounting credits that are proven to have no cash effect as described in table 3 were measured for Q2/2019 in the amount of BRL 168,371, representing a 10.1% increase compared to the same period of the previous year. Contributing to this increase were the 237% increase in Other Revenues / Other Expenses due to inventory adjustments in the stock, the 10% increase in the company's Amortizations and the increase in Net Sales.

The ratio between adjusted EBITDA on net sales (adjusted EBITDA margin) was 31.6%, which represents an increase of 4.3% when compared to the closing amount of the previous quarter, which obtained a margin of 31.30%. This variation reflects the impact of the BRL 35,000 provisioning for the 2019 Voluntary Job Termination Program, which caused a reduction in classic EBITDA.

5.1 Gross Sales Revenue

Currently, approximately 67% of Saneago's Revenues come from the exploitation of Water Systems and 33% from Sewerage Systems, as shown in the following Chart:

Chart 3 - Segmentation by Type of System



The increase in gross sales revenue in Q2/2019 was BRL 33,778, which represents an increase of 6.2%, making a total gross revenue of R \$ 581,114 in the period, against BRL 547,336 of

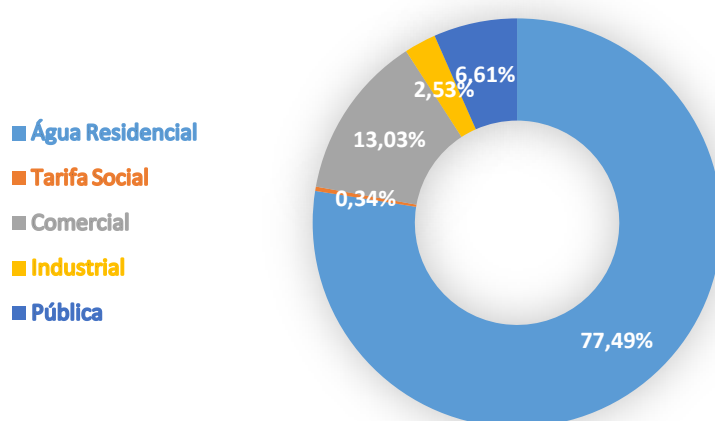
gross revenue earned in the same period of the previous year, as can be seen in Table 4 below.

Table 04 - Sales Gross Revenue

RECEITA BRUTA DE VENDAS						
Receita por Tipo de serviço	2T19	2T18	Var. %	6M19	6M18	Var. %
Água Residencial	253.945	245.794	3,3%	510.726	486.293	5,0%
Tarifa Social	1.132	1.263	-10,4%	2.310	2.527	-8,6%
Comercial	35.745	33.412	7,0%	70.509	65.785	7,2%
Industrial	8.254	8.096	2,0%	16.291	15.552	4,8%
Pública	21.277	20.699	2,8%	40.377	38.765	4,2%
Receitas Indiretas de Serv.	2.013	494	307,5%	4.022	11.026	-63,5%
Tarifa Mínima Fixa	62.226	78.059	-20,3%	123.976	155.393	-20,2%
Total água	384.592	387.817	-0,8%	768.211	775.341	-0,9%
Esgoto Residencial	120.768	110.485	9,3%	241.290	218.703	10,3%
Residencial Social	508	509	-0,2%	1.013	1.015	-0,2%
Comercial	28.192	26.141	7,8%	55.911	51.517	8,5%
Industrial	4.139	3.926	5,4%	8.240	7.677	7,3%
Pública	12.524	11.981	4,5%	23.755	22.947	3,5%
Receitas Indiretas de Serv.	9.979	10.334	-3,4%	19.600	10.578	85,3%
Tarifa Mínima Fixa	20.506	-	-	40.712	-	-
Total esgoto	196.616	163.376	20,3%	390.521	312.437	25,0%
Receita a Faturar de Água/Esgoto	(94)	(3.857)	-97,6%	(13.219)	(6.400)	106,5%
Receita Bruta	581.114	547.336	6,2%	1.145.513	1.081.378	5,9%
Deduções	(51.139)	(45.378)	12,7%	(101.323)	(84.556)	19,8%
Receita Líquida	529.975	501.959	5,6%	1.044.190	996.823	4,8%

Regarding customer segmentation, we highlight that the residential category concentrates the largest share of the company's customers with a 7% share of total operating revenue from services provided. The commercial and public categories represent 13% and 7% respectively.

