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**Company Data / Capital Composition**

<b>Number of Shares (Units)</b>	<b>Current Quarter 6/30/2021.</b>
<b>Paid-in Capital</b>	
Ordinary Shares	1,866,906,375
Preferred Shares	648,639,993
<b>Total</b>	<b>2,515,546,368</b>
<b>In Treasury</b>	
Ordinary Shares	0
Preferred Shares	0
<b>Total</b>	<b>0</b>

**Individual DFs / Balance Sheet - Assets****(Thousand Reais)**

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 6/30/2021</b>	<b>Previous Financial Year 12/31/2020.</b>
1	Total Assets	5,900,724	5,779,038
1.01	Current Assets	806,476	768,818
1.01.01	Cash and cash equivalents	188,016	168,144
1.01.01.01	Cash and Cash Equivalents	188,016	168,144
1.01.02	Financial Investments	1,889	0
1.01.02.03	Financial Investments Valued at Amortized Cost	1,889	0
1.01.02.03.01	Securities	1,889	0
1.01.03	Accounts Receivable	504,189	490,869
1.01.03.01	Customers	502,530	490,455
1.01.03.01.01	Credits Receivable from Users	502,530	490,455
1.01.03.02	Other Accounts Receivable	1,659	414
1.01.03.02.01	Other Accounts Receivable	1,659	414
1.01.04	Stocks	52,849	50,496
1.01.04.01	Stocks in Warehouse	52,849	50,496
1.01.06	Taxes Recoverable	19,087	18,550
1.01.06.01	Current Taxes to be Recovered	19,087	18,550
1.01.06.01.01	IRPJ Recoverable	9,813	9,813
1.01.06.01.02	IRRF to be offset	2,684	2,148
1.01.06.01.03	CSLL to be recovered	2,574	2,574
1.01.06.01.04	Others - Federal Revenue	4,016	4,015
1.01.07	Advanced expenses	36,364	30,309
1.01.07.01	Advances to Employees	36,364	30,309
1.01.08	Other Current Assets	4,082	10,450
1.01.08.03	Others	4,082	10,450
1.01.08.03.01	Sub-delegation	4,082	10,450
1.02	Non-current assets	5,094,248	5,010,220
1.02.01	Long-term realizable assets	2,013,659	1,925,745
1.02.01.04	Accounts Receivable	980,648	887,389
1.02.01.04.01	Customers	27,191	18,674
1.02.01.04.02	Other Accounts Receivable	22,199	16,069
1.02.01.04.03	Sub-delegation	917,072	839,500
1.02.01.04.04	Securities	14,186	13,146
1.02.01.07	Deferred Taxes	108,211	115,401
1.02.01.07.01	Deferred Income Tax and Social Contribution	108,211	115,401
1.02.01.08	Advanced expenses	189,353	192,803
1.02.01.10	Other Non-Current Assets	735,447	730,152
1.02.01.10.03	Contract's Asset - CPC 47	735,447	730,152
1.02.02	Investments	9	9
1.02.02.01	Equity participation	9	9
1.02.02.01.04	Other Investments	9	9
1.02.03	Fixed asset	352,758	360,583
1.02.03.01	Operating Fixed Asset	352,758	360,583
1.02.03.01.01	Technical Fixed Assets	352,758	360,583
1.02.04	Intangible Asset	2,727,822	2,723,883
1.02.04.01	Intangible Assets	2,727,822	2,723,883
1.02.04.01.01	Concession Contract	2,727,822	2,723,883

**Individual DFs / Balance Sheet - Liabilities****(Thousand Reais)**

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 6/30/2021</b>	<b>Previous Financial Year 12/31/2020</b>
2	Total Liabilities	5,900,724	5,779,038
2.01	Current Liabilities	672,441	698,249
2.01.01	Social and Labor Obligations	76,693	56,588
2.01.01.02	Labor obligations	76,693	56,588
2.01.02	Suppliers	100,243	118,057
2.01.02.01	National Suppliers	100,243	118,057
2.01.03	Tax Obligations	34,395	33,813
2.01.03.01	Federal Tax Obligations	34,395	33,813
2.01.03.01.02	Taxes and Contributions Payable	34,395	33,813
2.01.04	Loans and Financing	281,687	282,883
2.01.04.01	Loans and Financing	134,123	134,637
2.01.04.01.01	In National Currency	120,627	120,561
2.01.04.01.02	In Foreign Currency	13,496	14,076
2.01.04.02	Debentures	131,634	133,409
2.01.04.03	Leasing Financing	15,930	14,837
2.01.05	Other obligations	73,921	119,695
2.01.05.02	Others	73,921	119,695
2.01.05.02.02	Minimum Mandatory Dividend Payable	29,403	79,884
2.01.05.02.06	Installments	1,643	5,252
2.01.05.02.07	Contractual Obligations	15,220	15,220
2.01.05.02.08	Contractual Advance	1,828	1,994
2.01.05.02.09	Sub-delegation	6	1,616
2.01.05.02.10	Other Accounts Payable	25,821	15,729
2.01.06.	Provisions	105,502	87,213
2.01.06.01	Labor and Civil Social Security Tax Provisions	105,502	87,213
2.01.06.01.02	Social Security and Labor Provisions	42,637	27,672
2.01.06.01.06	Vacation Provisions	62,865	59,541
2.02	Non-Current Liabilities	2,056,254	2,003,157
2.02.01	Loans and Financing	580,909	714,701
2.02.01.01	Loans and Financing	152,505	221,249
2.02.01.01.01	In National Currency	81,588	140,877
2.02.01.01.02	In Foreign Currency	70,917	80,372
2.02.01.02	Debentures	419,395	476,198
2.02.01.03	Leasing Financing	9,009	17,254
2.02.02	Other obligations	985,931	911,056
2.02.02.02	Others	985,931	911,056
2.02.02.02.03	Installments	14,493	14,931
2.02.02.02.04	Contractual Advance	0	831
2.02.02.02.05	Sub-delegation	917,072	839,500
2.02.02.02.06	Labor and Tax Obligations	6,862	7,314
2.02.02.02.07	Consortiums	47,504	48,480
2.02.04	Provisions	286,387	182,798
2.02.04.01	Labor and Civil Social Security Tax Provisions	249,185	145,596
2.02.04.01.01	Tax Provisions	17,075	7,137
2.02.04.01.02	Social Security and Labor Provisions	102,615	81,984
2.02.04.01.04	Civil Provisions	129,495	56,475

**Individual DFs / Balance Sheet - Liabilities****(Thousand Reais)**

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 6/30/2021</b>	<b>Previous Financial Year 12/31/2020</b>
2.02.04.02	Other Provisions	37,202	37,202
2.02.04.02.04	Actuarial Liabilities	37,202	37,202
2.02.06	Profits and Revenues to be Appropriated	203,027	194,602
2.02.06.03	Investment grants to be appropriated	203,027	194,602
2.02.06.03.01	Grants / PAC	203,027	194,602
2.03	Net Equity	3,172,029	3,077,632
2.03.01	Share Capital Realized	2,515,546	2,515,546
2.03.04	Profit Reserves	647,722	553,324
2.03.04.01	Legal Reserve	40,837	40,837
2.03.04.10	Investment Plan Reserve	606,885	512,487
2.03.06	Equity Valuation Adjustments	33,314	33,315
2.03.08	Other Comprehensive Income	-24,553	-24,553
2.03.08.01	Other Comprehensive Income - Actuarial	-37,202	-37,202
2.03.08.02	Deferred IRPJ - ORA	9,301	9,301
2.03.08.03	Deferred CSLL - ORA	3,348	3,348

**Individual DFs / Income Statement****(Thousand Reais)**

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 4/1/2021 to 6/30/2021</b>	<b>Accrued Year to Date Amount Financial Year 1/1/2021 to 6/30/2021</b>	<b>Same Quarter of Previous Financial Year 4/1/2020 to 6/30/2020</b>	<b>Accrued Amount in the Previous Financial Year 1/1/2020 to 6/30/2020</b>
3.01	Revenue from the Sale of Goods and / or Services	625,836	1,217,686	599,114	1,198,733
3.01.01	Revenues from Water and Sewerage Services G	598,546	1,165,119	548,808	1,116,407
3.01.02	Construction Revenue	24,226	46,745	47,614	76,904
3.01.03	Revenue from Technical Services	789	1,272	417	872
3.01.04	Sub-delegation Grants - Revenues	2,275	4,550	2,275	4,550
3.02	Cost of Goods and / or Services Sold	-293,779	-591,828	-311,615	-594,304
3.02.01	Cost of Goods and Services Sold	-269,553	-545,083	-264,001	-517,400
3.02.02	Construction Cost	-24,226	-46,745	-47,614	-76,904
3.03	Gross Financial Result	332,057	625,858	287,499	604,429
3.04	Operating Expenses / Revenue	-189,468	-463,883	-163,109	-373,895
3.04.01	Selling Expenses	-68,336	-133,726	-63,610	-129,969
3.04.02	General and Administrative Expenses	-125,548	-333,337	-100,424	-237,818
3.04.02.01	Administrative Expenses	-108,856	-205,394	-89,958	-186,270
3.04.02.04	Tax Expenses	-7,479	-13,200	-6,836	-11,571
3.04.02.05	Provisions / Reversals - Credit Losses / Recovery	-9,213	-114,743	-3,630	-39,977
3.04.04	Other Operating Revenues	4,602	5,788	560	1,126
3.04.04.01	Other Revenues	4,602	5,788	560	1,126
3.04.05	Other Operating Expenses	-186	-2,608	365	-7,234
3.04.05.01	Other Expenses	-186	-2,608	365	-7,234
3.05	Income Before Financial Result and Taxes	142,589	161,975	124,390	230,534
3.06	Financial Result	16,641	11,698	-15,834	-50,649
3.06.01	Financial Revenues	40,183	59,308	14,421	32,119
3.06.02	Financial Expenses	-23,542	-47,610	-30,255	-82,768
3.07	Income Before Taxes on Profit	159,230	173,673	108,556	179,885
3.08	Income Tax and Social Contribution on Profit	-45,281	-49,873	-37,247	-60,301
3.08.01	Current	-25,299	-42,683	-13,709	-28,844
3.08.02	Deferred	-19,982	-7,190	-23,538	-31,457
3.09	Net Income from Continuing Operations	113,949	123,800	71,309	119,584
3.11	Profit / Loss for the Period	113,949	123,800	71,309	119,584
3.99	Profit per Share - (Reais / Share)				

**Individual DFs / Income Statement****(Thousand Reais)**

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 4/1/2021 to 6/30/2021</b>	<b>Accrued Year to Date Amount Financial Year 1/1/2021 to 6/30/2021</b>	<b>Same Quarter of Previous Financial Year 4/1/2020 to 6/30/2020</b>	<b>Accrued Amount in the Previous Financial Year 1/1/2020 to 6/30/2020</b>
3.99.01	Basic Profit per Share				
3.99.01.01	ON	0.0453	0.04921	0.02835	0.04754
3.99.01.02	PN	0.0453	0.04921	0.02835	0.04754

**Individual DFs / Comprehensive Income Statement****(Thousand Reais)**

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 4/1/2021 to 6/30/2021</b>	<b>Accrued Year to Date Amount Financial Year 1/1/2021 to 6/30/2021</b>	<b>Same Quarter of Previous Financial Year 4/1/2020 to 6/30/2020</b>	<b>Accrued Amount in the Previous Financial Year 1/1/2020 to 6/30/2020</b>
4.01	Net Profit for the Period	113,949	123,800	71,309	119,584
4.02	Other Comprehensive Income	0	1	1	4
4.02.01.	Realization of Assigned Cost	0	1	1	4
4.03	Comprehensive Income for the Period	113,949	123,801	71,310	119,588



**Individual DFs / Cash Flow Statement (Indirect Method)****(Thousand Reais)**

<b>Account Code</b>	<b>Account Description</b>	<b>Accumulated from the Current Financial Year 1/1/2021 to 6/30/2021</b>	<b>Accrued Amount in the Previous Financial Year 1/1/2020 to 6/30/2020</b>
6.01	Net Cash from Operating Activities	335,186	207,079
6.01.01	Cash Generated from Operations	412,338	354,342
6.01.01.01	Net Income from the Financial Year	123,800	119,584
6.01.01.02	Depreciations and Amortizations	66,386	65,720
6.01.01.03	Write off of Fixed / Intangible Asset	921	3,196
6.01.01.04	AVP-Credits Receivable	785	-664
6.01.01.05	Charges, Monetary and Exchange Variations, Net	35,363	74,693
6.01.01.06	Capitalized Interests	112	785
6.01.01.07	Losses and provisions / reversals of net allowance for doubtful accounts	89,391	58,416
6.01.01.08	Provision / reversal of net contingencies	88,389	1,155
6.01.01.09	Deferred Tax	7,191	31,457
6.01.02	Variations in Assets and Liabilities	-85,999	-147,536
6.01.02.01	Credits Receivable from Users	-110,768	-137,966
6.01.02.02	Taxes Recoverable	-537	-582
6.01.02.03	Stocks	13,461	687
6.01.02.04	Advanced Expenses and Advance Payments to Employees	-2,605	-65,192
6.01.02.05	Judicial Deposit	-6,130	-303
6.01.02.07	Suppliers	-17,814	-4,317
6.01.02.08	Consortiums	157	-2,336
6.01.02.09	Labor obligations	38,394	52,892
6.01.02.10	Tax Obligations	130	61,222
6.01.02.11	Installments	-4,047	4,028
6.01.02.12	Contractual Obligations	0	-59,851
6.01.02.13	Sub-delegation	4,757	5,179
6.01.02.14	Contractual Advance	-997	-997
6.01.03	Others	8,847	273
6.01.03.01	Other Accounts Receivable	-1,245	-294
6.01.03.02	Other Accounts Payable	10,092	567
6.02	Net Cash Investing Activities	-86,607	-109,842
6.02.01	Acquisition in fixed assets	-5,089	-5,657
6.02.02	Contract's Asset	-21,895	-47,460
6.02.03	Acquisition in Intangible Assets	-54,257	-55,851
6.02.04	Securities	-2,805	-874
6.02.05	Acquisition of Stock for Works	-2,561	0
6.03	Net Cash Financing Activities	-228,707	11,487
6.03.02	Financing / Loans Raised	134	150,168
6.03.03	Amortization of Loans and Financing	-129,490	-103,420
6.03.04	Financial Charge Payments on Fundraising	-33,070	-41,939
6.03.05	Leasing	-8,163	-8,008
6.03.06	Grants	21,766	14,686
6.03.07	Payment of Interest on Equity	-79,884	0
6.05	Increase (Decrease) in Cash and Cash Equivalents	19,872	108,724
6.05.01	Initial Balance of Cash and Cash Equivalents	168,144	169,607
6.05.02	Final Balance of Cash and Cash Equivalents	188,016	278,331

**Individual DFs / Statement of Changes in Shareholders' Equity / DMPL - 01/01/2021 to 06/30/2021****(Thousand Reais)**

Account Code	Account Description	Paid in Share Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Accumulated Profits or Losses	Other Comprehensive Income	Net Equity
5.01	Initial Balances	2,515,546	0	553,324	0	8,762	3,077,632
5.03	Initial Adjusted Balances	2,515,546	0	553,324	0	8,762	3,077,632
5.04	Capital Transactions with Partners	0	0	0	-29,403	0	-29,403
5.04.07	Interest on Equity	0	0	0	-29,403	0	-29,403
5.05	Total Comprehensive Income	0	0	0	123,801	-1	123,800
5.05.01	Net Profit for the Period	0	0	0	123,800	0	123,800
5.05.02	Other Comprehensive Income	0	0	0	1	-1	0
5.05.02.06	Realization of deferred tax on the Assigned Cost	0	0	0	1	-1	0
5.06	Internal Changes in Equity	0	0	94,398	-94,398	0	0
5.06.04	Investment Reserve	0	0	94,398	-94,398	0	0
5.07	Final Balances	2,515,546	0	647,722	0	8,761	3,172,029

**Individual DFs / Statement of Changes in Shareholders' Equity / DMPL - 1/1/2020 to 6/30/2020****(Thousand Reais)**

Account Code	Account Description	Paid in Share Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Accumulated Profits or Losses	Other Comprehensive Income	Net Equity
5,01	Initial Balances	2,515,546	0	296,856	0	-51,742	2,760,660
5,03	Initial Adjusted Balances	2,515,546	0	296,856	0	-51,742	2,760,660
5,05	Total Comprehensive Income	0	0	0	119,588	-3	119,585
5,05,01	Net Profit for the Period	0	0	0	119,584	0	119,584
5,05,02	Other Comprehensive Income	0	0	0	4	-3	1
5,05,02,06	Realization of Deferred IRPJ and CSLL - Cost A	0	0	0	4	-4	0
5,05,02,07	Realization of Deferred IRPJ and CSLL Assigned Cost	0	0	0	0	1	1
5,06	Internal Changes in Equity	0	0	119,588	-119,588	0	0
5,06,04	Constitution of Investment Reserves	0	0	119,588	-119,588	0	0
5,07	Final Balances	2,515,546	0	416,444	0	-51,745	2,880,245

**Individual DFs / Added Value Statement****(Thousand Reais)**

<b>Account Code</b>	<b>Account Description</b>	<b>Accumulated from the Current Financial Year 01/01/2021 to 06/30/2021</b>	<b>Accrued Amount in the Previous Financial Year 1/1/2020 to 6/30/2020</b>
7.01	Revenues	640,854	630,041
7.01.01	Sales of Goods, Products and Services	624,706	625,775
7.01.02	Other Revenues	-11,373	-10,852
7.01.02.01	Credit Prescription / Recovery	-15,318	-14,149
7.01.02.02	Other Revenues	1,187	567
7.01.02.03	Sub-delegation Grant	2,275	2,275
7.01.02.04	Revenues from Technical Services	483	455
7.01.03	refs, Revenues to Construction of Proprietary Assets	22,519	29,290
7.01.04	Provision / Reversal for Allowance for Doubtful Accounts	5,002	-14,172
7.02	Inputs Purchased from Third Parties	-157,246	-182,176
7.02.01	Costs of Products, Goods and Services Sold	-101,264	-87,765
7.02.02	Materials, Energy, Services of Third Parties and Others	-46,297	-49,819
7.02.03	Loss / Recovery of Assets Amounts	16,286	-5,962
7.02.04	Others	-25,971	-38,630
7.02.04.01	Raw Material Consumed	-1,030	-1,741
7.02.04.02	Construction Cost	-22,519	-29,290
7.02.04.03	Other Expenses	-2,422	-7,599
7.03	Gross Added Value	483,608	447,865
7.04	Retentions	-144,713	-30,847
7.04.01	Depreciation, Amortization and Exhaustion	-33,212	-28,783
7.04.02	Others	-111,501	-2,064
7.04.02.01	Provisions / Reversals	-111,501	-2,064
7.05	Net Added Value Produced	338,895	417,018
7.06	Added Value Received in Transfer	27,864	17,698
7.06.02	Financial Revenues	27,864	17,698
7.07	Total Added Value to be Distributed	366,759	434,716
7.08	Added Value Distribution	366,759	434,716
7.08.01	Personnel	212,164	203,983
7.08.01.01	Direct Remuneration	160,854	151,891
7.08.01.02	Benefits	38,376	39,928
7.08.01.03	FGTS	12,934	12,164
7.08.02	Taxes, Fees and Contributions	110,239	128,337
7.08.02.01	Federal	104,585	123,743
7.08.02.02	State	1,910	1,308
7.08.02.03	Municipal	3,744	3,286
7.08.03	Third Party Capital Remuneration	34,505	54,121
7.08.03.01	Interests	32,807	52,513
7.08.03.02	Rents	1,698	1,608
7.08.04	Remuneration of Equity	9,851	48,275
7.08.04.03	Retained Earnings / Loss for the Period	9,851	48,275



# MANAGEMENT REPORT

## 2Q2021

Management Report for the period ended June 30, 2021, in comparison to the same period of 2020.  
In thousands of Brazilian Reais (unless otherwise stated)

# General Service Data

## 1. Area of operation

The Company provides water supply and sewage services in the state of Goiás, working in 226 of the 246 municipalities of that state, where it has 62 Program Contracts and 164 Concession Contracts.

Concession Program Contracts	1H 2021	1Q 2020	Revenue Perc. %
Total municipalities contemplated	226	226	100%
Total municipalities with program contracts	62	62	71.45 %
Total municipalities with active concession contracts	78	87	13.05 %
Total municipalities with expired concession contracts	86	77	15.50 %

Table 01 – Area of operation

## 2. General service data

Water - Operating indexes	Unit	1H2021	1H2020	Var. (%)
Population with access to the service	Thousand	5,871	5,781	1.56%
Service index	%	97.50%	97.20%	0.31%
Connections	Thousand	2,300	2,233	3.00%
Savings	Thousand	2,499	2,434	2.67%
Expansion of the pipeline network	Kilometer	31,518	30,550	3.17%
Sewage - Operating indexes	Unit	1H 2021	1H 2020	Var. (%)
Population with access to the service	Thousand	3,983	3,796	4.93%
Service index	%	66.10%	63.80%	3.61%
Service index (treated sewage)	%	61.70%	59.50%	3.70%
Connections	Thousand	1,304	1,233	5.76%
Savings	Thousand	1,471	1,400	5.07%
Expansion of the pipeline network	Thousand	13,692	13,171	3.96%

Table 02 – General Service Data

Water - Operating indexes	Unit	2Q2021	2Q2020	Var. %	1H2021	1H2020	Var. %
Volume Billed	thousand m <sup>3</sup>	71,079	66,612	6.71%	139,255	131,894	5.6%
Volume Produced	thousand m <sup>3</sup>	95,552	93,882	1.78%	194,580	189,092	2.9%
Sewage – Operating indexes	thousand m <sup>3</sup>	2Q 2021	1Q 2020	Var. %	1H 2021	1H 2020	Var. %
Volume billed	thousand m <sup>3</sup>	44,559	40,920	8.89%	87,121	81,357	7.1%
Volume treated	thousand m <sup>3</sup>	41,378	38,002	8.88%	80,930	75,425	7.3%

Table 03 – Volume produced/billed/treated

# General Service Data

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## 2.1 Water supply system

In the first half of 2021, the number of people with access to water supply services in the state of Goiás increased by 1.76%, and the service reached 97.50% of the population. There was an increase of 3% in the number of billed water connections, while water distribution pipelines were expanded by 3.17%.

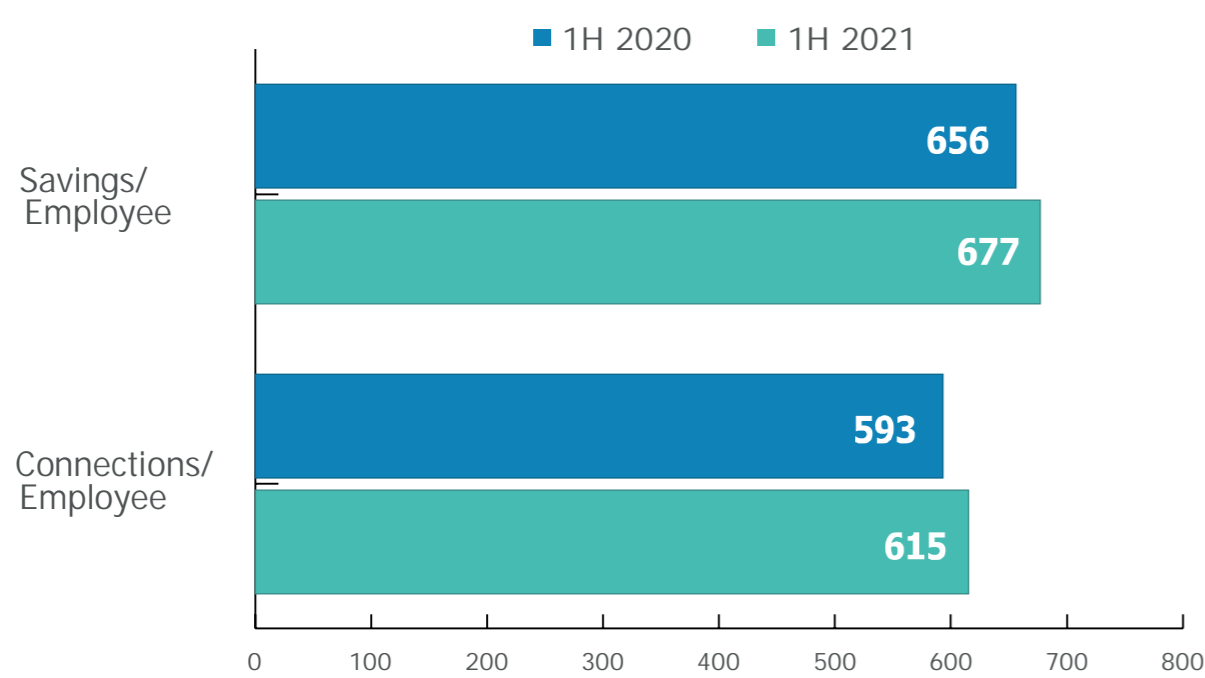
## 2.2. Sewage system

In relation to sewage systems, there was also expansion, as the number of people with access to that service grew by 4.93%. In the first half of 2021, such number represented a sewage service index of 66.10% of the state's total population (in municipalities where the Company holds concession), and the number of charged sewage connections grew by 5.76%. In relation to the sewage volume billed, there was an increase of approximately 7.1%. As for the volume of sewage treatment, that also increased by 7.3% in the first half of 2021.

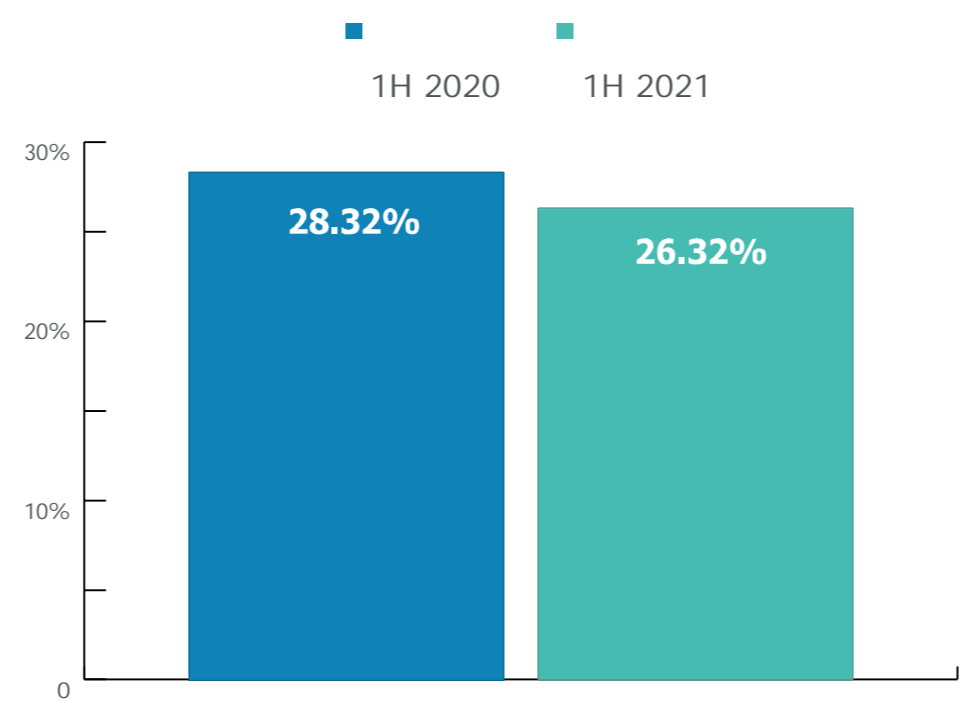
## 3. Performance indicators

Regarding the workforce productivity index, measured based on the ratio of connections (water + sewage) to the number of employees, it increased from 593 connections/employee to 615 connections/employee, showing an improvement in efficiency of 3.70%.

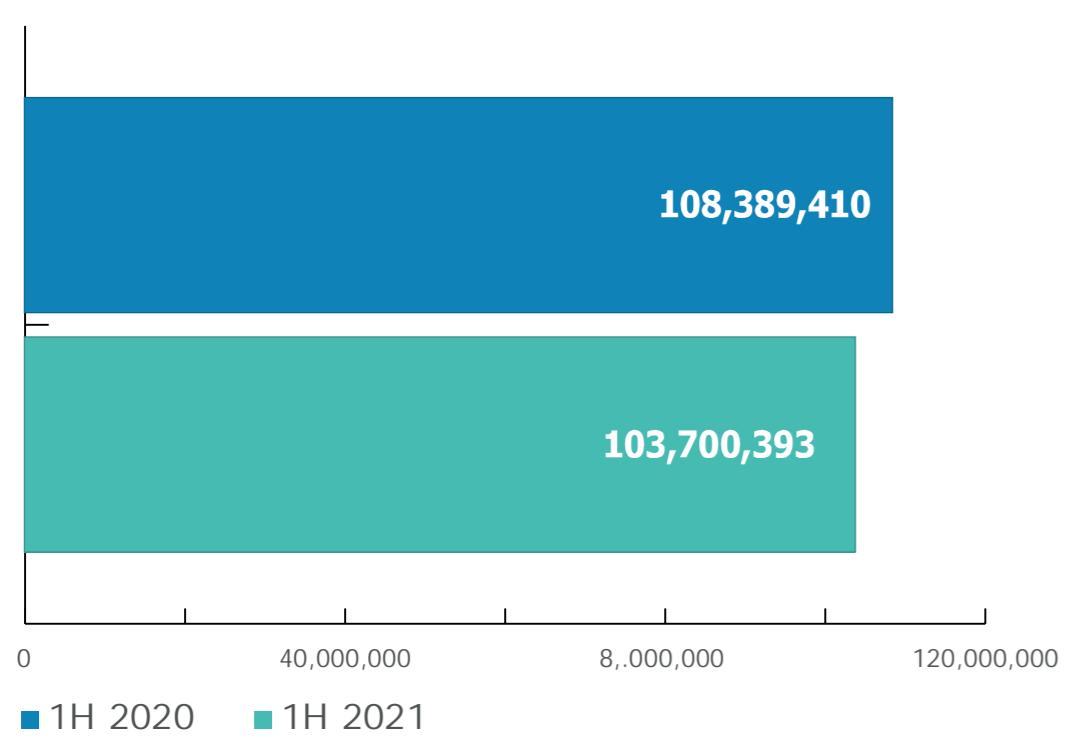
Graph 01 – Performance by employee



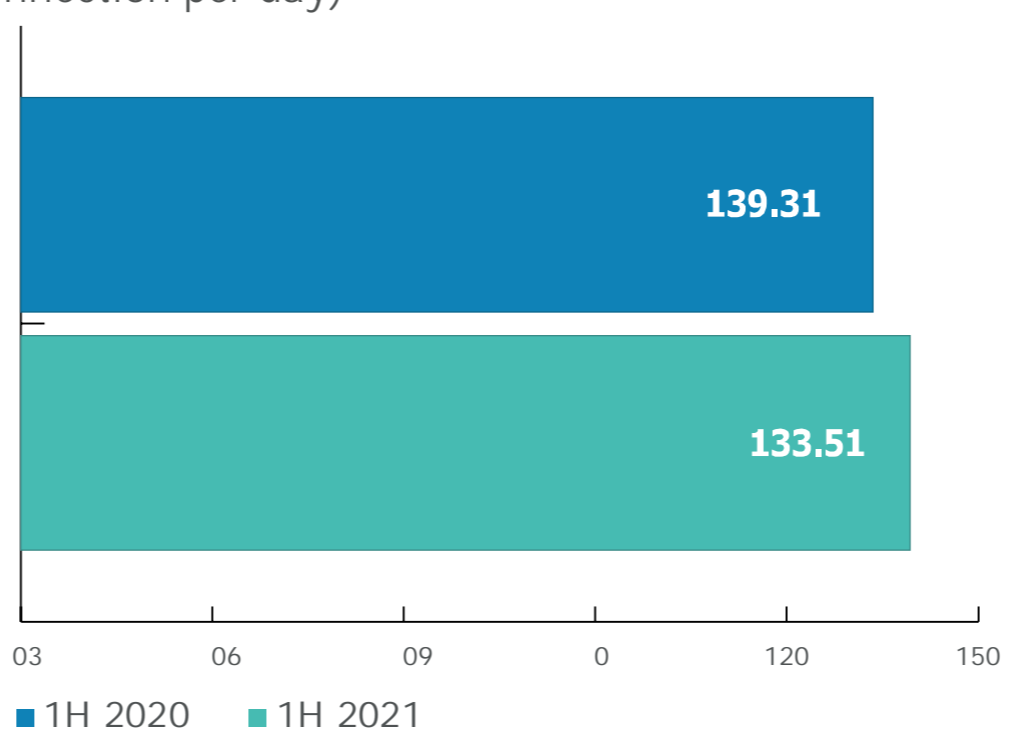
Graph 02 – Loss index



Graph 03 – Loss of treated water by m<sup>3</sup>



Graph 04 – Index of losses by connection (liters by connection per day)



We also highlight the 7.06% reduction in the index

of Treated Water Losses, which reached a percentage of 26.32% in the first half of 2021 in comparison to 28.32% in the first half of 2020. A task force was organized in 2020 to avoid losses, which includes the search for leaks through a sound detection system and replacement of damaged pipes. The project of implementation of volumetric meters and renewal of water meters in use is classified as an improvement in the quality of measurements and decrease in losses. From March 2020 to June 2021, 225 thousand water meters were replaced, representing 9.9% of the Company's meters, mainly in the municipalities of Anápolis and Goiânia.



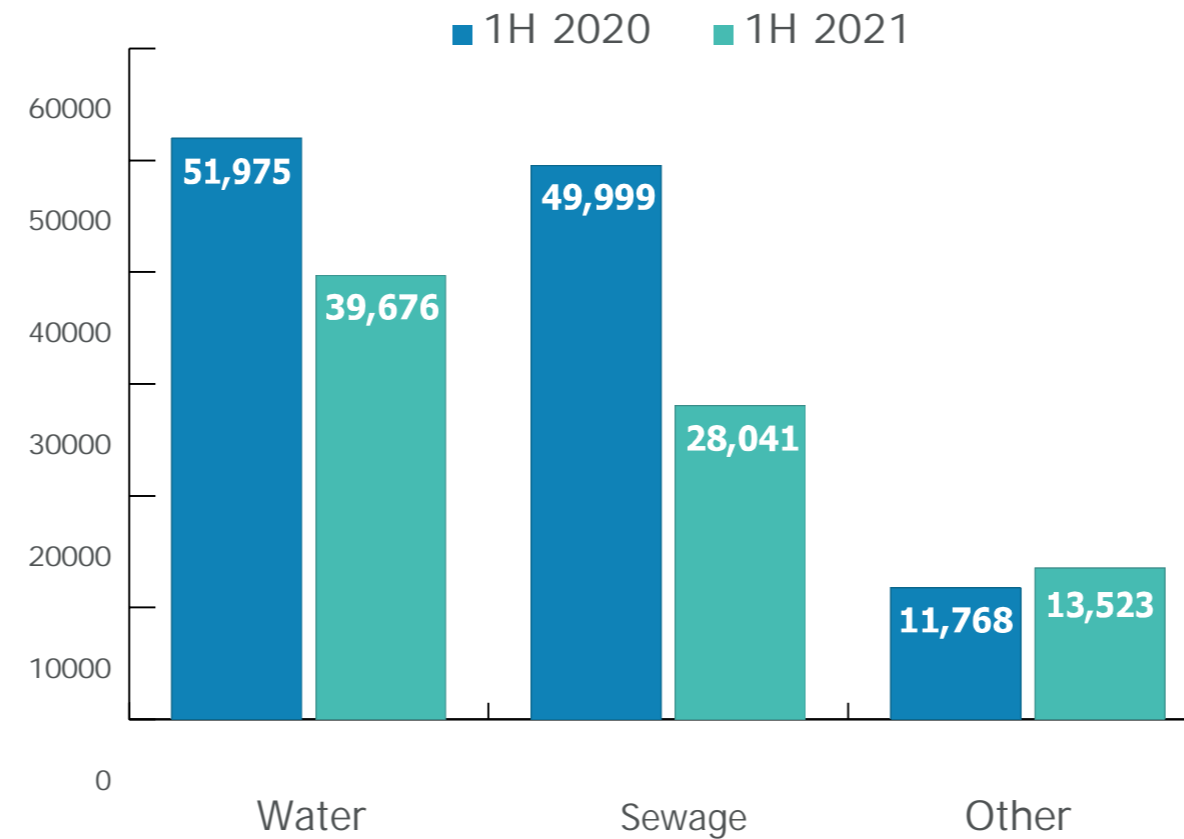
# Investments

## 4. Investments

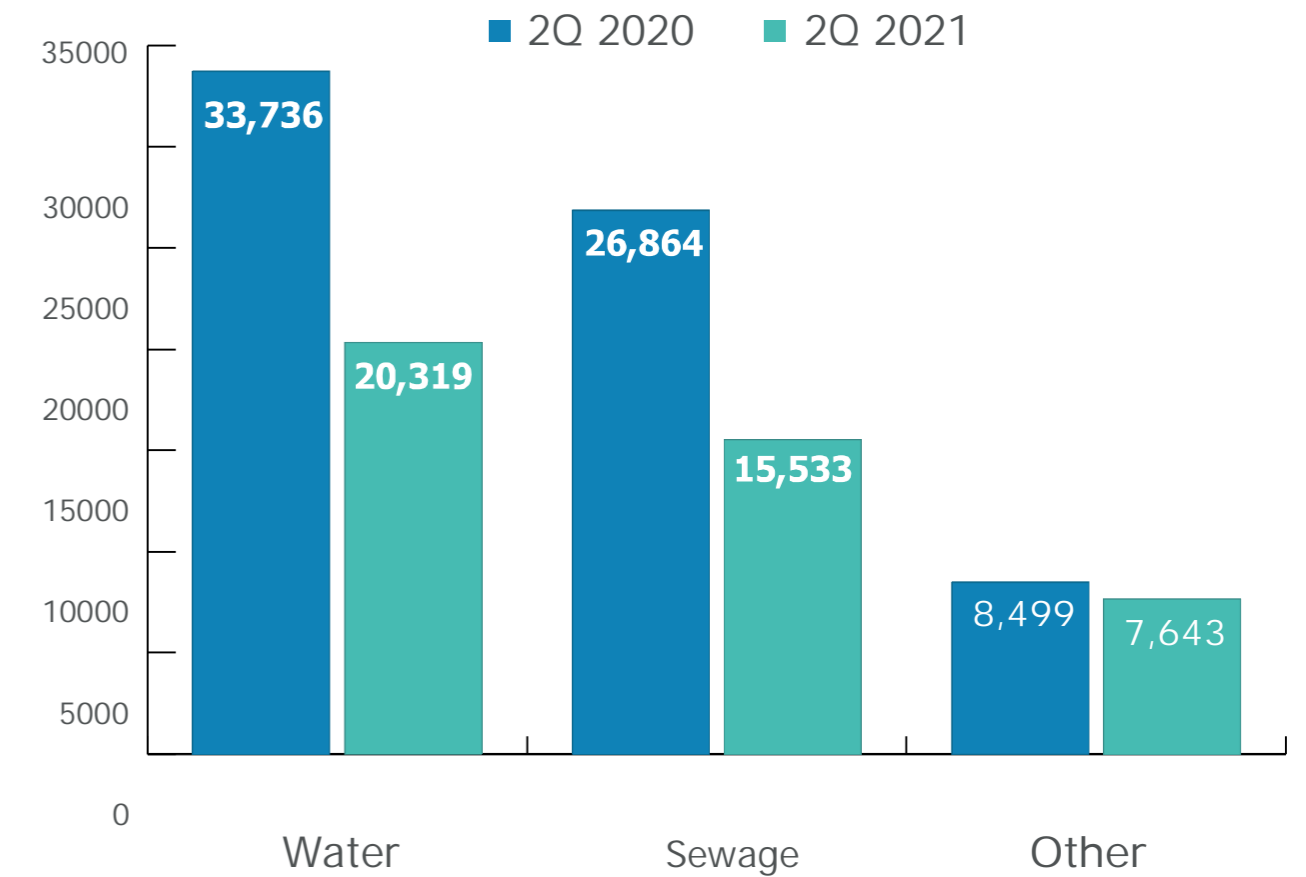
As seen in Graph 5, investments made in the 2nd quarter of 2021 totaled R\$43,495.

Of that amount, 46.71% was invested in water supply systems, while 35.71% was destined for sewage collection and treatment systems, and the remaining 17.58% was invested in operational improvement programs, as well as in business development, general use assets and others. The reduction in the volume of investment was caused by the failure of bidding operations in the 2nd half of 2020, caused mainly by the high prices of building materials, one of the effects of the Coronavirus pandemic. The group "Others" includes assets purchased that are not destined for water supply or sewage systems, such as vehicles, computers, construction of administrative areas, software and construction work inventory.