Chart 4 - Segmentation by Customer Category



Main variations and causes of the observations shown in Table 4 for Q2/2019

5.1.1 Water supply revenues - Total water supply revenue reduced by 0.8%. However, this variation does not represent a reduction in revenues since, as of December 2018, with the implementation of the SAP System, the minimum fixed cost started to be proportionally recorded in Water and Sewage.

5.1.2 Sanitary Sewage Revenue - Revenue from sanitary sewage increased 20.3%, reaching BRL 196,616, against BRL 163,376 in the same period of the previous year. As previously shown, this variation was strongly impacted by the transfer of part of the Revenue from the Minimum Fixed Cost of Water to Sewage.

5.1.3 Deductions from Gross Operating Revenue - Deductions from gross operating revenue refer to PIS, PASEP, COFINS and ISS that increased 12.7%, from BRL 45,378 to BRL 51,139. This variation reflects the change in the accounting for PIS and COFINS credits. Currently, the credit amounts of these taxes are deducted from the value of the contracted service, thus reducing the amount of expenses. Previously, credits were deducted from the principal amount of the tax, thus resulting in a lower total of deductions.

5.1.4 Net Operating Revenue - Net operating revenue reached BRL 529,975, against BRL 501,959 in the same period of the previous year, an increase of 5.6%. Contributed to the increase in net operating revenue, the increase in revenue from sales of residential water and sewerage, due to the increase in new water and sewerage connections throughout the year, in addition to the tariff adjustment applied as of July 1, 2018. It should also be noted that the actual increase between the periods had been greater, however, due to the change in PIS / COFINS recording, there is a smaller variation since the methodology between the financial years is different.

5.2 Costs of Services Provided - Costs of services provided excluding construction, formed by expenses with operation, conservation and maintenance of water and sewerage systems totaled BRL 273,208 in Q2/2019, an increase of BRL 17,263, which represents an increase of 6.7%, as shown in the table of cost breakdown of the services provided below:

Table 05- Breakdown of Costs for Services Provided

Custos dos Serviços	2T19	2T18	Var. %	6M19	6M18	Var. %
Pessoal	130.944	107.515	21,8%	269.311	215.183	25,2%
Material	14.886	21.733	-31,5%	29.400	45.169	-34,9%
Energia Elétrica	55.660	51.567	7,9%	108.719	102.126	6,5%
Serviços de Terceiros	15.297	18.101	-15,5%	41.561	41.964	-1,0%
Gerais	1.864	2.729	-31,7%	4.017	7.126	-43,6%
Sub total	218.651	201.645	8,4%	453.008	411.568	10,1%
Amortização	54.557	54.300	0,5%	109.098	108.092	0,9%
Total geral	273.208	255.945	6,7%	562.106	519.660	8,2%

Main variations and causes of Service Costs in Q2/2019:

5.2.1 Personnel - Expenditure on personnel totaled BRL 130,944, showing an increase of BRL 23,429, the amount corresponding to an increase of 21.8%. Among the main causes of this increase, we highlight the hiring of those approved in the last civil service examination to replace employees who were dismissed at the last Voluntary Job Termination Program (PDV) and, with the implementation of the new accounting system, SAP, the company structure and the number of employees were updated. In addition, analyzing the 6 months of this year, it is highlighted that part of this impact was a Labor Agreement made with the Union of Workers in Urban Industries in the State of Goiás (STIUEG) in the amount of about BRL 10 million.