Graph 05 – Volume of investments by system in 1H2021



Graph 06 - Volume of investments by system in 2Q2021

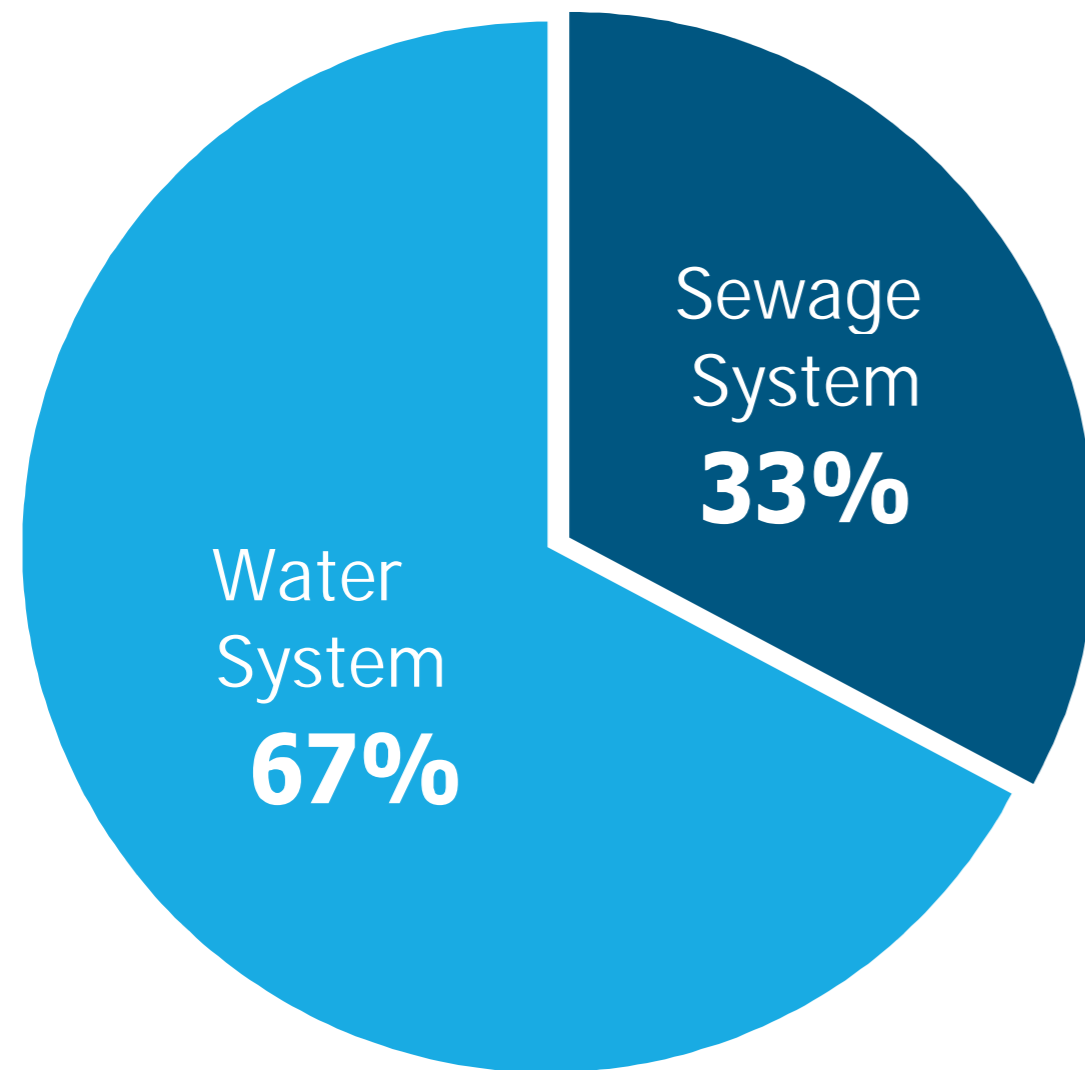


# Gross Sales Revenue

## 5. Gross sales revenue from water and sewage services

Currently, about 67% of the Company's Revenue comes from Water Systems and 33% from Sewage Services, as demonstrated in the graph below:

Graph 07 – Segmentation by type of system



GROSS REVENUE FROM SEWAGE AND WATER SUPPLY SERVICES						
Revenue by type of service	2Q2021	2Q2020	Var. %	1H2021	1H2020	Var. %
Residential	302,703	286,010	5.84%	593,243	562,690	5.43%
Social tariff	1,040	1,059	-1.79%	2,048	2,136	-4.12%
Commercial	36,547	28,644	27.59%	71,999	65,904	9.25%
Industrial	9,429	7,853	20.07%	18,253	16,540	10.36%
Public	18,278	16,067	13.76%	35,196	38,057	-7.52%
Indirect service revenue	2,760	2,475	11.52%	5,495	5,768	-4.73%
Miminimum fixed rate	67,760	66,705	1.58%	135,383	134,761	0.46%
Revenue to be billed	4,401	(312)	-1510.58%	(1,467)	(989)	48.33%
<b>Total water supply services</b>	<b>442,918</b>	<b>408,501</b>	<b>8.43%</b>	<b>860,150</b>	<b>824,867</b>	<b>4.28%</b>
Residential	144,715	135,438	6.85%	284,676	265,694	7.14%
Residential social tariff	481	477	0.84%	946	942	0.42%
Commercial	28,376	23,532	20.58%	56,253	53,131	5.88%
Industrial	4,343	4,008	8.36%	8,578	8,305	3.29%
Public	11,895	10,842	9.71%	23,334	24,706	-5.55%
Indirect service revenue	3,260	1,606	102.99%	5,964	11,190	-46.70%
Miminimum fixed rate	23,182	22,349	3.73%	46,175	44,665	3.38%
Revenue to be billed	1,144	(1,147)	-199.74%	(643)	(1,151)	-44.14%
<b>Total sewage services</b>	<b>217,396</b>	<b>197,105</b>	<b>10.29%</b>	<b>425,284</b>	<b>407,482</b>	<b>4.37%</b>
<b>Total gross revenue (Water+Sewage)</b>	<b>660,314</b>	<b>605,606</b>	<b>9.03%</b>	<b>1,285,434</b>	<b>1,232,349</b>	<b>4.31%</b>
Deductions	(61,768)	(56,797)	8.75%	(120,315)	(115,942)	3.77%
<b>Revenue from sewage and water supply services</b>	<b>598,546</b>	<b>548,809</b>	<b>9.06%</b>	<b>1,165,119</b>	<b>1,116,407</b>	<b>4.36%</b>

Table 4 -Revenue from sewage and water supply services

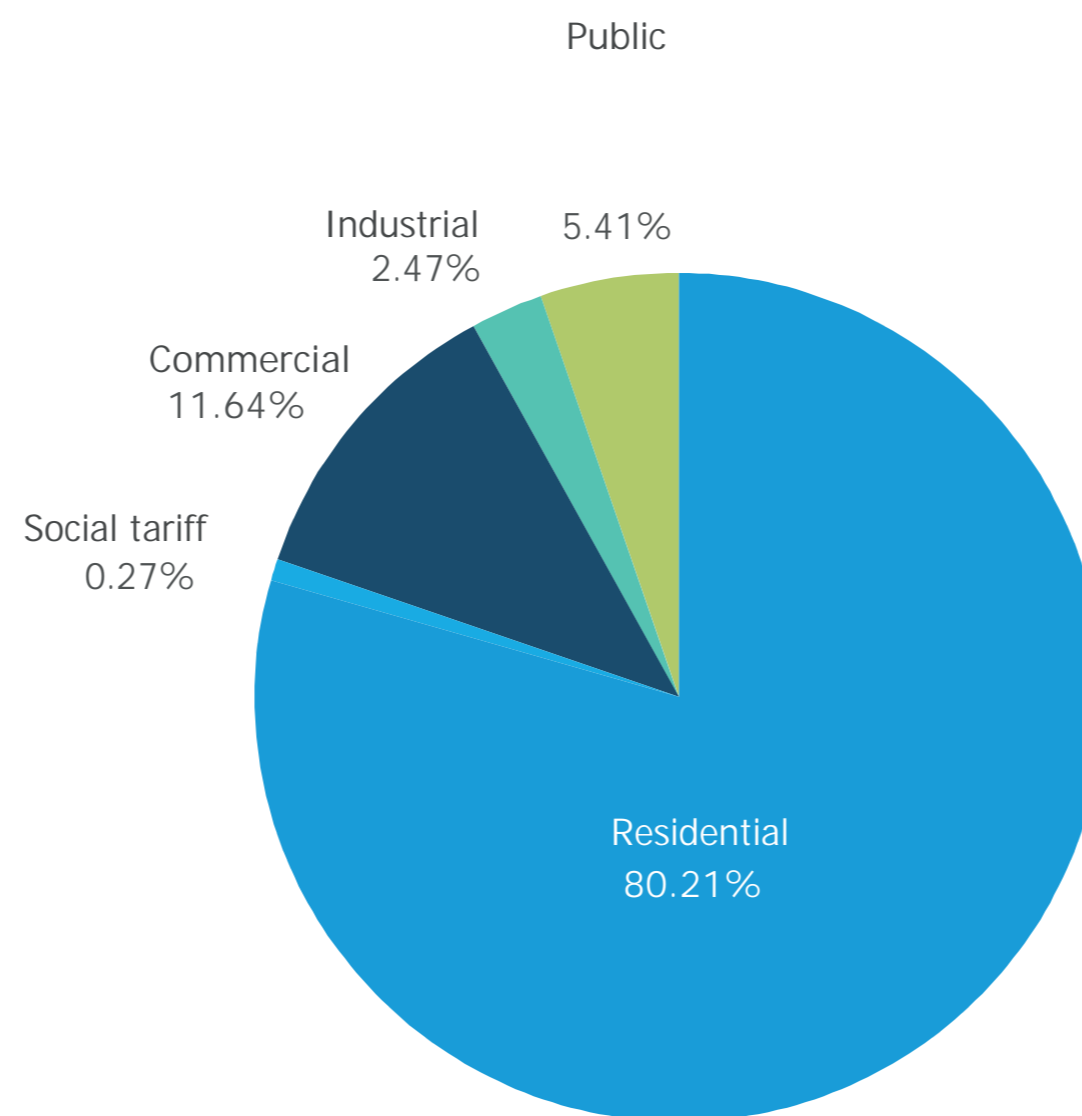
# Gross Sales Revenue

In 2Q2021, the Company reported an increase of 9.03% in gross revenue. In this period, the Company expanded its water connections by 3% and sewage connections by 5.76%.

In relation to the variation in 2Q2021, in addition to the expansion of the systems, we highlight the resumption of the economic activities in the state due to the gradual reduction in the restrictions imposed by the Coronavirus pandemic, with an increase in the consumption of the commercial and industrial categories by 27.59% and 20%, respectively. As for the public category, there was a slight increase in consumption, but yet lower in comparison to the other categories, as public schools still have not resumed on-site classes.

As for the segmentation of customers, residential consumers maintained the share of 80.21% of total operating revenue from services, a higher average in comparison with prior periods, considering the transfer of consumption to this category due to the pandemic. Commercial and public categories represent 11.64% and 5.41%, respectively.

Graph 08 – Segmentation by customer category



Main variation and causes of the data observed in Table 4 for 2Q2021/1H2021

## 5.1 Revenue from water supply services

Total revenue from water supply services presented a growth of 8.43% in 2Q2021.

Such variation is a reflection of the 3% expansion in the number of customers according to the increase in water connections.

The high percentage in 2Q2021 considers the comparison with the period of 2020 between the months of April and June, affected by the strong restrictions to circulation of people. The accumulated analysis considers the months from January to March 2020, before the pandemic.

## 5.2 Revenue from sewage services

Total revenue from sewage services presented a growth of 10.29% in 2Q2021. Such variation is a reflection of the 5.76% expansion in the number of customers according to the increase in sewage connections. The high percentage in 2Q2021 considers the comparison with the period of 2020 between the months of April and June, affected by the strong restrictions to circulation of people. The accumulated analysis considers the months from January to March 2020, before the pandemic.

# Financial income performance

Financial income performance	2Q2021	2Q2020	Var. %	1H2021	1H2020	Var. %
Total net revenue (+)	601,610	551,500	9.09%	1,170,941	1,121,829	4.38%
Personnel (-)	(262,237)	(244,973)	7.05%	(519,680)	(491,328)	5.77%
Materials (-)	(19,433)	(24,174)	-19.61%	(40,582)	(47,123)	-13.88%
Third-party services (-)	(47,464)	(45,218)	4.97%	(101,918)	(89,176)	14.29%
Electric power (-)	(55,955)	(51,860)	7.90%	(108,493)	(102,579)	5.77%
General (-)	(13,647)	(3,407)	300.56%	(17,926)	(8,206)	118.45%
Concession-related compensation (-)	(18,343)	(17,875)	2.62%	(36,212)	(36,383)	-0.47%
Tax expenses (-)	(7,479)	(6,836)	9.41%	(13,200)	(11,571)	14.08%
Provisions/Reversals (-)	(9,212)	(3,630)	153.77%	(114,743)	(39,977)	187.02%
Other Revenues/Expenses (-)	4,415	924	377.81%	3,180	(6,108)	-152.06%
Amortization/Depreciation (-)	(29,665)	(30,062)	-1.32%	(59,392)	(58,844)	0.93%
Total costs and expenses (=)	(459,020)	(427,111)	7.47%	(1,008,966)	(891,295)	13.20%
Financial income (loss) (-)	16,641	(15,834)	-205.10%	11,698	(50,649)	-123.10%
Current/Deferred Income (IRPJ) and Social Contribution (CSLL) Taxes (-)	(45,281)	(37,247)	21.57%	(49,873)	(60,301)	-17.29%
Net income (=)	113,949	71,309	59.80%	123,800	119,584	3.53%
EBTIDA	172,254	154,451	11.53%	221,367	289,378	-23.50%
EBTIDA Margin	28.63%	28.01%	2.24%	18.91%	25.79%	-26.70%
Adjusted EBTIDA	181,466	158,082	14.79%	336,110	329,355	2.05%
Adjusted EBTIDA Margin	30.16%	28.66%	5.23%	28.70%	29.36%	-2.23%

Table 05 – Financial income performance

# Financial income performance

## 6.1 EBTIDA

The Company's EBITDA reached R\$172,254 in 2Q2021 in comparison to R\$154,451 recorded in the same period of the previous year, totaling a reduction of 11.53% in relation to 2Q2020, essentially impacted by the increase of 9.09% in revenue. In the accumulated analysis there was a negative variation of 23.5%, totaling an amount of R\$221,367 in 1H2021 mostly the result of the recognition of a provision for civil contingencies of approximately R\$106 million, as detailed in item 6.5.8.

The EBITDA on net revenue in 2Q2021 was 28.63% in comparison to 28.01% in the same period of the previous year. The increase in revenue had less impact on EBITDA margin mainly because of the increase in general expenses due to the payment of indemnities, as detailed in item 6.5.5.

Reconciliation of Adjusted EBTIDA	2Q2021	2Q2020	Var. %	1H2021	1H2020	Var. %
Net income (+)	113,949	71,309	59.80%	123,800	119,584	3.53%
Financial income (loss) (+)	(16,641)	15,834	-205.10%	(11,698)	50,649	-123.10%
Current/Deferred IRPJ and CSLL (+)	45,281	37,247	21.57%	49,873	60,301	-17.29%
Amortization/Depreciation (+)	29,665	30,062	-1.32%	59,392	58,844	0.93%
Provisions/Reversals (+)	9,212	3,630	153.77%	114,743	39,977	187.02%
<b>Adjusted EBTIDA</b>	<b>181,466</b>	<b>158,082</b>	<b>14.79%</b>	<b>336,110</b>	<b>329,355</b>	<b>2.05%</b>

Table 06 – Reconciliation of adjusted EBTIDA

## 6.2 Adjusted EBITDA

The adjusted EBITDA measured for 2Q2021, whose calculation do not take into account Provisions/Reversals/Losses and Credit Recovery not affecting cash, as described in table 6, resulted in an amount of R\$181,466, representing an increase of 14.79% in comparison to the same period of the previous year; a variation that reflects the 9.09% increase in net revenue.

## 6.3 Adjusted EBITDA Margin

The Adjusted EBITDA on net revenue in 2Q2021 was 30.16% in comparison to 28.66% calculated in the same period of the previous year. As previously mentioned, this increase is the reflection of the 9.09% increase in revenue, exceeding the growth in costs and expenses. This variation in revenue identified for the months from April to June was due to the resumption of commercial activities in 2021, in comparison with a more restrictive period during these months in 2020.

# Financial income performance

## 6.4 Costs and Expenses

### 6.4.1 Personnel

The expenses on personnel totaled R\$262,237 in 2Q2021, representing an increase of 7.05% in relation to the same period of 2020. Such growth primarily reflects the approximate 2.05% increase in wages in September 2020, in addition to career progression.

### 6.4.2 Materials

The expenses on materials presented a 19.61% reduction in 2Q2021. That was mainly due to a reduction of 48%, corresponding to approximately R\$3,607 thousand related to materials for maintenance of the system resulting from the inclusion in fixed assets of amounts related to maintenance of pumps and corresponding increase in useful life. Additionally, there was a reduction of 81%, corresponding to an amount of R\$1,988 thousand, in EPI expenses, given that a large amount of materials such as masks and gloves was acquired in the same period of 2020, due to the Coronavirus pandemic.

### 6.5.3 Electric power

Electric power cost in 2Q2021 totaled R\$55,955, presenting an increase of 7.9% in comparison with 2020. That change is a reflection of the electric power tariff adjustment in October 2020 at an average percentage of 4.28%. However, there is also the reflection of the relief referring to Decree No. 9.642/2018, which revoked a 15% discount granted on the electricity bills of the Company. This discount has been gradually eliminated in the months of October of each year and, in October 2020, there was the reduction of another 3% on the discount.

### 6.5.4 Third-party services

Expenses on third-party services presented an increase of 4.97% in 2Q2021 and of 14.29% in 1H2021. The main change is the account of system maintenance that went from R\$10,170 million in 1H2020 to R\$17,586 in 1H2021. That growth mainly refers to the R\$6,210 spent in replacement of asphalt in the municipality of Goiânia, arising from maintenance and construction work of the

network. Another reason for the increase was the implementation of the Virtual Storeroom System, a service of logistics management contracted by the Company and responsible for the acquisition and delivery of supplies in the several offices of the Company. This contract aims to reduce costs on storage and transportation in the long term, as well as guaranteeing the constant availability of materials. In the 1H2021, a total of R\$4,428 thousand was spent on this service.

### 6.5.5 General

General expenses had an increase of 300% in 2Q2021. Such variation took place mainly due to the payment of indemnities to third parties, reaching R\$8,184, in comparison with R\$141 thousand in 2020. The main impact was the payment of R\$6,825 million referring to fines applied by the Public Prosecutor's Office of the State of Goiás after an agreement reached in relation to an action questioning the charge of water meters by Saneago.

# Financial income performance

## 6.5.6 – Contract/Concession-related compensation

The amounts paid to municipal governments in consideration for concession and program contracts have a new methodology for calculation as provided in signed contracts. The variation observed in 2Q2021 was 2.62%.

## 6.5.7 – Provision/Reversal/Losses/Recovery of barred credits:

Reversals (-) Provisions, net	2Q2021	2Q2020	Var.%	1H2021	1H2020	Var.%
Expired credit losses	(14,419)	(21,520)	-33.00%	(29,737)	(35,692)	-16.68%
Provision for contingencies	7,912	1,164	579.73%	(103,589)	(4,650)	2127.72%
Allowance for doubtful accounts	(1,619)	7,269	-122.27%	3,383	(6,880)	-149.17%
Inventory valuation allowance	(1,086)	9,457	-111.48%	15,200	3,495	334.91%
Estimated losses on construction work	-	-	-	-	3,750	-100.00%
<b>Provisions/Reversals/Losses and Credit recovery</b>	<b>(9,212)</b>	<b>(3,630)</b>	<b>153.77%</b>	<b>(114,743)</b>	<b>(80,991)</b>	<b>41.67%</b>

Table 07- Provisions/Reversals/Losses and Rec. Credit

According to the table above, an increase of 153% was observed in the balance between reversals and provisions in 2Q2021, while in 1H2021 the variation was 41.67%. The main changes were a) increase in the provision for civil contingencies in the municipality of Minaçu regarding an environmental action reclassified from possible loss to remote loss in the quarter and to new labor claims totaling about R\$106 million, both detailed in item 25 of the notes; b) reversal of the inventory valuation allowance in the amount of R\$15,200 due to a review of the estimated loss on slow-moving items; and c) reversal of estimated allowance for doubtful accounts which in 1H2020 corresponded to a credit balance of R\$6,880 and to R\$ 3,383 in 1H2021, a variation resulting from the resumption of supply cuts of customers in default in January 2021, causing an increase in negotiations for settlement of debts with the Company.

# Financial income performance

## 6.5.8 – Net Financial Income (Loss):

These reflect returns on financial investments, gains on monetary adjustments and other amounts receivable, expenses on interest on loans and financing, as well as expenses on late payment interest and fines and discounts granted. The results reported in 2Q2021 were reduced by 205%. This decrease reflects the result of exchange rate fluctuations on loans denominated in US dollars, which varied by 313% in 2Q2021. However, there was a reduction of R\$2,746 in interest on financing from R\$21,008 in 2Q2020 to R\$23,754 in 2Q2021, in addition to the impact of an increase in fine and interest revenue by R\$9,707, corresponding to 75.4%,

in the 2Q2021 arising from receipts from customers due to the resumption of supply cuts of customers in default and corresponding increase in negotiations for settlement of debts with the Company.

6.6 Net Income/Loss – The Company reported R\$113,949 income in 2Q2021, an increase of 59.80% in comparison with 2Q2020. The increase was mainly the result of the increase of 9.09% in net revenue and reduction in net financial income (loss) by 205%.

Net financial revenues and expenses						
Description	2Q2021	2Q2020	Var. %	1H2021	1H2020	Var. %
Interest/Fine	19,797	10,090	96.2%	40,261	22,951	75.4%
Monetary adjustment	8,565	3,890	120.2%	16,259	8,504	91.2%
Discount to present value	(491)	441	-211.3%	(785)	664	-
<b>Total financial revenues</b>	<b>27,871</b>	<b>14,421</b>	<b>93.3%</b>	<b>55,735</b>	<b>32,119</b>	<b>73.5%</b>
Interest/charges and other expenses	(21,008)	(23,754)	-11.6%	(43,095)	(51,072)	-15.6%
Monetary adjustment	(747)	(287)	160.3%	(1,138)	(573)	98.6%
Exchange rate gains (losses)	11,821	(5,544)	-313.2%	2,788	(29,629)	-109.4%
PIS/COFINS on financial revenue	(1,296)	(670)	-	(2,592)	(1,494)	-
<b>Total financial expenses</b>	<b>(11,230)</b>	<b>(30,255)</b>	<b>-62.9%</b>	<b>(44,037)</b>	<b>(82,768)</b>	<b>-46.8%</b>
<b>Financial income (loss)</b>	<b>16,641</b>	<b>(15,834)</b>	<b>-205.1%</b>	<b>11,698</b>	<b>(50,649)</b>	<b>-123.1%</b>

Table 08 – Net financial revenues and expenses

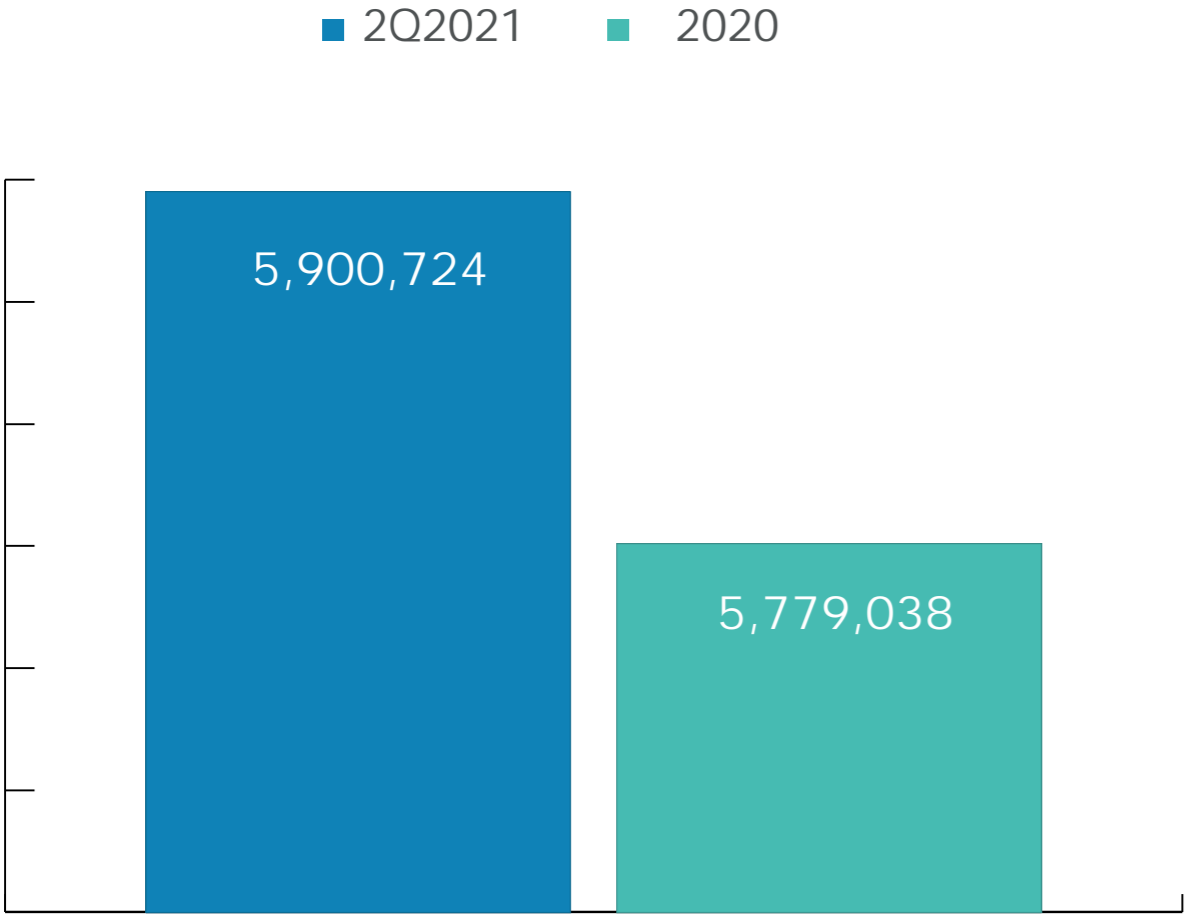


# Analysis of and Discussion about the Structure of Assets

## 7. Analysis of and Discussion about the Structure of Assets

In the analysis below about the structure of the Company's assets, we tried to cover the accounts that we understand to be the most significant and justify the change in them in 2Q2021 in comparison with the closing of the previous year.

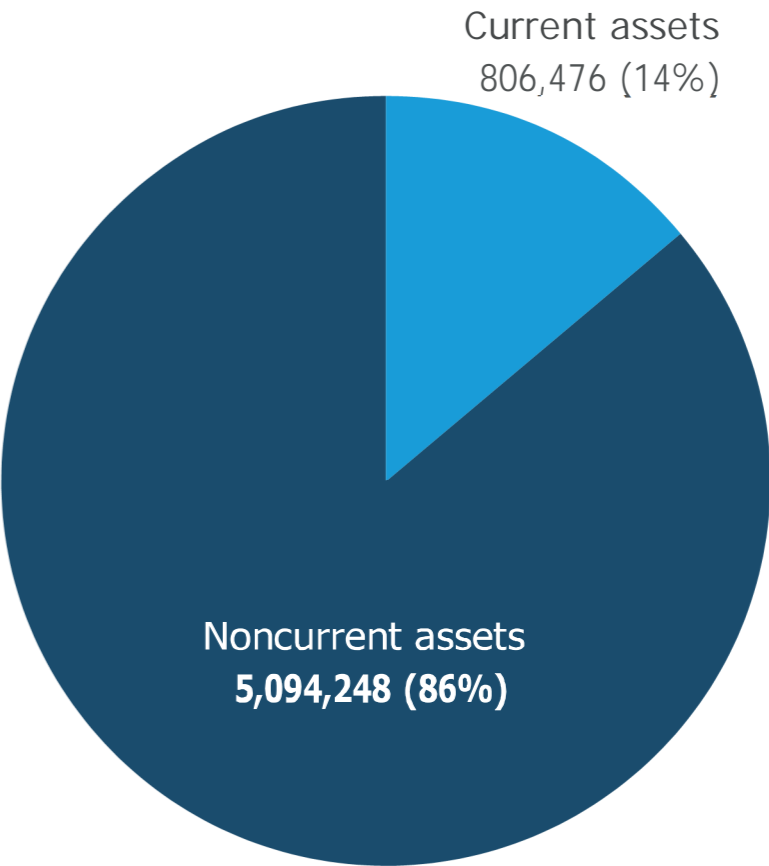
Graph 09 – Change in total assets



In 2Q2021, the main changes occurred in the current asset accounts, which increased 4.90%, while current liabilities presented a reduction of approximately 3.7%. Thus, there was an increase in current liquidity, which varied from 1.101 at the closing of 2020 to 1.1993 at the closing of 2Q2021; a variation mainly due to the payment of dividends provided for in the amount of R\$79,884 in liabilities. Additionally, there was a decrease in third-party capital by 87.77% at the closing of the year 2020 in comparison with 86.02% at the closing of 2Q2021.

## 7.1 - Assets

Graph 10 – Change in total assets



### 7.1.1 Current assets

#### 7.1.2 Cash and cash equivalents

They presented an increase of R\$19,872, going from approximately R\$168,144 at the closing of the year 2020 to R\$188,016 at the closing of 2Q2021.

# Analysis of and Discussion about the Structure of Assets

That increase mainly reflects refunds received from Caixa Econômica Federal (CEF) relating investment made in 2020 and amounts collected from residential and commercial customers above the monthly average in the quarter.

## 7.1.3 Inventories

The account of inventories presented an increase of R\$2,353, resulting in an increase of 4.66%.

## 7.2 Noncurrent assets

### 7.2.1 Prepaid expenses

That account presented a decrease of R\$3,450 in 2Q2021, going from R\$192,803 at the closing of the year 2020 to R\$189,353. This caption refers to the advance of amounts due arising from the early termination of the Concession Contract with the Municipalities of Goiânia and Anápolis and signing of a new Program Contract with 30-year term.

### 7.2.2 Intangible assets

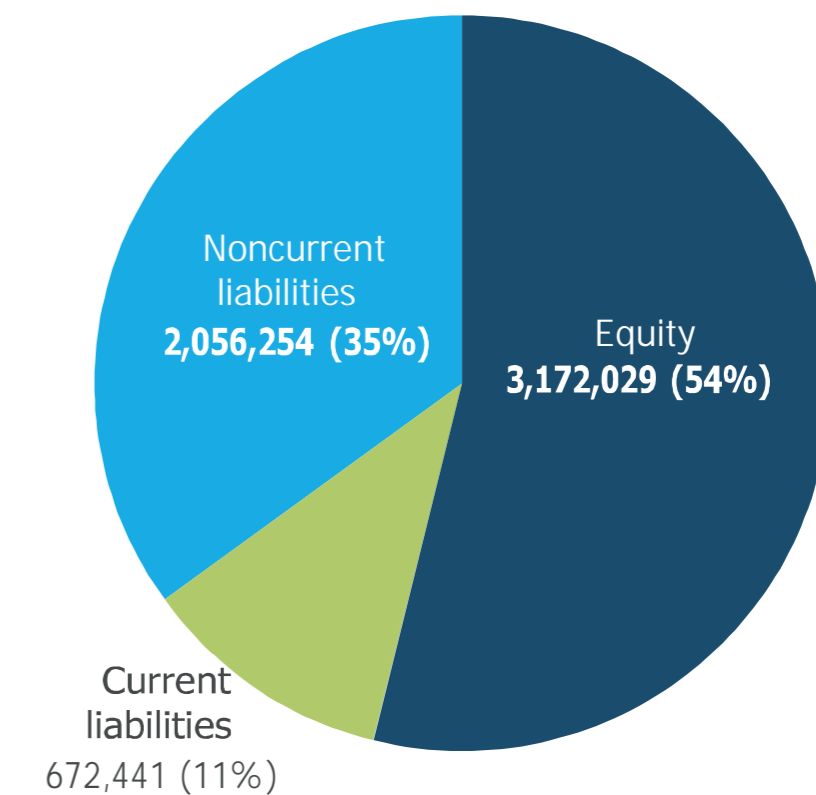
According to ICPC 01 (R1) – Concession Contracts, the account of Intangible assets is divided into: Intangible assets, which includes the caption Construction contract assets. The intangible assets, which include the assets used in the water and sewage systems and linked to municipal concessions, had an increase of R\$3,939, representing a positive variation of 0.14%.

### 7.2.3 Construction contract assets

A construction contract asset (work in progress) is the right to receive consideration for goods or services transferred to customers. That account presented a variation of 0.73% at the closing of the 2<sup>nd</sup> quarter of 2021 reaching a balance of R\$735,447.

## 7.3 Liabilities

Graph 10 – Breakdown of Liabilities + Equity – 2Q2021



# Analysis of and Discussion about the Structure of Assets

## 7.3.1 Short-term loans and financing

That account presented a balance of R\$134,123 at the closing of 2Q2021, against R\$134,637 at the closing of 2020, a variation of -0.38%.

## 7.3.2 Debentures

Debentures classified as current presented a reduction of R\$1,775 as a result of amortization in the period.

## 7.3.3 Lease

That account refers to adjustment of the Company's records to accounting standard CPC 06, which addresses the accounting of lease operations where lease contracts maturing in more than 12 months shall require the recognition of right-of-use assets with corresponding lease liabilities. In 2Q2021, a total amount of R\$15,930 was recognized in the short term.

## 7.4 Noncurrent liabilities

### 7.4.1 Long-term loans and financing

That account presented a reduction of 31.07% in relation to the balance presented at the year ended December 31, 2020. The reduction of the account is caused by amortization of debts during 2Q2021.

### 7.4.2 Debentures

Debentures classified as noncurrent presented a reduction of R\$56,803, referring to the amortization of the 4th and 5th issue of debentures.

### 7.4.3 Provisions for legal claims

That account presented an increase of 71.14%, reaching R\$249,184. That growth occurred mainly due to civil contingencies, particularly the ones referring to the municipality of Minaçu regarding environmental matter and other labor matters, totaling about R\$106,000, as discussed in item 5.8 above and disclosed in note 25 to the financial statements.

## 7.5 Equity

Due to the income determined in the period, equity presented an increase of approximately R\$94,397, corresponding to a positive variation of 3.63%.

# Sanitation Legal Framework

8. Sanitation Legal Framework – Law No. 14.026/2020 and Decree No. 10.710/2021

On July 15, 2020, Law No. 14.026/2020 was enacted amending Law No. 11.445/2007, of January 5, 2007, National Legal Framework on Basic Sanitation. Among the changes brought by the law, it established attributions to the National Water and Basic Sanitation Agency (ANA), which now defines regulatory guidelines on sanitation in Brazil. Rules on the regionalization of the services were also implemented, as well as the definition of targets of universalization of the services at 99% for water supply and 90% for sewage services until 2033. Moreover, the state service providers shall prove their economic and financial capacity to meet the contract obligations, according to the methodology defined in Decree No. 10.710, of May 31, 2021, ruling article 10-B of Law No. 11.445/2007.

In order to comply with such requirement, the Company plans to hire specialized audit and consulting services to support the evidence required by Federal Decree No. 10.710, of May 31, 2021.

In relation to the regionalization brought by the new law, the state had the obligation to promote the regionalization of the basic sanitation services rendering, including the 246 municipalities, until the limit date of July 15, 2021, or such definition would be done by the Federal Government.

By means of the State Department of Sustainability and Environment (SEMAD), public hearings were conducted on July 12 and 13, in the cities of Anápolis and Goiânia, for presenting the proposal of regionalization of the services of basic sanitation to the state of Goiás. The Bill (PLC) under discussion establishes microregions of basic sanitation in Center-West and Center-East of the state and their respective governance structures.

The regionalization process was filed by the state of Goiás with the State Legislature on July 15, 2021, and will be object of discussion by the state representatives.

Thus, the Company has been adapting its structure to this new scenario. Among the measures taken aiming this adaptation, we highlight the creation of a specialized unit to coordinate processes related to a more efficient participation in biddings and compliance with related obligations; amendment of contracts to adapt them to the targets established by the new law; reform of its creation law (State Law No. 6.680/1967) to guarantee new business arrangements and increase its efficiency and competitive capacity, as well as establishment of partnerships and incorporation of special purpose entities, subsidiaries of local level and funds.

# Risk Rating

On March 25, 2021, the firm Fitch Rating increased the Long-Term National Rating of Saneamento de Goiás S.A. (“Corporate”) and of its bonds to stable “A+(bra)”.

In relation to the Fund of Investment in Receivables of Saneamento de Goiás S.A. - Saneago Infraestrutura IV (“FIDC IV”), on March 24, 2021, Fitch Rating increased its rating to stable “AAAsf(bra)”. The FIDC rating reflects its perspective of reaching a “Corporate Rating” and takes into account the operation’s performance.

According to Fitch, the increase in the rating “reflected the operating and financial performance of Saneago that was above our initial estimates.”

On June 28, 2021, Fitch attributed Rating ‘A+(bra)’ to the Proposal for 9<sup>th</sup> Issue of Debentures of Saneago, with final maturity in five years. The funds of the proposed issue, amounting to up R\$250 million, will be mainly used to reinforce liquidity.

The complete list of ratings is provided in Table 11.

Rating	Fitch’s Rating	Perspective	Last Report
Corporate Rating and Issue of Debentures (4th, 5th, 6th and 8th)	A+(bra)	Stable	03/15/2021
Proposal for 9th Issue of Debentures	A+(bra)	Stable	06/28/2021
FIDC IV	AAAsf(bra)	Stable	03/24/2021

Table 09 - Saneago S.A. Ratings

# Environmental, Social and Governance Initiative (ESG)

Considering the growing market concern for best corporate environmental, social and governance practices (also known as Environmental, Social and Governance - ESG), on November 27, 2020, an executive committee was organized, which is responsible for the strategies, guidelines and other sustainability matters of the Company.

The adoption of ESG practices is in alignment with Sustainable Development Goals (SDG) defined by the United Nations (UN) and demonstrates the concern of the Company's Management in generating value through sustainable development. Thus, Company has been working to reduce the environmental impacts of the Company's main activities and developing social-environmental and governance projects to promote public health and well-being of people, among other actions aiming to maintain its processes and impacts under control and being characterized as a sustainable Company.

Aiming to reinforce its commitment to the subject, which is a value at the Company, various actions have been put in place to strengthen communications and assure the evolution of ESG standards in and out of Saneago.

Among the actions and initiatives adopted, we highlight:

- Creation of a Sustainability Committee;
- Creation of the Committee for Women-Related and Diversity Matters;
- Inclusion of environmental and social clauses in contracts with suppliers;
- Preparation of a Sustainability Policy;
- Intensification of protection, safety and health measures against the pandemic;
- Review of bottlenecks at the Company that lead to recurrent court actions as a result of a lack of concern to ESG practices;
- Updating of documents regarding the rules of the Company in compliance with good ESG practices;
- Hiring of a company specialized in consulting services to prepare Sustainability Reports;

- Gathering of information and identification of ESG-related risks at the Company, in alignment with the Company's Strategic Planning;
- Inclusion of indicators to measure the impacts of the Company and analyze its performance in relation to Sustainable Development Goals (SDG);
- Creation of an Innovation Management Program.

Aiming to confirm its action towards a sustainable world and the conduction of day-to-day activities in compliance with 2030 Agenda (SDG), the Company enrolled with the Global Pact of the United Nations.

Saneago is increasingly more prepared to meet market demands, confirming its goal of contributing for a sustainable economy, prioritizing the prosperity of environment and the creation of value shared with investors, employees, business partners and society.

# Effects of the Coronavirus (COVID-19) pandemic

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In view of the COVID-19 pandemic declared by the World Health Organization (“WHO”), which has been affecting Brazil and several other countries bringing risks to public health and impacts to the world economy, the Company informs that all preventive measures have been put in place to mitigate risks according to guidelines established by local and international authorities. They aim to minimize possible effects to the health of employees, their families, partners and community and at the same time maintain operations and keep the financial liquidity of the Company.