5.2.2 Material - Spending on material increased by 31.5%. Due to the implementation of the new accounting system, a new chart of accounts was adopted which led to some re-ratings.

Among them, there was a change in the cost of purchasing treated water, previously considered an input and, in the new chart, it was rated as a third-party service. In 2018, this cost represented about 18% of the materials. In addition, there is a 40% reduction in expenses with treatment materials, from BRL 8.6 million to BRL 4.9 million. As well as reduction of materials and parts for vehicles in the order of BRL 352,000.

5.2.3 Electricity - Electricity costs totaled BRL 55,660 in Q2/2019, an increase of 7.9% in relation to the previous period. The increase in the cost of electricity is directly linked to the 26.52% tariff readjustment implemented by the Electricity Utility of the state of Goiás in October 2018.

5.2.4 Third-party services - Spending on third-party services reduced by 15.5% compared to the same period in the previous year. This decrease shows the recent change in the recording Vehicle Leasing Contracts. In the case of leasing contracts with a term of more than 12 months, the leasing must be recognized as a Right of Use Asset having a Lease Liability as consideration, as per CPC 06.

These leasings in Q2/2018 had cost BRL 4.7 million, leaving a negative balance of BRL 520 thousand in 2Q19. In addition, despite the high value that is no longer recorded in this group, there is still the impact of the transfer of costs with Purchased Water from Third Parties that was transferred from Materials to Third Parties.

5.2.5 General - Costs with general expenditure decreased 31.7%.

5.3 - Administrative Expenses - Expenses with the Company's management structure, increased by BRL 16,016 in Q2/2019, reaching a variation of 19.7% in the period, as shown in table 6.

Table 6- Breakdown of Administrative Expenses

Despesas Administrativas	2T19	2T18	Var. %	6M19	6M18	Var. %
Pessoal	74.255	68.412	8,5%	143.742	123.410	16,5%
Material	1.033	1.456	-29,1%	2.062	3.233	-36,2%
Energia Elétrica	457	-	-100,0%	1.385	-	-
Serviços de Terceiros	11.290	8.331	35,5%	23.757	22.753	4,4%
Gerais	2.758	1.198	130,2%	5.011	1.852	170,6%
Sub total	89.793	79.397	13,1%	175.957	151.248	16,3%
Amortização/Depreciação	7.384	1.765	318,4%	10.762	3.460	211,0%
Total geral	97.177	81.161	19,7%	186.719	154.707	20,7%

5.3.1 - Personnel - Among the main causes of this increase, we highlight the hiring of those approved in the last civil service examination to replace employees who were dismissed at the last Voluntary Job Termination Program (PDV) and, with the implementation of the new accounting system, SAP, the company structure and the number of employees were updated.

5.3.2 Material - Spending on material reduced by 29.1%. It is noteworthy in this group the reduction in costs with vehicle fuels and expenses with building conservation, which, in their majority, were reallocated to the Cost of Services due to the restructuring brought about by the new accounting system.

5.3.3 - Third Party Services - The expenses with third party services increased by 35.5%, showing a total amount spent of BRL 11,290 against BRL 8,331 recorded in the same period of the previous year.

5.3.4 - General Expenses - These expenses increased by 130.2% in Q3/2019 compared to the same period in 2018. However, it is noteworthy that with the restructuring of the Chart of Accounts, the Remuneration paid to the Board of Directors and to the other Boards were rated as general expenses and no longer as Personnel expenses - a fact that drove this increase since these expenses with remunerations reached BRL 1.1 million - almost 91% of the total.

5.4 Commercial Expenses - Expenses with the Company's commercial system in Q2/2019 decreased by 23.6%, mainly due to the updating of workforce, reducing this expense by 26.7%.

Table 7- Breakdown of Commercial Expenses

Despesas Comerciais	2T19	2T18	Var. %	6M19	6M18	Var. %
Pessoal	25.457	34.722	-26,7%	50.666	67.968	-25,46%
Material	130	117	11,1%	322	248	29,84%
Energia Elétrica	13	-	-	62	-	-
Serviços de Terceiros	12.417	19.963	-37,8%	24.884	34.898	-28,70%
Remuneração de Concessão	12.914	12.746	1,3%	26.123	25.153	3,86%
Gerais	1.635	1.236	32,3%	3.173	1.667	90,34%
Sub total	52.566	68.784	-23,6%	105.230	129.934	-19,01%
Amortização/Depreciação	72	79	-8,9%	144	127	13,39%
Total geral	52.638	68.864	-23,6%	105.374	130.062	-18,98%

Main variations are:

5.4.1 - Personnel - As mentioned, the updating of the workforce impacted the reduction of employees rated as Commercial, reducing this expense by 26.7%.

5.4.2 - Material - Spending on material increased by 11.1%. The main cause of this variation was the expenses with material for cutting and reconnection, which previously appeared in material within 'Cost' and, due to the nature of the cuts, now appear as Commercial material.

5.4.3 - Third Party Services - Third party services costs decreased by 37.8%. This reduction was mainly due to the re-rating of services which, due to the restructuring of the System, were allocated as Services Cost

5.4.4 General - Costs with general expenditure increased 32.3%. As well as Administrative expenses, expenses with remunerations and building maintenance impacted this variation also due to the accounting re-rating.

5.5 - Provision / Reversal / Losses / Recovery of Prescribed Credits: Constituted to cover possible losses, considered sufficient by management and legal advisors, related to labor, tax, civil, commercial suits and possible questions from tax authorities, in administrative and judicial instances, through a reliable estimate of the amount of the obligation, as permitted by CVM No. resolution 594/09.

They are recognized by the Company, since it has a legal or non-formalized present obligation, as a consequence of a past event, and it may be probable that funds will be withdrawn to settle the obligation.

Table 08 - Provisions / Reversals / Losses and Receivables. Credits

Provisões/Reversões/Perdas e Rec. Créditos	2T2019	2T2018	Var. %	6M2019	6M2018	Var. %
Recuperação/(Perdas) Créditos Prescritos	(14.684)	(9.811)	49,7%	(28.569)	(20.487)	39,4%
Reversão/(Provisão) para Contingência (a)	(27.343)	(2.539)	976,9%	(26.722)	(6.095)	338,4%
Reversão/(Perdas) Esperadas de Liquidação Duvidosa	8.021	(8.637)	-192,9%	(9.235)	(19.063)	-51,6%
Reversão/(Provisão) Perdas em Obras		9.756	-100,0%	19.377	9.756	98,6%
Provisão p/ Desligamento Voluntário - PDV	(35.079)	-	-	(35.079)	-	-
Reversão(Provisão) Perdas Estimadas Estoques	(763)	253	-401,6%	(763)	6.875	-111,1%
Provisões/Reversões/Perdas e Rec. Créditos	(69.848)	(10.978)	536,3%	(80.991)	(29.014)	179,1%

According to the aforementioned Table, there was a 536% increase in the balance between Reversals and Provisions in Q2/2019. Firstly, it is worth highlighting the change in the methodology for recording Reversals / Contingency Provisions / Losses / Allowance for Doubtful Accounts, which was previously allocated to Reversals and in another Account the amount provisioned. As of June 2019, only the difference between Reversals and Provisions was recorded in the Provisions account. The most significant amount in this period was the provision of BRL 35,000 to carry out the 2019 Voluntary Job Termination Program.

5.6 Net Financial Revenues and Expenses - Reflect the results related to income from financial investments, revenues from monetary variations and other amounts receivable, expenses with interest on loan operations, financing, as well as expenses with fines and default interest and discounts granted. The financial result presented in the period Q2/2019 was (BRL 20,072), the amount represented a reduction of 57.1% in relation to the same period of 2018. There was a decrease in financial expenses, with expenses related to exchange variation having the greatest impacts in the period. As well as the reduction in the amounts calculated for Monetary Correction, mainly due to the reduction of late payments.