With the purpose of assuring better services and minimizing the impacts of the COVID-19 pandemic to people, water supply cuts of customers in default were suspended from March 19, 2020, to January 3, 2021, and resumed starting January 4, 2021, except for consumers of the residential social tariff category. On April 09, 2021, the suspension of cuts was extended to the other categories considered vulnerable.

Therefore, until the present moment, the Company had no material impact on its operations and settlement of rights and obligations due to COVID-19. However, considering that all companies are exposed to risks from possible legal and market restrictions that may be imposed, it is not possible to ensure that there will no impact to operations or that future income will not be affected by reflections that might be caused by the pandemic.

With the implementation of the contingency measures, as at September 30, 2020, the Company reached total liquidity in cash and cash equivalents of R\$194,480 million, an amount lower than the one reported as at June 30, 2020, due to the payment of taxes and other amounts postponed.

So far, we understand that the measures implemented against default of customers, as well as to ensure short-term liquidity were effective, assuring the necessary liquidity to cover contract obligations, protecting cash flow and the Company's economic and financial stability.



Saneamento de Goiás S. A  
August/2021



**Management's notes to the interim financial information as at June 30, 2021**  
(In thousands of Brazilian reais, except where otherwise indicated)

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## 1. General information

Saneamento de Goiás S.A. - Saneago (the “Company” or “Saneago”) is a government-controlled publicly traded company registered with the Brazilian Securities and Exchange Commission (“CVM”). It was established according to State Law 6,680 as at September 13, 1967, which has been later amended (“Law 6,680”). It is headquartered at Av. Fued José Sebba 1,245, Setor Jardim Goiás, Goiânia-GO and is enrolled with the registry of legal entities (CNPJ) under number 01.616.929/0001-02.

Saneago renders sanitation services in the state of Goiás, preferably through government concessions and/or joint management, in public or private systems. The Company is responsible for preparing studies, projects and research, carrying out construction work and rendering consulting services, as well as services relating to: water supply and sewage; final destination of domestic and industrial effluents, solid waste and their byproducts; urban cleaning; drainage and management of urban rainwater; and protection of water resources and the environment.

As set in the Company’s articles of incorporation, urban cleaning, handling of solid residues and the services of drainage depend on technical approval and may only be rendered upon specific service contracts. Currently, the Company does not have any contracts of urban cleaning or handling of solid residues.

In order to achieve compliance with Law 13,303 as at June 30, 2016, addressing the articles of incorporation of federal, state and local public companies and of government-controlled enterprises and their subsidiaries, the following actions have been implemented at the Company: (i) adjustment of the articles of incorporation to the law; (ii) implementation of corporate governance processes; (iii) creation of an Audit Committee; (iv) creation of an Eligibility Committee; (v) preparation of a Code of Conduct; (vi) creation of a training program for managers and directors; (vii) preparation of policies for spokespeople, communications and provision of information; (viii) creation of an anti-corruption program, rules for distribution of dividends and prevention of conflicts of interest. All those activities have been implemented since 2016, and ever since being subject to improvement.

State Decree 9.406/2019 has been enacted, establishing a public compliance program to assure that Saneago’s Management complies with moral and legal standards, as well as realization of public actions and satisfaction of citizens, fostering ethics, transparency, responsibility and risk management. The mentioned decree superseded State Decree 7,905 of June 11, 2013. According to the recommendations of the General State Controllershship (CGE-GO) effort has been made to implement the requirements of the program. The Board of Directors has organized a Committee of Compliance, with a permanent advisory role as for matters relating the compliance program to ensure its implementation.

State Law No. 21.028 of June 22, 2021, amended the law used to incorporate Saneago (Law No. 6.680/1967) in order to ensure new business arrangements and expand the Company’s competitive capacity and efficiency, with formation of partnerships and establishment of a special purpose entity and controlled companies in Brazil.

### **Program contracts and concession contracts:**

As at June 30, 2021, Saneago had executed 226 contracts, as follows:

140 in effect, of which 78 are concession contracts and 62 are program contracts, representing an average percentage of 84.50% of revenue. There are 86 expired contracts that represent 15.50% of revenue, for which the Company has corresponding intangible assets at a total value of R\$697,275, of a total amount of R\$2,727,822 according to Note 17, whose realization depends on approval of the National Water Agency (ANA) for definition of the methodology used to calculate indemnities.

The average term of concession contracts and program contracts in effect is 23 and 30 years, respectively, counted from execution date. The contracts present the following maturities: 86 are expired, 71 contracts mature within the next 15 years, 11 mature from 15 to 20 years and 58 mature in more than 20 years.

We list below the main contracts and their respective expiration dates:

Municipality	Status	Maturity date	% of revenue 2Q21	Type of contract	Term (years)
Goiânia	In effect	12/17/2049	36.84%	Program	30
Anápolis	In effect	02/27/2050	7.18%	Program	30
Aparecida De Goiânia	In effect	11/01/2041	4.17%	Program	30
Valparaíso De Goiás	In effect	11/16/2048	2.62%	Program	30
Rio Verde	In effect	11/01/2041	2.41%	Program	30
Luziânia	In effect	12/01/2045	2.12%	Program	30
Formosa	In effect	03/14/2025	2.04%	Concession	25
Itumbiara	In effect	02/23/2025	1.73%	Concession	20
Planaltina	In effect	04/01/2030	1.51%	Concession	25
Trindade	In effect	11/01/2041	1.38%	Program	30
Jataí	In effect	11/01/2041	1.31%	Program	30
Águas Lindas De Goiás	In effect	12/28/2048	1.25%	Program	30
Novo Gama	In effect	11/16/2048	1.19%	Program	30
Goianésia	Expired	06/15/2020	1.17%	Concession	25
Cidade Ocidental	In effect	11/01/2041	1.14%	Program	30
Inhumas	In effect	06/17/2050	1.01%	Program	30
Quirinópolis	Expired	06/24/2016	0.97%	Concession	20
Maturing in 01 - 15 years			7.35%		
Maturing in 16 - 30 years			9.25%		
Expired			13.36%		
			<u>100.00%</u>		

The operations of the Company are concentrated in the Municipality of Goiânia, which, as at June 30, 2021, represented 36.84% of gross revenue and 32.05% of intangible assets (36% of gross revenue and 31.91% of intangible assets as at December 31, 2020).

On July 15, 2020, Law 14.026/2020 was enacted amending the Brazilian basic sanitation regulatory framework. The main points changed were: I) Regionalization: preference to regional provision of services and not to fragmented ones; II) Legal Targets of Universalization; III) Regulation: the National Water Agency (ANA) is now responsible for establishing general regulatory guidelines to the domestic industry; IV) Competition: the principle of competitive selection of service providers was established.

As for regionalization, the state government had the obligation to promote the regionalization of sanitation services for all 246 municipalities by July 15, 2021, under penalty of the Federal Government doing so in its stead.

Public hearings were held through the Department of Environment and Sustainable Development (Semad) on July 12 and 13, in the cities of Anápolis and Goiânia, to present the proposal for regionalization of sanitation services in the state of Goiás. The Complementary Law Project (PLC) under discussion establishes the sanitation microregions of the Midwest and Mideast of the state and their respective governance structures. The regionalization process was filed by the state of Goiás with the State Legislature on July 15, 2021, and will be discussed by state representatives.

With the update of the Sanitation Framework in 2020, new universalization targets were set to meet the demand for sanitation services, including water supply, sewage collection and treatment and solid waste management, which must be attained by 2033. Contracts that do not include universalization targets must be amended by March 31, 2022.

In addition, service providers must demonstrate having the necessary economic and financial capacity to comply with contracts, according to the methodology defined by Decree No. 10.710 of May 31, 2021, which regulated Article 10-B of Law No. 11.445 of January 5, 2007. According to previous studies conducted by Management, the Company expects to meet all the criteria set out by the aforementioned Decree.

The Company has been institutionally adapting itself to comply with current legislation arising from the new Sanitation Framework, as well as complementary regulatory consequences. It is still awaiting some general regulatory guidelines within the scope of ANA to define action strategies such as the methodology for calculating indemnities arising from investments made and not yet amortized or depreciated, which include the 86 expired contracts mentioned.

Also within the corporate scope, the Company: (i) created a specialized unit to ensure its capacity to participate in bidding processes and fulfill its obligations more efficiently; (ii) has been amending contracts to adapt them to legal goals; and (iii) amended the Law through used for its incorporation (Law No. 6.680/1967) in order to ensure new business arrangements and to expand its competitive capacity and efficiency, with formation of partnerships and establishment of a special purpose entity and controlled companies in Brazil.

Concession contracts existing as at the date of publication of Federal Law 14.026/2020, whether related to a bidding process or not, “will remain in force until the end of their term”, as provided for in Article 17 of the aforementioned legal text. Thus, due to the “principle of continuity” and for being an essential service to the population, Saneago is still responsible for supplying treated water and sewage services until new concessions are established by municipal governments and there is compensation for assets not yet amortized, as provided for in article 36 of the Law of Concessions.

### **Price adjustment:**

According to Decision 0152/19 and Municipal Decree 1555/2019, the Control and Inspection Council of Public Services (AGR) has analyzed and approved an adjustment of 5.79% to water/sewage tariffs starting July 1, 2019. In 2020, there was no tariff adjustment because the Company was in a process of tariff reassessment.

During 2020, a review request was filed with AGR and, through Technical Note 03/2020, the methodology to be used in the reassessment was defined. In June 2020, in view of the Covid-19 pandemic, AGR suspended the work, which was resumed in September 2020 (AGR Decisions 167 and 170/20). However, upon completing the assessment, the Company requested an adjustment to consider a new base of assets as reference for the definition of tariffs, bringing more alignment with good market practices. The tariff reassessment process is currently awaiting approval of the base of assets presented by the Company to the council.

### **Covid-19**

The COVID-19 pandemic declared by the World Health Organization (“WHO”) has been affecting Brazil and several other countries, bringing risks to public health and impacts to the world economy. At the Company, all preventive measures have been put in place to mitigate risks according to guidelines established by local and international authorities. They aim to minimize effects to the health of employees, their families, partners and community and at the same time maintain operations and businesses.

Starting December 14, 2020, according to State Decree 9.751/2020, employees who had been working remotely resumed work at the offices of the Company and only specific groups continue working from home. As at June 30, 2021, the Company had 5,836 active employees hired under the standards of the Consolidation of Labor Laws (CLT), of which 1,346 are workers of the administrative area and 304 continue working remotely, what represents 22.59% of the that group.

Sanitation is considered an "essential service" in keeping the quality of life of people and personal hygiene, seeing frequent washing of the face and hands is one of the main prevention measures against COVID-19. At the company, water cuts were suspended in relation to customers in default on March 19, 2020, and resumed on January 4, 2021, except for very low-income residential consumers. As at April 9, 2021, the suspension of cut was expanded to the other categories of people considered vulnerable.

Seeing the cut activity is an important collection tool, after resumption, a default level of 3.82% was observed in the second quarter of 2021, what represents a reduction of 62.33% in relation to one of the same period of 2020.

In view of that scenario, the following estimates have been prepared and introduced in the interim financial information:

#### Estimated credit losses caused by COVID-19

A risk potentially significant to the Company in relation to Covid-19 is the default level of customers. Considering the resuming of water cuts in January 2021, the Company had a reversal of losses of approximately R\$3,383. Receivables as at June 30, 2021, as well as the allowance for doubtful accounts reflect Management's opinion about the quality and solvency of receivables.

#### Impairment of tangible and intangible assets

Assets have been tested for impairment and Management concluded that there is no change in the recoverable value of property, plant, equipment or intangible assets as a result of the pandemic.

#### Fulfillment of obligations undertaken with customers and suppliers

Main supplier and customers contracts have also been assessed and it was concluded that despite the pandemic, contract-related obligations have been fulfilled and no there is no evidence of insolvency or any discontinuities.

So far, the Company has not had any material impact to operations or to the fulfillment of rights or obligations resulting from COVID-19. However, considering that all companies are exposed to legal or market restrictions that may be imposed, it is not feasible to assure that there will be no impacts to operations or that the pandemic will not affect future results.

#### **Approval for issuance of interim financial information:**

Issuance of this interim financial information was approved by the Board of Directors on August 12, 2021.

## **2. Basis of preparation and summary of main accounting practices**

### **2.1 Declaration of compliance**

The interim financial information has been prepared according to Brazilian accounting practices, which encompass Laws 6.404/76 and 11.638/07, Brazilian Corporate Law, pronouncements, guidelines and accounting interpretations issued by the Committee of Accounting Pronouncements, as approved by the Brazilian Securities and Exchange Commission (CVM) and Federal Accounting Council. The financial information is also in alignment with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The interim information has been prepared based on historical cost and adjusted to reflect the deemed cost of plots of land, building, furniture and fixtures, machinery and equipment, vehicles and IT equipment at the date of transition to IFRS. Such assets cannot be returned to the grantor.

The Company's Management declares that all significant information is included in the individual and consolidated interim financial information and corresponds to the one used by Management in its administration.

### **2.2 Functional currency**

The functional currency of Saneago is the Brazilian real (R\$) and all amounts are expressed in thousands of Brazilian reais.

### **2.3 Summary of main accounting practices**

The preparation of interim statements involves the use of certain assumptions and judgment in the application of the Company's accounting policies, which are continually evaluated based on past experience and other factors, including projection of future events that are deemed reasonable in the circumstances. Thus, estimates may differ from actual results.

The estimates and assumptions that bring significant risk of adjustment in carrying amounts of assets and liabilities in the following accounting year are mentioned below:

#### **a) Allowance for doubtful accounts**

An allowance for doubtful accounts is recognized at an amount deemed enough to cover possible losses in the realization of receivables.

A provision is recognized for invoices overdue for more than 180 days in relation to private consumers and overdue for more than 90 days in relation to federal and local government customers, as well as all other credit whether overdue or not of the same customers. Receivables of customers included in court-ordered collections are not considered in the allowance, or the ones of those customers who have filed actions against the Company. As for amounts to be billed, the estimate is based on the historical level of default for previous years.

The methodology to determine losses demands a significant degree of estimation, considering a variety of factors, such as history of past receivables, current economic trends, estimate of projected write-offs and maturities of amounts receivable. Even if Management believes that the assumptions are reasonable, actual results may be different.

#### **b) Inventory losses**

The provision for inventory losses is based on internal policies of the Company. Obsolescence is assessed for items that have not moved in the last 12 months.

### **c) Deferred income and social contribution taxes**

Deferred income taxes are recognized and paid according to the results of operations and determined as per the Brazilian Corporate Law and tax regulations. According to standard CPC 32 (IAS 12), deferred tax is determined on existing differences between accounting carrying amounts and the tax base of assets and liabilities.

Deferred tax assets are continuously reviewed as for recoverability and impairment recognized when it is probable that those assets will not be realized based on: (i) the history of taxable income; (ii) projections of future taxable income; and (iii) the estimated time of reversal of existing temporary differences. Those calculations demand the use of estimates and assumptions, which can result in full or partial impairment of deferred tax assets.

For more information on deferred taxes, please refer to Note 13.

### **d) Provision for lawsuits**

The Company is a party to several court cases, which include, among others, labor complaints, civil actions, tax-related actions and environmental ones, including claims of customers and suppliers at different courts. Provisions are recognized for obligations (legally established or construed ones) resulting from past events, it is probable that an outflow of funds will be necessary to settle them and the respective amount can be reliably determined. Future rulings may differ significantly from current estimates and exceed the amounts accrued for. Provisions are revised and adjusted to take into account changes in circumstances.

For more information on lawsuits, please refer to Note 25.

## **2.4 Financial assets and liabilities**

### **a) Financial assets**

Financial assets are measured either at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss based on: (a) the business management model applied to the financial asset and (b) its cash flows characteristics.

### **b) Financial liabilities**

Financial liabilities are measured at fair value through profit or loss. The classification of the ones classified as “other liabilities” depends on the purpose for which they have been obtained.

As at June 30, 2021, and December 31, 2020, the Company had no financial liabilities measured at fair value through profit or loss.

Financial liabilities in the category of “other liabilities” are measured under the effective interest method to calculate the amortized cost and allocate the interest expense along the respective period. The effective interest rate is the same rate of discount used for future cash flows (including fees, transaction costs and other issuance costs) along the life of the financial liability or, where appropriate, smaller periods, for initial recognition of its net carrying amount.

Financial liabilities classified as “other liabilities” comprise:

- Balances payable to suppliers (Note 2.13);
- Loans and financing - (Note 2.18).

## 2.5 Operating revenue

### a) Revenue from sanitation services

Revenue from the water supply and sewage services is recognized as the services are rendered and measured. Revenue is recognized at the fair value of the consideration received or receivable for the service and is booked net of taxes, fees, rebates and discounts. Revenue incurred and not yet billed until the end of each period is estimated and recognized in trade accounts receivable with a corresponding item to the statement of income.

Thus, revenue is recognized when: (i) the services are provided; (ii) the value can be reliably measured; (iii) the performance obligations are fulfilled; and (iv) it is probable that the amounts will be received.

### b) Revenue from construction work

Provided all applicable conditions are met, revenue from construction work is recognized according to the percentage of completion method and standards ICPC 01 (R1)/IFRIC 12 - Concession contracts and CPC 17 (R1)/IAS 11 - Construction contracts.

At the Company, revenue and costs relating construction services or infrastructure improvements to water supply and sewage services are accounted for. There is no markup, considering that: (i) the Company's business purpose is the supply of water and sewage services; (ii) all revenue from construction relates to the building of infrastructure to reach its business purpose; and (iii) the Company sources out the infrastructure construction with non-related parties. All additions made to intangible assets in progress are recognized on a monthly basis in the statement of income as construction revenue and costs.

Besides, according to standard CPC 47/IFRS 15, the construction of infrastructure entitles the receiving of future consideration, which is recorded during the construction as a contract-related asset. When the item is put into operation, that asset is transferred to intangible assets.

## 2.6 Cash and cash equivalents

Cash and cash equivalents are composed of petty cash, cash at banks, billing, deposits linked to construction work and short-term financial investment, which is readily redeemable and with maturities in less than 3 months, presenting insignificant risk of change in fair value. Those balances are kept with the purpose of meeting short-term obligations and not for investment or other purposes.

## 2.7 Receivable from consumers

Amounts are recognized at nominal value as the services are provided and measured. Services measured that go beyond the end of the month are estimated and recorded as estimation of amounts to be billed at present value, without any additions. Interest and adjustment of overdue amounts received are recognized as financial revenue. Management believes that trade accounts receivable are close to their market fair values, seeing the short-term period of realization of the operations.

Receivables to be settled in installments and financed services are adjusted at the moment of negotiation considering the whole period until the installments will be received. According to Decision 0080/2016-CR of the Control and Inspection Council of Public Services (AGR) and Management's decision 162/2016, the rate applied is 1% p.m. The amounts are separated into current and noncurrent assets according to the maturities of the installments and discounted to present value against financial expenses. The rate of discount to present value is also 1% p.m.



## **2.8 Inventories**

Inventories of consumption materials and maintenance of the water supply and sewage systems are carried at average purchase cost. They do not exceed realizable amounts and are classified as current assets, less provision for impairment, which is recognized as described in Note 2.3 b.

## **2.9 Other current assets**

They are carried at purchase or realization cost including yield earned, when applicable.

## **2.10 Property, plant and equipment**

Assets are carried at purchase and/or construction cost. In 2009, assets were adjusted by a net amount of R\$47,810 to reflect the deemed cost of plots of land, buildings, furniture and fixtures, machinery and equipment, vehicles and IT equipment. The appreciation value recognized in property, plant and equipment was R\$72,440 with a corresponding item to the equity account called Asset and liability valuation adjustment. Deferred taxes at a total amount of R\$24,630 were recognized in noncurrent liabilities. The assets cannot be returned to the grantor and as they are depreciated or written-off, the respective deemed cost is transferred from the account of Asset and liability valuation adjustment to the account of Retained earnings/accumulated losses.

Depreciation starts when assets are available for use at the locations and under the necessary conditions. They are calculated on a straight-line basis and realized along their economic useful lives, which are based on a report of an independent appraisal firm. Determining depreciation on a straight-line basis results in constant debit along the useful lives of assets, if their residual values do not change.

## **2.11 Intangible assets**

Intangible assets are carried at acquisition and/or construction cost. Historical cost includes the expenses directly attributable to the acquisition of the items, as well as interest paid on financed purchases until the assets are put into operation. Amortization begins when the asset is available for use at the place and under the necessary conditions, determined on a straight-line basis and realized along the useful life, which is based on a report of an independent appraisal firm. Determining amortization on a straight-line basis results in constant debit during the useful lives of assets if their residual values remain the same. In compliance with standard ICPC 1 - Concession Contracts, this group of accounts includes the assets used in the water and sewage systems linked to the concessions.

The control over work in progress and the respective transfer of the items to assets in operation (finished assets) is made upon documentation issued by the unit responsible for the execution of the work, informing that the asset is finished.

In compliance with standard CPC 1 - Impairment of Assets (Note 2.12), property, plant, equipment and intangible assets are annually tested for impairment.

The useful lives of assets are described below:

Type	Average useful life/year *	Type	Average useful life/year *
Civil construction work	50	Machinery and tractors	10
Dams	50	Deemed cost (general)	9
Reservoirs, tanks and storage	44	General equipment	9
Electric facilities	40	Environmental protection	8
Pipelines	39	IT equipment	7
Water wells	25	IT Equip. lease-purchase operations	7
Macrometers	15	Right-of-use - vehicles	3
Furniture and fixtures	13	Works of art	-
Software	13	Plots of land	-
Water meters	11	Easement of properties	-
Vehicles	11		

\*Economic useful lives - weighted average

Based on a study prepared in 2019 by an independent firm, the economic useful lives of property, plant and equipment and intangible assets were reviewed with the purpose of meeting the provisions of Law 11.638/2007 and standard CPC 27. In the year 2020, there was no change in useful lives.

#### a) Concession contracts

The infrastructure linked to concession contracts is governed by standard ICPC 01 - Concessions - when: (I) the municipal government (grantor) controls or regulates which services the operator must supply, who must receive them and at what price; (II) the grantor holds residual participation in the infrastructure at the end of the concession period and as for certain infrastructure items used in the concession of public services to private entities along all their useful lives; (III) infrastructure operated according to contracts, built or acquired from third parties with the exclusive purpose of providing the services; (IV) the Company is entitled to receive cash or other financial asset in the event of termination, retaking and/or non-renewal of the contract; (V) the Company is entitled to collect the amounts from the users of the public services.

Assets are recorded as concession-linked intangible assets, considering the Company is entitled to charge for the use of those assets and the users (consumers) have the main responsibility of paying for the services.

The fair value (initial recognition) of construction work and other infrastructure work represents the cost of intangible assets, provided such work will bring future economic rewards.

Item 3 of article 29 of the Brazilian sanitation framework (Law 11.445/2007, amended by Law 14.026/2020, resulting in the “New Sanitation Framework”) indicates that the economic and financial sustainability of public sanitation services has to be assured through the amounts charged for services, preferably in the form of tariffs. Thus, investments made and which are not expected to be recovered through services rendered within the original terms of the contracts are kept as intangible assets and amortized over their respective useful lives, as the Company considers the expectation and history of renewal of its contracts, in addition to the impacts of the “New Sanitation Framework”.

#### b) Government subsidies

When government grants related to assets are received, but not all condition have been fulfilled yet, they are recognized in the statement of income as assets. When all requirements established are met, they are reclassified by deducting the carrying amounts of the respective assets.

As per standard CPC 07 - Government Subsidies, grants are recognized as revenue along the period and systematically offset with subsidized expenses, provided the following recognition conditions are satisfied: (I) the requirements established for the subsidy have been fulfilled; (II) the subsidy was received. A subsidy related to assets that depreciate is recognized as revenue along the useful life of the assets at the same proportion of their depreciation.

### **c) Software use licenses**

Purchased software use licenses and managerial systems are capitalized and amortized along the useful lives and the expenses associated to their maintenance recognized as incurred. There is no indication that their carrying amounts will not be recovered in the future.

## **2.12 Impairment of non-financial assets**

Property, plant, equipment and intangible assets and other noncurrent assets with defined useful lives are annually reviewed with the purpose of identifying evidence of impairment, or whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. They include, among others, intangible assets linked to concession/program contracts relating water supply and sewage systems.

In testing assets for impairment, the carrying amount of an asset or cash-generating unit is compared to its recoverable amount. The recoverable amount is the greater of an asset's fair value less costs to sell or its value in use. Considering the particularities of the Company's assets and the expectation of use until the end of their useful lives, the recoverable amount used in the evaluation is the value in use.

Construction work stopped for more than one year and without expectation of cash generation is also tested for impairment and direct and indirect costs fully accrued for. In the event of resuming of the work, losses incurred are determined and recognized in the statement of income. As at June 30, 2021, the amount of provision for impairment related to stopped work was R\$128,347 (R\$128,347 as at December 31, 2020).

## **2.13 Trade accounts payable**

They are amounts payable for goods or services acquired in the ordinary course of businesses, classified as current liabilities, except when their maturities take place 12 months after the reporting date, being then presented as noncurrent. They are recognized at the value of the corresponding invoice.

Management believes that trade accounts payable are close to their market fair values, given the short-term period for realization of the operations.

## **2.14 Employees' pay and related charges**

Wages, including provisions for vacations, year-end bonus, amounts negotiated in collective bargaining agreements and corresponding payroll-related costs are carried under the accrual basis of accounting.

## **2.15 Profit sharing**

Saneago's employees are entitled to profit sharing according to article 75, paragraph 3 of the Company's articles of incorporation. Profit sharing must comply with the Company's regulations and legislation in force, pursuant to the provisions of articles 189 and 190 of Brazilian Corporate Law.

## 2.16 Income and social contribution taxes

### a) Current taxation

Current income and social contribution taxes are booked according to the accrual basis. Taxes are determined based on income before taxes presented in the statement of income. According to prevailing regulations, they are adjusted for non-deductible expenses, exclusions from the tax base and tax benefits allowed. The applicable rate for income tax is 15%, plus surtax of 10% on the portion of income exceeding the annual limit and social contribution tax at a rate of 9%.

### b) Deferred taxes

Deferred taxes are calculated on temporary differences (allowance for doubtful accounts, contingencies, inventory obsolescence, tax losses and other losses accrued for) at the same rates applied to current taxes. They are only recognized to the extent that future taxable income will be available to set temporary differences off. However, they are not recognized during the initial measurement of assets and liabilities in operations that do not affect the tax base, except for business combinations.

Deferred tax assets and liabilities are offset if a legal right to offset current tax assets with tax liabilities exists and they relate to the same taxation authority. They are booked net in the statement of income.

## 2.17 Taxes on revenue

Revenue from sanitation services is subject to the levying of Contribution to the Social Integration Program (PIS) and Contribution for Social Security Funding (COFINS) under the accrual basis and determined at the rates of 1.65% and 7.60%, respectively.

## 2.18 Loans and financing

Funds borrowed from third parties are classified in current and noncurrent liabilities as applicable. Financial charges incurred to obtain the funds are recognized at amortized cost under the effective interest method and stated net, according to standard CPC 08 (R), item 12.

For certain assets (that demand a substantial time to be ready for use or sale) costs are capitalized as established in item 8 of standard CPC 20(R1) - Borrowing Costs. Other loan costs are recognized as expenses in the period where they are incurred, considering the internal rate of return (IRR) of the operation for recognition of the financial charges along its term.

By using amortized cost, financial charges reflect the effective cash cost of the financial instrument and not only the contract interest rate of the instrument. In other words, they include interest paid on the loan and transaction costs, as well as premium received, goodwill, negative goodwill, discounts, as well as monetary and other adjustments. Therefore, the internal rate of return method considers all cash flows, from the net amount received in the transaction to all payments made until settlement of the transaction. Thus, balances payable as at reporting date are close to market values, even those classified as noncurrent.

Exchange rate variation relating to long-term financing contracted in foreign currency is calculated as the difference between the carrying amount determined at the previous exchange rate and the balance of the same loan converted at the exchange rate prevailing as at reporting date. Gains or losses are recognized as financial revenues or expenses.

## **2.19 Leases**

Standard CPC 06 (R2)/IFRS 16 - Leases supersedes standard CPC 06 (R1)/IAS 17. The norm establishes the principles for recognition, measurement, presentation and disclosure of lease operations. It establishes that lessees must account for leases according to a single model, similar to the booking of finance leases, by recognizing right-of-use assets (“Lease assets”), which correspond to lease liabilities, unless the leases are short-term ones (12 months or less) or they are low value operations (below US\$5).

## **2.20 Provisions, legal obligations, court deposits and contingent assets**

Provisions for lawsuits are recognized when: (i) present obligations exist (legally established or construed ones) as a result of a past event; (ii) it is probable that an outflow of funds will be necessary to settle them; and (iii) the amount can be reliably determined. If similar obligations exist, the probability of outflow of funds is determined considering the obligations as a whole.

The Company had no contingent assets to be recognized in the financial information.

## **2.21 Other current and noncurrent liabilities**

They are stated at known or estimated values, plus corresponding charges and monetary changes incurred, where applicable.

## **2.22 Benefits and defined contribution plans granted to employees**

A defined benefit pension plan entails the following: (a) obligation of the sponsoring entity of supplying benefits agreed upon to current and former employees; (b) actuarial risks (that is, benefits costing more than what was expected) and (c) investment risks, which are mostly the responsibility of the sponsor. If the actuarial amount or returns on investments are worse than what was projected, the entity’s obligation may be increased, as per item 30 of standard CPC33 (R1).

In a defined contribution plan, the legally established or construed obligation of the entity is limited to its participation. Thus, the after-employment benefit an employee receives is determined according to the amount of contributions the sponsor made to the plan (and, in some cases, also the employee), plus the yield from financial investment of the contributions. Thus, the actuarial risk (benefits being lower than expected) and the investment risk (invested assets not being sufficient to cover the expected benefits) are a responsibility of the employee.

Actuarial obligations relating private pension and retirement plans, as well as medical assistance programs are accrued for according to procedures established in technical standard CPC 33 (R1). They are based on actuarial calculations prepared by independent actuaries, according to the projected unit credit method, net of the fair value of the assets of the plan and of the costs referring increase in the present value of the obligation. They correspond to services provided by employees and are recognized along their time of service with the Company.

## **2.23 Segment reporting**

Given the characteristics of the Company, which works in an industry considered an essential public service (sanitation), the investment decisions Management makes are guided mainly by social and environmental responsibility. Water supply and sewage services are classified as a single segment. The main factor for that classification is the existence of a cross subsidy in the rendering of water supply and treatment of sewage. Measurement of performance and reporting in a single segment are consistent with the policies adopted in the preparation of the interim financial information, seeing that in analyzing performance, Management uses that criterion.

## 2.24 Statement of value added

Such statement has as purpose to make evident the wealth the Company generated and its distribution over a certain period of time. It is a required statement according to Brazilian accounting practices, although as per IFRS, it is supplementary information. The interim statement of value added was prepared based on the accounting records that base the annual statements and follows the provisions of standard CPC 09 - Statement of Value Added. Its first portion presents wealth generation, divided into gross revenue (including taxes, other revenue (expenses) and allowance for doubtful accounts), inputs acquired from third parties (selling costs and acquisition of materials, electric power and third party services, as well as taxes applicable at the moment of purchase, the effects of losses and the recovery of the value of assets and depreciation and amortization) in addition to the value added received from third parties (equity in earnings or loss of investees, financial revenue and other revenue (expenses)). The second part presents the distribution of wealth among personnel, taxation, interest paid on third party capital and interest on equity capital.

## 2.25 Restatement of comparative balances as at June 30, 2020

In the 4th quarter of 2020, the Company recognized the accumulated effects of deferred income and social contribution taxes for 2020 on temporary differences between the tax base and the accounting base of depreciation/amortization of property, plant and equipment and intangible assets that had not been considered, and has restated in 2021 the respective effects for the quarters ended March 31, June 30 and September 30, 2020. Therefore, for comparative purposes, in accordance with the technical guidelines of CPC 23 - Accounting Policies, Changes in Estimates and Correction of Errors, the Company has restated the amounts recorded in the statement of income for the three- and six-month periods ended June 30, 2020. Adjustments made are the following:

### Statement of income as at June 30, 2020 (restated)

	Stated amounts		Adjustment *		Restated amounts	
	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020
Net revenue	599,114	1,198,733			599,114	1,198,733
Operating costs	(311,615)	(594,304)			(311,615)	(594,304)
<b>Gross income</b>	<b>287,499</b>	<b>604,429</b>			<b>287,499</b>	<b>604,429</b>
Operating expenses	(163,109)	(373,895)			(163,109)	(373,895)
<b>Income before financial revenues (expenses)</b>	<b>124,390</b>	<b>230,534</b>			<b>124,390</b>	<b>230,534</b>
Net financial revenues (expenses)	(15,834)	(50,649)			(15,834)	(50,649)
<b>Income (loss) before income taxes</b>	<b>108,556</b>	<b>179,885</b>			<b>108,556</b>	<b>179,885</b>
Current income and social contribution taxes	(13,709)	(28,844)			(13,709)	(28,844)
Deferred income and social contribution taxes	(13,235)	(10,910)	(10,303)	(20,547)	(23,538)	(31,457)
<b>Net income</b>	<b>81,612</b>	<b>140,131</b>	<b>(10,303)</b>	<b>(20,547)</b>	<b>71,309</b>	<b>119,584</b>
Earnings per share	0.03244	0.05571			0.02835	0.04754

The restatement of the amounts recorded in the statements of changes in equity, of comprehensive income and of value added involved only deferred income and social contribution taxes and/or net income, as applicable.

### 3. Risk management and financial instruments

#### 3.1 Financial risk factors

The Company's businesses, financial standing and operations may be affected by changes in economy, exposing it to:

- Market risk (interest rate and foreign currency rate fluctuations)
- Credit risk
- Liquidity risk
- Risks associated with concession/program contracts

##### (a) Market risk (interest rate)

Saneago is exposed to fluctuations in the interest rates of loans, financing, bonds, and short-term financial investment. That could impact payments and receiving of amounts, as well as cash flows. Such rates are the Long-term Interest Rate (TJLP), the rate of Certificates of Interbank Deposit (CDI) or inflation indexes, such as the National Consumer Price Index (IPCA).

To mitigate such risk, the Company may use the following financial instruments and strategies: Swap contracts, renegotiation of contracts or anticipated settlement.

##### Debt Sensitivity

In determining the sensitivity to interest rate risk, the following rates were analyzed: IPCA, CDI, dollar rate, TJLP and TR. Thus, based on market projections for June 2021, three scenarios were simulated - the probable scenario considers the expected evolution of the rates, whereas scenarios II and III consider appreciation of the rates by 25% and 50%, respectively.

Rates	Exposure	Debt sensitivity - 06/30/2021					
		Probable scenario		Scenario II		Scenario III	
		Rate	Value	Rate	Value	Rate	Value
IPCA (FIDC IV)	162,402	6.11%	172,324	7.64%	174,805	9.17%	177,286
CDI (Banks + Bonds)	568,523	4.15%	592,117	5.19%	598,015	6.23%	603,914
Dollar (BID)	84,412	5.05	84,613	6.31	105,766	7.58	126,919
TJLP (BNDES)	270	4.88%	283	6.10%	287	7.32%	290
TR (a) (Caixa Econômica Federal)	120,762	0.00%	120,762	0.00%	120,762	0.00%	120,762
<b>Subtotal</b>	<b>936,369</b>		<b>970,099</b>		<b>999,635</b>		<b>1,029,171</b>
Subordinated shares	(88,100)						
Transaction costs	(15,385)						
	<b>832,884</b>						
Not subject to risk							
FCO - Cezarina and Silvânia (b)	4,773						
	<b>837,657</b>						

- The Reference Rate (TR) as at the reporting date was 0%, so the scenarios have not changed.
- Contract with fixed interest.

##### Exchange rate risk

Saneago is exposed to fluctuation in exchange rates of financial operations denominated in foreign currencies. That could lead to the possibility of the Company incurring losses due to higher financing liabilities and financial expenses.

With the purpose of managing the unpredictability of exchange rate fluctuations and optimizing cash, hedge instruments may be contracted, such as swap contracts or currency forward contracts (NDF). The contracting of those instruments depends on the ratio of cost to expected benefit of the instrument used.

### **Sensitivity of the debt in foreign currency with IBD**

In relation to contract 1414/OC executed between Saneago and the Inter-American Development Bank (IDB), no currency forward mechanisms have been adopted against oscillations in exchange variation. However, Management has evaluated the possibility of hedging against current and probable changes in the world economic scenario.

The sensitivity analysis prepared as at June 30, 2021, indicates a slight increase in the expected amount of future debt as a result of the increase in interest rates and inflation in Brazil, as well as due to the appreciation of foreign currencies in relation to the Brazilian real, mainly due to the Covid-19 pandemic, which has been significantly affecting Brazilian and international economy. Abroad, the global economy has been slowing down and economic and geopolitical uncertainties exist, in particular some commercial disputes that may contribute to less global growth. Domestic factors relate to whether the Brazilian economy is able to absorb problems in the international market and if internal structural changes are possible, in special in relation to taxation, which would allow resuming economic growth. The dollar exchange rate used for the payment due in October 2020 was R\$5.59. As for the one due in April 2021, the rate was R\$5.56. The projection of exchange rate for 2021 is R\$5.05.

The dollar rates of the scenarios were based on data the Brazilian Central Bank published in the FOCUS Market Report (Market Expectations) on July 9, 2021.

### **(b) Credit risk**

Saneago provides services to almost all people of the state of Goiás. As for individual customers, the practice at the Company is to cut the services in the event of payment default, and no credit analysis is made. As a result of the Covid-19 pandemic, cuts were suspended from March 19, 2020, to January 3, 2021, and this suspension was maintained only for customers in the special category and other categories deemed as vulnerable. Such practice is not applicable to legal entities and government customers and Management has been making efforts to reduce contract default levels through negotiation with municipal governments and public agencies of the state of Goiás.

### **(c) Liquidity risk**

Liquidity risk can be defined as the possibility of the Company not having enough funds to fulfill financial obligations or even having to pay extra costs due to shortage of funds at due dates as a result of a mismatch between payables and receivables.

The Company's liquidity risk associates mainly with its capacity of generating cash and borrowing funds from federal, state and private financial institutions. Besides, liquidity is affected by shortages of water, which have significant impact to the Company's revenue, as well as lower tariffs ordered by courts, reduction in demand, increase in default level and costs and expenses above projected limits, besides realization of non-recurrent expenses not accrued for.

The exposure to liquidity risk is mitigated by monitoring and management of cash inflows and outflows, so that the Company can fulfill its obligations.

### **(d) Risks associated with concession/program contracts**

Saneago's results depend on the maintenance of contracts with the municipalities where it operates. Usually the Concession Contracts and the Programs Contracts have 30-year terms. In some situations, a municipality is entitled to cancel contracts before expiration or do not give authorization for their renewal due to noncompliance with legal or contract obligations (upon compensation of the balances of investment not yet amortized).



### 3.2 Capital management

The objective of managing capital is safeguarding the capacity of the Company continuing as a going concern, offering return to shareholders and benefits to other stakeholders, besides keeping an ideal capital ratio and reduce costs. The financial leverage ratio is tracked. It corresponds to net debt divided by total capital. Net debt, in its turn, corresponds to total loans and financing, less cash and cash equivalents. Total capital is determined through the sum of equity as demonstrated in the statement of financial position with net debt.

Net Financial Position	06/30/2021	12/31/2020
Total loans	837,657	965,493
(-) Cash and cash equivalents.	(188,016)	(168,144)
(=) Net debt	649,641	797,349
(+) Total equity	3,172,029	3,077,632
(=) Total capital	<u>3,821,670</u>	<u>3,874,981</u>

### 4. Cash and cash equivalents

	06/30/2021	12/31/2020
Petty cash	49	12
Bank checking accounts/billing	14,140	21,907
Banks - Accounts linked to construction work	626	3,089
Banks - Billing not yet released (a)	7,874	14,225
Short-term financial investment (b)	165,327	128,911
	<u>188,016</u>	<u>168,144</u>

Refer to amounts held at banks and short-term financial investment with immediate liquidity and insignificant risk of change in value.