Table 09 - Net Revenues and Expenses

Descrição	Receitas e despesas financeiras líquidas					
	2T19	2T18	Var. %	6M19	6M18	Var. %
Juros/Multas	5.362	1.826	193,6%	21.124	16.527	27,8%
Correção Monetária	4.969	7.479	-33,6%	9.314	9.017	3,3%
Variação Cambial	5.002	3.378	48,1%	5.002	8.382	-40,3%
Ajuste a Valor Presente	565	-	-	1.292	-	-
Total de Receitas financeiras	15.898	12.683	25,3%	36.732	33.926	8,3%
Juros/ Encargos e Outras Despesas	(32.166)	(33.691)	-4,5%	(61.033)	(62.078)	-1,7%
Correção Monetária	108	(7.003)	-101,5%	(251)	(11.461)	-97,8%
Variação Cambial	(3.912)	(17.080)	-77,1%	(4.457)	(22.491)	-80,2%
Ajuste a Valro Presente	-	(1.643)	-100,0%	-	(1.643)	-100,0%
Total de Despesas financeiras	(35.970)	(59.417)	-39,5%	(65.741)	(97.673)	-32,7%
Resultado Financeiro	(20.072)	(46.734)	-57,1%	(29.009)	(63.748)	-54,5%

6. Result

6.1 Net Profit / Loss - The Company recorded a profit of BRL 10,921 in the Q2/2019. This positive result refers mainly to the increase in Revenue, the control of costs increase and the

reduction of financial expenses. However, due to the provisioning of expenses with the 2019 Voluntary Job Termination Program (PDV) and due to the Labor Agreement previously mentioned in Item 5.2.1, the result was lower than the same period in 2018 that had reached BRL 43,853.

Table 10 - Analysis of Classic EBTIDA and Adjusted EBTIDA

ANÁLISE DO EBITDA E LUCRO/PREJUÍZO						
	2T19	2T18	Var. %	6M19	6M18	Var. %
EBITDA	98.314	151.457	-35,1%	228.438	277.165	-17,6%
Margem da EBITDA	18,45%	30,00%	-38,5%	21,76%	27,64%	-21,3%
EBTIDA Ajustado	168.371	152.956	10,1%	309.429	306.179	1,1%
Margem EBTIDA Ajustado	31,60%	30,30%	4,3%	29,47%	30,54%	-3,5%
Lucro Líquido	10.921	43.853	-75,1%	53.081	78.409	-32,3%

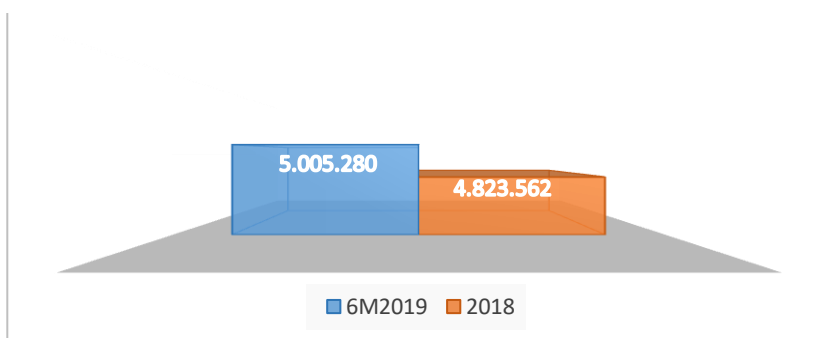
6.2 Generation of Funds or EBITDA and Adjusted EBITDA - The Company generated an EBITDA of BRL 98,314, amount smaller than that registered in 2018. Adjusted EBITDA, on the other hand, had a cash generation of BRL 168,371, which represents an increase of 10.1% in relation to the same period of the previous year.