(a) Refers to bank float that is released between 1 to 3 business days after the funds enter into the bank account;

(b) Short-term financial investment is broken down below:

06/30/2021				12/31/2020			
Bank name	Account	Balance	Yield	Bank name	Account	Balance	Yield
B.Brasil	6013-5	-	-	B.Brasil	6013-5	563	92% CDI
B.Brasil	6544-7	552	100% of CDI	B.Brasil	6544-7	546	92% of CDI
BBM	701742-7	4,336	100% of CDI	BBM	701742-7	4,396	100% of CDI
BBM	701866-0	4,334	100% of CDI	BBM	701866-0	4,655	100% of CDI
Bradesco	1368-4	644	10.9% of CDI	Bradesco	1368	359	6.32% of CDI
Bradesco	1371-4	407	77.38% of CDI	Bradesco	1371-4	-	-
Itaú	14095-6	391	28.17% of CDI	Itaú	14095-6	259	5.38% of CDI
Itaú	2989-4	4,535	28.17% of CDI	Itaú	2989-4	6,646	5.38% of CDI
Itaú	2989-4	36,946	90.97% of CDI	Itaú	2989-4	-	145.16% of CDI
Itaú	14094-9	228	28.17% of CDI	Itaú	14094-9	153	5.38% of CDI
Safra	23190-0	10	20.53% of CDI	Safra	23190-0	10	346.1% of CDI
Santander	45000004-5	4,208	102.50% of CDI	Santander	45000004-5	-	-
Santander	63-000013-7	108,736	103.00% of CDI	Santander	63-000013-7	111,324	103.00% of CDI
		<u>165,327</u>				<u>128,911</u>	

The market value of short-term financial investment is close to the one recorded in the interim financial information seeing it is pegged to the variation in CDI, or is composed of specific funds with variable yield, which are monthly checked through the statements issued by the financial institutions. The Company has no financial instruments measured at fair value.

The financial investment with BBM and Bradesco refers to a contract demand for the issuance of the 4th, 5th, 6th and 8th series of bonds and is monthly operated in the amortization of obligations.

The increase in cash and cash equivalents is a result of the resuming of water supply cuts and an increase in amounts collected.

## 5. Securities

Financial institution	Account	Type of investment	Yield	06/30/2021	12/31/2020
<b>Current amounts</b>					
Banco do Brasil	6013-5	CDB	92.00% of CDI	570	-
Caixa Econômica Federal	various	CDB/FIC fund	70.46% of CDI	1,319	-
				<u>1,889</u>	<u>-</u>
<b>Noncurrent amounts</b>					
Caixa Econômica Federal	various	CDB/FIC fund	86.20% of CDI	14,186	13,146
				<u>14,186</u>	<u>13,146</u>
<b>Total</b>				<u>16,075</u>	<u>13,146</u>

Such investment is a contract demand. Guarantee reserves maturing after 12 months are classified as noncurrent assets. Contracts maturing within the next 12 months are carried in current assets, as well as other investment available within the year.

## 6. Receivable from consumers

	06/30/2021			12/31/2020		
	Private	Public	Total	Private	Public	Total
Amounts billed and not yet due	122,792	18,416	141,208	108,915	10,664	119,579
Becoming due in more than 30 days	37,092	5,645	42,737	29,106	6,040	35,146
Overdue for up to 30 days	89,233	533	89,766	91,509	3,873	95,382
From 31 to 60 days overdue	42,702	5,620	48,322	45,241	2,770	48,011
From 61 to 90 days overdue	26,612	7,528	34,140	29,739	2,475	32,214
From 91 to 120 days overdue	21,035	1,895	22,930	21,514	1,546	23,060
From 121 to 180 days overdue	34,238	3,757	37,995	32,940	2,808	35,748
From 181 to 360 days overdue	6,228	7,605	13,833	5,274	5,382	10,656
From 361 days to 5 years overdue	21,220	70,867	92,087	18,636	85,252	103,888
Overdue for more than 5 years	446	6,971	7,417	762	8,331	9,093
Collection to be identified	(621)	-	(621)	(704)	-	(704)
Estimate of amounts to be billed	87,366	5,455	92,821	89,410	5,521	94,931
(-) Discount to present value of receivables	(1,636)	(274)	(1,910)	(1,011)	(296)	(1,307)
(-) Allowance for doubtful accounts	(10,358)	(107,837)	(118,195)	(10,480)	(104,762)	(115,242)
<b>Subtotal</b>	<u>476,349</u>	<u>26,181</u>	<u>502,530</u>	<u>460,851</u>	<u>29,604</u>	<u>490,455</u>
Amounts receivable (noncurrent)	20,535	16,659	37,194	16,916	17,915	34,831
(-) Discount to present value of receivables	(3,791)	(3,806)	(7,597)	(3,127)	(4,288)	(7,415)
(-) Allowance for doubtful accounts	(206)	(2,200)	(2,406)	(1,379)	(7,363)	(8,742)
<b>Subtotal</b>	<u>16,538</u>	<u>10,653</u>	<u>27,191</u>	<u>12,410</u>	<u>6,264</u>	<u>18,674</u>
<b>Total</b>	<b>492,887</b>	<b>36,834</b>	<b>529,721</b>	<b>473,261</b>	<b>35,868</b>	<b>509,129</b>

During recognition, the amounts demonstrated above were equal to their respective fair values and do not consider fines, interest or any form of monetary adjustment payable on overdue amounts. In the statement of income as at June 30, 2021, non-collectible credit written-off (net of recovery of such losses) corresponded to R\$29,737 (R\$35,691 as at 06/30/2020).

According to article 9 of Law 9.430/96, for tax purposes, credit amounts with the Government of Goiás are added when they are written-off as loss and excluded when they are recovered. Until the second quarter of 2021, the exclusions of recovered amounts exceed additions by R\$142 (Until the second quarter of 2020, the amount of R\$2,022 was added).

The change in the allowance for doubtful accounts, recognized pursuant to the policy mentioned in Note 2.3 a), is as follows:

<b>Balance as at 12/31/2020</b>	<u>(123,984)</u>
Recognition/reversal of allowance for doubtful accounts (Note 30)	<u>3,383</u>
<b>Balance as at 06/30/2021</b>	<b>(120,601)</b>

The practice in relation to individual customers is initially notifying them about the debt through a message in the invoice of the following month. After notification, a period of 30 days is granted for payment and in the event the invoice is not paid, the supply of water is cut, what happens on average 48 days after the expiration of the original invoice in normal periods.

For amounts receivable from the Government of Goiás, the collection process is the same, but there is no cut, and only the debt notification step is applied. The allowance for doubtful account is recognized based on securities overdue for more than 90 days.

## 7. Inventories

	<u>06/30/2021</u>	<u>12/31/2020</u>
Materials to be used in treatment stations	5,566	6,984
Materials to be used in pipelines	30	24
Electric materials and equipment	2,330	4,003
Tubes and connections for pipelines and water mains	30,376	34,381
Materials to be used in building pipelines	2,538	1,634
Water meters	6,508	11,872
Valves	7,354	7,297
Pumps	998	2,009
Sundry materials	3,627	3,970
(-) Provision for inventory losses	<u>(6,478)</u>	<u>(21,678)</u>
	<u><b>52,849</b></u>	<u><b>50,496</b></u>

The change in inventory losses, accrued for as described in Note 2.3, is broken down below:

<b>Balance as at 12/31/2020</b>	<u>(21,678)</u>
Reversal (recognition) of provision for inventory losses (Note 30)	<u>15,200</u>
<b>Balance as at 06/30/2021</b>	<b>(6,478)</b>

## 8. Recoverable taxes

	<u>06/30/2021</u>	<u>12/31/2020</u>
Corporate Income Tax (IRPJ) (a)	9,813	9,813
Social Contribution Tax (CSLL) (a)	2,574	2,574
Withholding Income Tax (IRRF)	2,684	2,148
Refund request made to the Brazilian Internal Revenue Service (b)	<u>4,016</u>	<u>4,015</u>
	<u><b>19,087</b></u>	<u><b>18,550</b></u>

- (a) Refers to income and social contribution tax negative balance (overpayment);
- (b) Refers to a refund request relating an installment debt payment plan (PAES) and undue payment of social security contribution debt.

## 9. Prepaid expenses and advances

	06/30/2021	12/31/2020
<b>Current amounts</b>		
Insurance premium	-	154
Investment fund - Receivables - FIDC IV (a)	11,474	11,478
Advances for payment of graduate courses	28	29
Advances for travels	671	536
Advances for vacations	6	8,521
Advances for year-end bonus	14,546	4
Contract-related indemnities	6,898	6,898
Share issuance expenses	2,700	2,689
Subscriptions to periodicals and annuities	41	-
	<u>36,364</u>	<u>30,309</u>
<b>Noncurrent amounts</b>		
Contract-related indemnities (b)	189,353	192,803
	<u>189,353</u>	<u>192,803</u>

(a) Amortization and charges paid in advance according to the FIDC IV Regulations.

(b) Payment of a compensation for anticipated renewal of contracts with the municipalities of Goiânia, Anápolis and Águas Lindas. The amounts will be amortized in 30 years (contract term).

## 10. Outsourcing

To assure compliance with Program Contracts executed between Saneago and the municipalities of Aparecida de Goiânia, Jataí, Rio Verde and Trindade, the Company chose to outsource sewage services through a bidding process. The winning bidder is called Foz Goiás Saneamento S.A., (whose name has been changed to Odebrecht Ambiental) and contract # 1327/2013 went into effect on July 19, 2013.

Full operations began in November 2013 and the contract term ends on November 1, 2041.

On April 25, 2017, all shares of Odebrecht Ambiental were sold to Brookfield Partners LP, and a new holding company called BRK Ambiental Participações S.A. was formed. Contract 1327/2013 is now operated by BRK Ambiental Goiás S.A. Such operation was executed with previous approval of Saneago and the documentation supporting legal compliance is currently under analysis.

The contract addresses regionalized provision of services by Saneago and has the following characteristics:

- The regulation agency is the Control and Inspection Council of Public Services (AGR) and the consenting intervening parties are the municipalities of Aparecida de Goiânia, Jataí, Rio Verde and Trindade;
- Payment of R\$273,000 granting fees to Saneago in thirty (30) installments, annually adjusted according to the IPCA rate (National Consumer Price Index);
- Operation and expansion of collection, removal and sewage treatment systems within six (6) years. The water supply universalization ratio must reach at least ninety percent (90%) of the population;
- Saneago will manage the integrated commercial operation of public water supply and sewage services in the outsourced area. It is a responsibility of the outsourced service provider to register consumers, read water meters, issue and simultaneously deliver the payment invoices, cut and reconnect the water supply and micro-measurement, among other activities related to the rendering the water supply and sewage services.

Granting fees are recorded in current assets proportionally to the contract term and adjusted according to the IPCA rate, with a corresponding item to the statement of income. The amortized investment made by the outsourced service supplier is booked in noncurrent assets, representing a right of Saneago with a corresponding item to noncurrent liabilities. It represents the obligation Saneago has in relation to the outsourced service provider.

	Current assets		Current liabilities	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
<b>Outsourcing</b>				
Granting fees	4,082	10,450	6	1,616
	Noncurrent assets		Noncurrent liabilities	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Investment in sewage system	917,072	839,500	917,072	839,500
<b>Total</b>	<b>921,154</b>	<b>849,950</b>	<b>917,078</b>	<b>841,116</b>

## 11. Other receivables

	06/30/2021	12/31/2020
<b>Current portion</b>		
Collateral deposits	18	18
Consortium-related amounts	1,622	375
Sundry advances	394	396
(-) Provision for losses	(375)	(375)
	<b>1,659</b>	<b>414</b>
<b>Noncurrent portion</b>		
Contracts without concession (a)	32,765	32,765
(-) Estimated credit losses	(32,765)	(32,765)
	<b>-</b>	<b>-</b>

### (a) Contracts without concession

The Company is questioning at court concession contracts of water supply and sewage services of the following municipalities:

#### Caldas Novas

Seeing the government of that municipality took back the control over systems on June 27, 1995, Saneago's Management filed an action for damages (Case # 0033803.68.1995.8.09.0051). In April 2020, the proceedings were sent to the Superior Court of Justice (STJ) for judgment of a special appeal Saneago's lawyers had filed. On May 6, 2020, the appeal was sent to the STJ's Chairman for judgment. On October 2, 2020, that court agreed to hear the special appeal, but upheld the ruling of the court of Goiás. The process went back to the original court, but the responsible judge has not received back the proceedings yet.

#### Catalão

That municipality took back the control of the systems by means of a court order and Saneago was not successful in reversing that order. Action 37532.36.2016.8.09.0029 has been filed. In September 2019, a request was made to the Counsel of the Municipal Superintendency of Water and Sewage of Catalão (SAE) for access to the digital proceedings. On June 2, 2020, the proceedings were concluded to be sent to the Judge, who may appoint a new expert for the case.

## 12. Court deposits

	06/30/2021	12/31/2020
Court deposits	22,199	16,069
	<b>22,199</b>	<b>16,069</b>

Of the outstanding balance as at June 30, 2021, around 88% correspond to deposits made in the last five years, with emphasis on deposits arising from proceedings 5532023-46.2019.8.09.0103, filed by the municipality of Minaçu in the amount of R\$6,533, and 241645.61.2008.8.09.0051, filed by the municipality of Goiânia in the amount of R\$4,164.

The change in the balance of court deposits refers mainly to a labor complaint filed by STIUEG, (an employees' union in the state of Goiás) under proceeding 0011549-64.2017.5.18.0008, and an expropriation filed by Saneago under proceeding 0269050-03.2011.8.09.0137. Both proceedings are still in progress and the amounts deposited were R\$1,871 and R\$3,072, respectively.

### 13. Deferred taxes

	06/30/2021				12/31/2020			
	Tax base	IRPJ (25%)	CSLL (9%)	Total	Tax base	IRPJ (25%)	CSLL (9%)	Total
<b>Deferred tax assets</b>								
Allowance for doubtful accounts	120,600	30,151	10,584	41,005	123,983	30,995	11,158	42,153
Provision for inventory losses	6,479	1,620	583	2,203	21,679	5,420	1,951	7,371
Provision for losses on investment	564	141	51	192	564	141	51	192
Provision for contingencies	249,185	62,296	22,427	84,723	145,596	36,399	13,104	49,503
Provision for losses on other receivables	375	94	34	128	375	94	34	128
Provision for contracts without concession	32,765	8,191	2,949	11,140	32,765	8,191	2,949	11,140
Provision for losses on construction work	128,347	32,087	11,551	43,638	128,347	32,087	11,550	43,637
Actuarial obligations	37,202	9,300	3,348	12,648	37,202	9,300	3,348	12,648
Provision for profit sharing	33,635	8,409	3,027	11,436	33,635	8,409	3,027	11,436
Income tax losses (a)	-	-	-	-	41,823	10,432	-	10,432
Social contribution tax losses (a)	235,385	-	21,185	21,185	286,131	-	25,752	25,752
<b>Total</b>	<b>844,537</b>	<b>152,289</b>	<b>76,009</b>	<b>228,298</b>	<b>852,100</b>	<b>141,468</b>	<b>72,924</b>	<b>214,392</b>
<b>Deferred tax loss</b>								
Tax vs. accounting depreciation	302,718	75,680	27,245	102,925	240,675	60,169	21,660	81,829
Asset and liability valuation adjustment	50,476	12,619	4,543	17,162	50,477	12,619	4,543	17,162
	<b>353,194</b>	<b>88,299</b>	<b>31,788</b>	<b>120,087</b>	<b>291,152</b>	<b>72,788</b>	<b>26,203</b>	<b>98,991</b>
<b>Total deferred taxes, net</b>				<b>108,211</b>				<b>115,401</b>

At the Company, based on studies and future perspective of growth, tax assets are limited to the lower between the amount of future income and the amount of tax to be offset through the realization of temporary differences and tax losses.

We provide below the projection of realization of deferred tax assets in relation to tax losses:

Year	Realization Estimate			Sum
	IRPJ	CSLL		
2021	10,432	25,572		36,004
<b>Change in deferred taxes in the period</b>				
Balance kept in deferred tax assets on 12/31/2020				115,401
(+ ) Realization of deferred tax assets - Statement of income				13,906
(+ ) Realization of deferred tax assets - Equity				
(- ) Realization of deferred tax liabilities - Equity				(21,096)
Balance kept in deferred tax assets on 06/30/2021				108,211
<b>Reversal in the statement of income on 06/30/2021</b>				
Income (loss) before taxes				173,673
Combined rate 34%				59,049
(+ / - ) IRPJ/CSLL on permanent/temporary additions and exclusions and tax losses				(66,239)
Reversal in the statement of income				(7,190)

## 14. Investment

The Company has shares of investment in some companies where it does not hold significant control, corresponding to R\$573, which are accounted for under the cost method. However, a provision for impairment has been recognized, as there is no perspective of realization of that investment.

Description	06/30/2021	12/31/2020
Comurg	515	515
Metrobus	46	46
Other	12	12
	<u>573</u>	<u>573</u>
Provision for losses	(564)	(564)
	<u>9</u>	<u>9</u>

## 15. Property, plant and equipment

	06/30/2021	12/31/2020
General use assets	174,371	171,898
General use assets in construction (a)	163,292	160,765
Deemed cost of assets	64,820	64,839
General use assets - Lease-purchase operations	7,242	7,241
Contributions to realize - Corumbá Consortium	46,436	47,303
Land-title regularization	222	222
Right-of-use - vehicles (Note 15.2)	57,142	57,142
Accumulated depreciation - Right-of-use assets (Note 15.2)	(33,765)	(26,238)
Accumulated Depreciation - General	(107,271)	(103,199)
Accumulated depreciation - Deemed cost	(14,361)	(14,379)
Accumulated Depreciation - Lease-purchase operations	(5,370)	(5,011)
	<u>352,758</u>	<u>360,583</u>

### (a) Breakdown of general use assets in construction:

	06/30/2021	12/31/2020
General use assets in construction	103,412	100,948
General use assets in construction - Growth Acceleration Program (PAC)	59,880	59,817
	<u>163,292</u>	<u>160,765</u>

### 15.1 Technical assets

The change in assets is as follows:

Technical assets	Balance as at 12/31/2020	Additions	Write-offs	Deprec.	Contribution	Balance as at 06/30/2021
General use assets	171,898	2,561	(88)	-	-	174,371
General use assets in construction	160,765	2,528	-	-	-	163,293
Deemed cost of assets	64,839	-	(19)	-	-	64,820
General use assets - Lease-purchase operations	7,241	-	-	-	-	7,241
Contributions to realize - Corumbá Consortium	47,302	-	-	-	(867)	46,435
Land-title regularization	223	-	-	-	-	223
Accumulated depreciation - general	(103,199)	-	83	(4,154)	-	(107,270)
Accumulated depreciation - deemed cost	(14,379)	-	19	(1)	-	(14,361)
Accumulated depreciation - lease-purchase operations	(5,011)	-	-	(360)	-	(5,371)
	<u>329,679</u>	<u>5,089</u>	<u>(5)</u>	<u>(4,515)</u>	<u>(867)</u>	<u>329,381</u>

## 15.2 Right-of-use assets - Leases

The requirements of standard CPC06 (R2)/IFRS16 have been applied starting January 1, 2019, as described in Note 18d.

	06/30/2021	12/31/2020
Right-of-use assets - vehicles	57,142	57,142
Accumulated depreciation- Right-of-use assets	(33,765)	(26,238)
	<u>23,377</u>	<u>30,904</u>

The change in right-of-use assets is broken down below:

Right-of-use assets	Balance as at 12/31/2020	Depreciation/amortization	Changes in the period	Balance as at 06/30/2021
Right-of-use assets - vehicles	57,142	-	-	57,142
Accumulated depreciation - right-of-use assets	(26,238)	(7,527)	-	(33,765)
<b>Total</b>	<b>30,904</b>	<b>(7,527)</b>	<b>-</b>	<b>23,377</b>

According to decision CVM 859 of June 7, 2020, the lease-purchase operations of the Company were assessed according to the provisions of standard CPC 06 (R2). No change in contracts or in right-of-use assets was necessary and the operation of assets is normal, even amid the COVID-19 pandemic.

## 16. Contract-related assets

A contract-related asset (work in progress) is the right to consideration for goods or services transferred to customers. As determined by standard CPC 47 - Revenue from Contracts with Customers, assets tied to construction work established by a concession and recognized under the scope of standard ICPC 01 (R1) - Concession Contracts must be classified as contract-related assets during the construction period and transferred to intangible assets only after the conclusion of the work.

Contract-related assets are initially recognized at fair value, including costs of loans capitalized along the period where the asset is under construction and consider the effective rate of loans prevailing at capitalization date.