7. Analysis and Discussion of the Equity Structure

In the following analysis and discussion on the Company's equity structure, we seek to discuss on the line items that are considered materially relevant to adequately justify changes in its equity situation in the period corresponding to Q2/2019 accumulated full period compared to the end of the previous year.

In 2019, the main changes in the equity structure occurred in the current asset line items, which increased by 3.77%, while current liabilities also increased by 14.46%. Thus, there was a decrease in current liquidity, which went from 0.893 at the end of financial year 2018 to 0.830 at the end of 2nd quarter of 2019. In addition, there was also a slight increase in third party capital¹ from 82.32% at the end of 2018 to 85.47% at the end of Q2/2019.

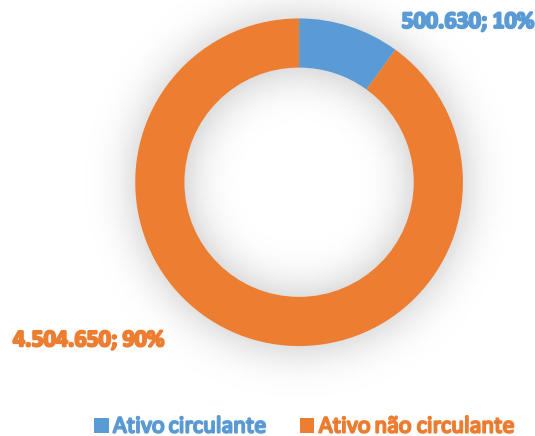
Chart 5 - Assets / Liabilities + PL



7.1 Assets

Chart 6 - Asset Composition - 6M2019

¹ Third Party Capital Interest (Current Liabilities + Non-Current Liabilities / Equity)



7.1.1 Current Assets

7.1.2 Availability - Availability increased by BRL 10,117 from cash and cash equivalents in the order of BRL 43,997 at the end of financial year 2018 to BRL 54,114 at the end of Q2/2019. This increase is mainly due to the improvement in Financial Management with a reduction in interest payments and fine for late payment. In addition to the funds of the 3rd issue of Debentures used for Investment, generating a slack in the costing flow.

7.1.3 Credits receivable from Users - The line item credits receivable from Users increased by BRL 11,696, representing an increase of 3.7%. The default in the Public Sector is a major factor for the increase identified.

7.1.4 Stocks - The stock account remained virtually constant, with a variation of only 1.6%.

7.1.5 Advanced Expenses - This account presented the largest variation in Current Assets with an increase of BRL 12,262, or 68.1%, reflecting amounts recognized and paid as vacation advances and 13th salary to employees.

7.2 Non-Current Assets

7.2.1 Intangible assets - In accordance with ICPC 01 (R1) - Concession Contracts, the line item Intangible assets was segregated into: Intangible assets, contract assets and works in progress not reversible. The intangible asset, basically composed of the goods used in the water and sewerage systems linked to municipal concessions, fell by BRL 68,480, which represents a variation of 2.54%, with the closing value of the 2nd quarter in 2019 totaled BRL 2,268,897.30 compared to R \$ 2,620,493 at the end of 2018.

7.2.2 Contract Assets - Contract Assets (works in progress) are the right to consideration in exchange for goods or services transferred to the customer. This line item presented a positive variation of 9.66% at the end of the 2nd quarter of 2019, reaching a balance of BRL 623,228.

7.2.3 Fixed Asset - The fixed asset increased by BRL 21,168 in the 2nd quarter of 2019, restating an increase of 6.9%

7.2.4 Right of Use Asset - BRL 57,199 was recorded under this line item as a result of the compatibility of the Company's records with CPC 06, which deals with the recording of Leasings, which, in the case of leasing contracts with a term of more than 12 months must recognize the leasing as a Right of Use Asset as a consideration for a Leasing Liability.

7.3 Liabilities

Chart 7 - Breakdown of Liabilities + PL - 6M2019



7.3.1 Short Term Loans and Financing - Presented a balance of BRL 132,423 in this quarter, against BRL 137,059 at the end of 2018, a negative variation of 3.4% regarding the monthly amortizations realized.

7.3.2 Suppliers - The short-term suppliers account showed a balance of BRL 112,783, against BRL 139,419 at the end of financial year 2018, which represents a 19.1% decrease. This reduction shows the improvement in the management of payments, avoiding the incidence of interest and fines.

7.3.3 Installments - Balance of BRL 18,537 with an increase of BRL 9,578 in relation to the end period of the financial year 2018 - a decrease of about 34%. This reduction is due to the monthly amortization of these obligations.

7.3.4 Leasing - This line item refers to the compatibility of the Company's records with CPC 06, which deals with the recording of Leasings which, in the case of leasing contracts with a term longer than 12 months, must recognize the leasing as a Right of Use Asset having as a consideration the Leasing Liability. In the 2nd quarter of 2019, BRL 13,248 was recorded in the short term.

7.4 Non-current liabilities

7.4.1 Long-Term Loans and Financing - This long-term loans and financing account decreased 14.1% in relation to the balance presented at the end of Monday, December 31, 2018. The reduction in the account is due to the amortization of debts during the 1st half of 2019.

7.4.2 Installments - This account decreased by 5.6% in the 2nd quarter of 2019. The reduction reflects amortizations for the period.

7.4.3 Leasing - This line item refers to the compatibility of the Company's records with CPC 06, which deals with the recording of Leasings which, in the case of leasing contracts with a

term longer than 12 months, must recognize the leasing as a Right of Use Asset having as a consideration the Leasing Liability. In the 2nd quarter of 2019, a total of BRL 41,805 was recorded in the long term.

7.5 Shareholders' Equity. Shareholders' equity, due to the profit recorded in this period, increased by BRL 53,087, that is, a positive variation of 2.01%.

8. Risk Rating

Fitch Rating raised the long-term national rating of Saneamento de Goiás S.A and its issuances within the scope of the capital market on Saturday, August 03, 2019. At the same time, the agency revised the ratings outlook from stable to positive. The complete list of shares is described in table 12 below.

Table 11. Ratings Saneago S/A

Rating	Fitch Rating	Outlook
Corporate	BBB+(bra)	Stable
Debentures, 4 th Issue	BBB+ (bra)	Stable
Debentures, 5 th Issue	BBB+ (bra)	Stable
FIDC IV	AAsf (bra)	Positive

According to Fitch "the increase in Saneago's Ratings reflects the improvement in its financial profile, as a result of the strengthening of operating cash generation and the substantial reduction in its investments, which resulted in a more solid capital structure".

9. Subsequent Event

We inform that Fitch Rating raised the long-term national rating of Saneamento de Goiás S.A and its issuances within the scope of the capital market on August 3, 2019. At the same time, the agency revised the ratings outlook from stable to positive. The complete list of shares is described in table 12 below.

Table 12. Ratings Saneago S/A

Rating	Fitch Rating	Outlook
Corporate	A - (bra)	Stable
Debentures, 4 th Issue	BBB+ (bra)	Stable
Debentures, 5 th Issue	BBB+ (bra)	Stable
FIDC IV	AA+sf(bra)	Stable

According to Fitch, "the rating upgrade reflects Fitch's view that the company will be able to increase the profitability of its basic sanitation business, bringing its EBITDA margin to 25% starting in 2020, capturing operational efficiency from efforts to control costs, increase of productivity and gradual growth of billed volumes." The assessment also incorporates the expectation of maintaining low to moderate financial leverage and satisfactory financial flexibility, which is important to reduce refinancing risks and support the expected increase in investments and negative free cash flow (FCF) in the next three years."

Management