Contract-related assets	Use of inventories to carry out construction							Balance as at 06/30/2021
	Balance as at 12/31/20	Additions	Inventory adjustment	Transfer to storeroom	Transfer to intangible assets	Purchase of inventories		
Water systems	253,634	10,211	-	-	(954)	-	-	262,891
Sewage systems	427,600	11,684	-	-	(17,594)	-	-	421,690
Construction work in progress	48,918	-	(1,442)	(186)	-	5,979	(2,403)	50,866
	<u>730,152</u>	<u>21,895</u>	<u>(1,442)</u>	<u>(186)</u>	<u>(18,548)</u>	<u>5,979</u>	<u>(2,403)</u>	<u>735,447</u>

## 17. Intangible assets

	06/30/2021	12/31/2020
Water systems	2,591,800	2,572,495
Sewage systems	2,822,015	2,801,866
General use assets	10,181	7,834
Software (licenses)	40,264	34,189
Accumulated amortization	(2,724,998)	(2,675,421)
Contributions to realize - Águas Lindas	55,277	55,544
Provision for impairment	(128,347)	(128,347)
"Operação Decantação" (Note 37)	(118,494)	(118,494)
Land-title regularization	37,939	38,427
Non onerous assets - water supply	51,492	46,611
Non-onerous assets - sewage	90,693	89,179
	<u>2,727,822</u>	<u>2,723,883</u>



**The change in intangible assets in the period is as follows:**

	Balance as at 12/31/2020	Additions	Write-offs	Depreciation/ amortization	Contribution	Transfer of construction work to fixed assets	Balance as at 06/30/2021
<b>Intangible assets in use</b>							
Water systems	2,572,495	19,643	(2,674)	-	-	2,336	2,591,800
Sewage systems	2,801,866	895	-	-	-	19,255	2,822,016
General use assets	7,834	2,346	-	-	-	-	10,180
Accumulate amortization	(2,675,421)	-	1,759	(51,336)	-	-	(2,724,998)
Software (licenses)	42,746	9,082	-	-	-	-	51,828
Amortization of software (licenses)	(8,557)	-	-	(3,007)	-	-	(11,564)
Contributions to realize - Águas Lindas	55,544	-	-	-	(267)	-	55,277
Provision for losses (impairment)	(128,347)	-	-	-	-	-	(128,347)
“Operação Decantação” (Note 37)	(118,494)	-	-	-	-	-	(118,494)
Land-title regularization	38,427	2,556	-	-	-	(3,044)	37,939
Non-onerous intangible assets - Water supply	113	169	-	-	-	-	282
Non-onerous intangible assets - Sewage	-	214	-	-	-	12,957	13,171
(-) Government subsidies/grants	(110)	-	-	104	-	(13,340)	(13,346)
Amortization of non-onerous assets	(3)	-	-	(104)	-	-	(107)
<b>Total</b>	<b>2,588,093</b>	<b>34,905</b>	<b>(915)</b>	<b>(54,343)</b>	<b>(267)</b>	<b>18,164</b>	<b>2,585,637</b>
<b>Intangible assets in progress - Non-onerous</b>							
Non onerous assets - water supply	46,610	4,882	-	-	-	-	51,492
Non-onerous assets - sewage	89,180	14,470	-	-	-	(12,957)	90,693
<b>Total</b>	<b>135,790</b>	<b>19,352</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12,957)</b>	<b>142,185</b>
<b>Total intangible assets</b>	<b>2,723,883</b>	<b>54,257</b>	<b>(915)</b>	<b>(54,343)</b>	<b>(267)</b>	<b>5,207</b>	<b>2,727,822</b>

**17.1) Government subsidies**

The balances of the property, plant and equipment and intangible assets include those obtained with own funds and/or purchased with funds transferred by the Brazilian Federal Government through the Growth Acceleration Program (PAC).

As at December 19, 2007, fund-transfer contracts were executed between the Federal Government, through the Ministry of Cities represented by Caixa Econômica Federal and the state of Goiás. That aimed urban water supply and sewage service provision in several municipalities, having Saneago as executing intervening party.

The purpose of each contract is establishing joint actions between Saneago and the Municipalities to expand water supply and sewage systems, as well as transfer the amount of consideration payable by the state of Goiás to the Company.

Item 8.5.1 of Clause eight - Financial Performance of Fund-Transfer Contracts and the Guidelines of the Growth Acceleration Program (PAC) provide refund in the following cases:

- When the purpose agreed upon in the contract has not been achieved;
- When a report on the rendering of accounts is not presented within the required time limit, whether a partial or final one;
- When the funds are used for other purposes and not the one established in the contract;
- When the amounts from financial investment are used in violation to the term, purpose or consideration established in the contract.

In the cases above, the refund is made according to the rules set in the contract for partial performance or non-compliance.

Amounts transferred by municipalities are listed below:

City	Contract	12/31/2020	PAC program	Concluded work/Other	06/30/2021
Formosa	0218016-87	7,689	-	-	7,689
St° Antônio do Descoberto	0218331-07	388	-	-	388
Cristalina	0226017-65	307	-	-	307
Goiânia - Meia Ponte	0226025-62	3,873	-	-	3,873
Valparaíso	0218021-51	-	-	-	-
Luziânia	0218328-52	1,465	-	-	1,465
Planaltina	0218330-94	63	-	-	63
Valparaíso	0218343-40	44	-	-	44
Novo Gama	0226015-46	129	-	-	129
Novo Gama	0226018-79	971	-	-	971
Goiânia - Vila Adélia	0226024-57	7,294	-	-	7,294
Luziânia	0226026-76	68,824	728	-	69,552
Luziânia	0231460-45	57	-	-	57
Trindade	0237772-43	1,189	38	-	1,227
Goiânia	0350788-10	40,315	-	-	40,315
St° Antônio do Descoberto	0350796-17	2,686	-	-	2,686
Pirenópolis	0350884-88	1,422	26	-	1,448
Aparecida de Goiânia	0351738-28	3,094	3,252	-	6,346
Goiânia Jd Petrópolis SES	0408678-27	23,463	16,510	(4,076)	35,897
Anápolis SES	0408691-99	21,134	1,212	(9,095)	13,251
<b>Total PAC</b>		<b>184,407</b>	<b>21,766</b>	<b>(13,171)</b>	<b>193,002</b>
<b>Other Programs</b>					
Aduutora João Leite	1524/01	729	-	-	729
Aduutora João Leite	0187/06	1,472	-	-	1,472
Amaralina - FUNASA	25	248	-	-	248
Nerópolis - ANA-PRODES	68/15	4,601	-	-	4,601
Pires do Rio - ANA PRODES	68/15	1,976	-	-	1,976
Campos Verdes FUNASA/SECIMA	TC650/20	383	-	-	383
Goiânia-Recuperação Florestal	0153005/16	604	-	(170)	434
Vianópolis	1288/14	131	-	-	131
Itapirapuã	1283/2014	51	-	-	51
<b>Total Other Programs</b>		<b>10,195</b>	<b>-</b>	<b>(170)</b>	<b>10,025</b>
<b>Grand Total</b>		<b>194,602</b>	<b>21,766</b>	<b>(13,341)</b>	<b>203,027</b>

## 18. Loans and financing

### IDB (Inter-American Development Bank)

Interest is paid every six months in April and October at the rate IDB establishes. The rate on April 8, 2021, was 0.96% for that half-year period and 1.93% per annum. Amortization is also half-yearly made. It began on October 11, 2008, and will end on October 11, 2027.

### Bonds - 4th Issuance

In December 2017, in compliance with CVM instruction 476 of January 16, 2009, there was the fourth (4th) issuance of simple, book-entry, secured bonds, not convertible into shares in a single series to be distributed in a restricted manner.

The indenture of issuance and the trust assignment contract were executed as decided during the 351st Meeting of Saneago's Board of Directors on November 24, 2017, and the 352nd meeting on December 15, 2017.

Number of bonds issued	Unit value	Amount obtained (R\$)
130,000	1,000	130,000.000

According to clause 4.1.4 of the indenture, such operation contains covenants, which, if not fulfilled, entitles the Trustee to enforce all obligations and demand immediate payment. Such financial ratios relate to the debt-service coverage ratio annually checked.

The financial index to be annually achieved and established for the 4th issuance of bonds is a ratio between net debt and adjusted EBITDA lower or equal to 3.0. As at June 30, 2021, the ratio had been reached.

#### **Bonds - 5th Issuance**

In December 2018, in compliance with article 59 of Law 6404 of December 15, 1976, and CVM instruction 476 of January 16, 2009, there was the fifth (5th) issuance of simple, book-entry, secured bonds, not convertible into shares in a single series to be distributed in a restricted manner.

The indenture of issuance and the trust assignment contract were executed as decided during the 370th Meeting of Saneago's Board of Directors on November 8, 2018.

Number of bonds issued	Unit value	Amount obtained (R\$)
250,000	1,000	250,000.000

According to clause 4.15.1 of the indenture, such operation contains covenants, which, if not fulfilled, entitles the Trustee to enforce all obligations and demand immediate payment. Such financial ratios relate to the debt-service coverage ratio annually checked.

The financial index to be annually fulfilled is a ratio between net debt and adjusted EBITDA lower or equal to 3.0. As at June 30, 2021, that ratio had been achieved.

#### **Bonds - 6th Issuance**

In September 2019, in compliance with article 59 of Law 6404 of December 15, 1976, and CVM instruction 476 of January 16, 2009, there was the sixth (6th) issuance of simple, book-entry, secured bonds, not convertible into shares in a single series to be distributed in a restricted manner.

The indenture of issuance and the trust assignment contract were executed as decided during the 387th Meeting of Saneago's Board of Directors on July 24, 2019.

Number of bonds issued	Unit value	Amount obtained (R\$)
140,000	1,000	140,000.000

According to clause 4.15.1 of the indenture, such operation contains covenants, which, if not fulfilled, entitles the Trustee to enforce all obligations and demand immediate payment.

The financial index to be annually fulfilled and established for the 6th Issuance is an adjusted annual EBITDA lower or equal to 3.0. As at June 30, 2021, the ratio had been reached.

#### **Bonds - 8th Issuance**

In November 2020, in compliance with article 59 of Law 6404 of December 15, 1976, and CVM instruction 476 of January 16, 2009, there was the fifth (5th) issuance of simple, book-entry, secured bonds, not convertible into shares in a single series to be distributed in a restricted manner.

The indenture of issuance and the trust assignment contract were executed as decided during the 429th Meeting of Saneago's Board of Directors on November 26, 2020.

Number of bonds issued	Unit value	Amount obtained (R\$)
220,000	1,000	220,000,000

As per clause 4.15.1 of the indenture, such operation contains covenants, which, if not fulfilled, entitles the Trustee to enforce all obligations and demand immediate payment. The financial index to be annually reached and established for the 8th Issuance is an adjusted annual EBITDA lower or equal to 3.0 to be annually checked by the Issuer and followed up by the Trustee starting December 2020.

In compliance with article 157, paragraph 4 of Law 6.404/1976 and of CVM Instruction 358/2002, according to a report to the market published on December 11, 2020, Fitch Rating Brasil Ltda. reviewed and confirmed Saneago's Long-Term 'A-(bra)' (A minus) Rating and its issuances of bonds were rated as Stable.

As at June 30, 2021, the debt coverage ratio had been achieved.

#### **BNDES**

The contracts of loans and financing executed with BNDES (National Economic and Social Development Bank) contain financial covenants to be annually checked to protect the interest of the creditor. They relate to debt-service coverage ratio of short-term obligations and have not been fully met. On December 20, 2019, Management obtained a waiver with the Financial Institution of the demand of compliance with that ratio starting December 31, 2019.

#### **FIDC IV (Fund of Investment in Receivables)**

During a meeting held on June 5, 2017, and as established in Article 50, paragraph (e) of the Regulations of the Fund, new covenants were set for Saneago, establishing a debt-service coverage ratio to be complied with or otherwise that may imply in anticipated payment of the debt. They have been in effect since the closing of the 2nd half of 2017.

As at June 30, 2021, the ratio had been reached

#### **Banco do Brasil**

On December 20, 2017, a Bank Credit Note was established - CCB 330.701.235 - between Saneago and Banco do Brasil. Item 10 of its regulations establishes covenants where the bank can declare all obligations established enforceable and demand immediate payment, if the covenants are not fulfilled.

We draw your attention to the fact that the ratio is annually checked. As at June 30, 2021, the Company had satisfied the debt-service coverage ratio.

## 18.a Loans and financing

Bank name	Type	Contract	Commencement date	Maturity	Annual rate	Transaction Costs	Transaction costs to be recognized	Amount borrowed	Collateral	06/30/2021	12/31/2020	
BRASIL	Loan	330701235	27/12/2017	01/06/2026	2.9% + CDI	940	92	30,000	a)	13,811	17,559	
IBM	Loan	Lease-purchase agreement	28/07/2016	07/27/2021	3.48% + CDI	-	-	-	c)	58	404	
FIDC IV	Loan	FIDC	15/12/2015	12/15/2022	8.9% + IPCA	47,828	11,669	600,000	i)	162,402	216,176	
Subordinated shares FIDC IV	Loan	Subordinated shares				-	-	-		(88,100)	(86,711)	
CEF	Financing	Various		2024	5.73% + TR	-	-	-	k)	4,962	5,753	
CEF	Financing	410461-57	12/31/2013	05/14/2037	8.5% + TR	-	-	132,760	d)	4,760	4,849	
CEF	Financing	0410526-20	12/31/2013	04/14/2037	8.5% + TR	-	-	36,410	d)	25,954	26,356	
CEF	Financing	0410517-19	02/14/2014	05/14/2037	8.5% + TR	-	-	18,265	d)	5,338	5,446	
CEF	Financing	0410538-64	03/27/2015	05/14/2037	8.5% + TR	-	-	51,544	d)	40,242	41,188	
CEF	Financing	26340190232-94	06/29/2006	04/30/2028	12% + TR	-	-	3,185	c)	1,883	1,916	
CEF	Financing	26340190233-07	06/29/2006	06/30/2030	12% + TR	-	-	39,214	c)	22,612	22,820	
CEF	Financing	2635248557-66	06/30/2008	11/12/2030	8.5% + TR	-	-	6,600	c)	3,606	3,748	
CEF	Financing	2634248555-47	10/09/2009	06/14/2031	9% + TR	-	-	10,000	c)	6,013	6,222	
CEF	Financing	2634248548-42	12/30/2009	06/14/2031	9% + TR	-	-	11,882	c)	5,393	5,582	
IDB (Inter-American Development Bank)	Financing	1414/OC	12/11/2002	10/11/2027	1.92% + VC	-	-	\$ 47,000	j)	84,412	94,448	
BNDES	Financing	11208021	12/14/2011	12/15/2021	2.51% + TJLP	-	-	31,154	e)	270	540	
BRASIL	Financing	40/01033-3	09/10/2012	04/01/2022	10.00%	-	-	2,360	f)	223	414	
BRASIL	Financing	40/00984-x	12/20/2012	01/01/2028	2.94%	-	-	6,846	f)	4,550	4,896	
Transaction costs	Loan	Transaction costs				-	-	-		(11,761)	(15,720)	
						<b>48,768</b>	<b>11,761</b>	<b>1,027.220</b>		<b>286,628</b>	<b>355,886</b>	
										Current	134,123	134,637
										Noncurrent	152,505	221,249

## 18.b Bonds

Bonds	Beginning	Maturity	Annual rate	Transaction costs	Transaction cost to be recognized	Amount obtained	Collateral	06/30/2021	12/31/2020
Bonds - 4th Issuance	12/28/2017	12/15/2021	2.95% p.a. + CDI	1,448	39	130,000	b)	25,236	50,438
Bonds - 5th Issuance	11/15/2018	11/16/2023	2.5% p.a. + CDI	4,296	1,277	250,000	g)	169,072	203,910
Bonds - 6th Issuance	09/23/2019	09/23/2024	1.2% p.a. + CDI	3,226	1,571	140,000	h)	140,176	140,103
Bonds - 8th Issuance	11/27/2020	11/27/2025	2.45% p.a. + CDI	1,254	738	220,000	h)	220,170	220,150
Transaction costs of bonds								(3,625)	(4,994)
				<b>10,224</b>	<b>3,625</b>	<b>740,000</b>		<b>551,029</b>	<b>609,607</b>

Current 131,634 133,409  
Noncurrent 419,395 476,198

Description	Balance
Loans and financing	286,628
Bonds	551,029
	<b>837,657</b>

- a) 20% of the debt amount collected at the end of each month;
- b) 150% of the amount collected of each installment not yet due;
- c) Pledge of the assets to the Financial Agent;
- d) A reserve corresponding to 3 times the monthly debt-service coverage ratio.
- e) R\$ 2 million from the amount collected + adjustment;
- f) 10% of the debt amount collected at the end of each month;
- g) 120% of the amount collected of each installment not yet due;
- h) 110% of the amount collected of each installment not yet due;
- i) 45% of the amount collected;
- j) Suretyship of the state of Goiás;
- k) No collateral.

Statement of noncurrent amounts per maturity	06/30/2021
2022	257,844
2023	205,385
2024	128,794
After 2025	83,363
Subordinated shares FIDC IV	(88,100)
Transaction costs	(15,386)
	<b>571,900</b>

### 18.c Change in loans and financing

	01/01/21 to 06/30/21			01/01/20 to 06/30/20		
	Amount obtained	Payment of amortizations and charges	Charges for the period	Amount obtained	Payment of amortizations and charges	Charges for the period
Internal financing	134	(10,939)	3,913	-	(9,600)	4,461
Inter-American Development Bank - IDB	-	(8,134)	(1,901)	-	(8,524)	31,418
Banco IBM – Lease-purchase operation	-	(481)	135	-	(469)	140
Fundo Inv. Dir.Cred. Saneago INFR. IV	-	(67,155)	13,379	-	(71,228)	17,151
Subordinated shares FIDC IV	-	-	(1,389)	-	-	(1,969)
Agreements	-	(2,838)	2,057	-	(1,187)	2,035
Bonds	-	(73,013)	13,066	150,168	(50,581)	15,086
Transaction costs	-	-	5,329	-	(3,770)	6,105
<b>Subtotal</b>	<b>134</b>	<b>(162,560)</b>	<b>34,589</b>	<b>150,168</b>	<b>(145,359)</b>	<b>74,427</b>
Lease of vehicles	-	(8,163)	1,011	-	(8,008)	1,385
Yield from short-term financial investment	-	-	(125)	-	-	(334)
<b>Total</b>	<b>134</b>	<b>(170,723)</b>	<b>35,475</b>	<b>150,168</b>	<b>(153,367)</b>	<b>75,478</b>
<b>Capitalized interest</b>			<b>(112)</b>			<b>(785)</b>

### 18.d Lease of vehicles

Standard CPC06(R2)/IFRS 16 established the principles for recognition, measurement, presentation and disclosure of lease-purchase operations, demanding the lessee to account for leases according to a single model, or in other words, recognizing right-of-use assets (“lease assets”) corresponding to a lease liability, unless the lease is for a short-term period (12 months or less) or has a very low value.

The practice adopted at the Company in relation to standard CPC 06 (R2) was disclosed in CVM Letter SN/SEP 02/19 and CVM Letter SNC/SEP 01/2020, that is, inclusion of inflation in the projection of future contractual cash flows.

Total lease liabilities recognized in the statement of financial position as at June 30, 2021, and December 31, 2020, are the following:

Description	Balance as at 12/31/2020	Recognition of interest	Payments	06/30/2021	12/31/2020
Vehicles	32,091	1,010	(8,162)	24,939	32,091
			Current	15,930	14,837
			Noncurrent	9,009	17,254
				<b>24,939</b>	<b>32,091</b>

## 19. Employees' pay and related charges

Current	06/30/2021	12/31/2020
Salaries payable	4	-
Alimony and contract termination amounts	141	169
Private pension plan (PREVSAN)	14	24
Health Assistance Program (CAESAN)	6	6
Payroll-backed loans ("Empréstimos consignados")	-	9
SESI and SENAI	2,660	2,472
Vacations payable	62,865	59,541
Year-end bonus payable	23,038	617
FGTS on vacations and year-end bonus	17,897	10,525
Social Security Contribution (INSS) applicable to salaries	16,405	17,164
Provision for INSS on vacations and year-end bonus	24,740	17,147
Voluntary Resignation Program (a)	667	1,967
Profit sharing (b)	33,758	34,160
	<b>182,195</b>	<b>143,801</b>

- a) Refers to the amounts of meal tickets and medical assistance assured by the Voluntary Resignation Program.  
 b) Payment made in July/2021.

## 20. Taxes payable

Current	06/30/2021	12/31/2020
Contribution for Social Security Funding (COFINS)	13,360	13,119
Social contribution tax	1,372	-
INSS on services payable	1,965	2,414
Corporate Income Tax (IRPJ)	5,477	-
Withholding Income Tax (IRRF) applicable to payroll and services	6,962	13,037
Tax on Services (ISS)	1,075	1,036
Federal tax debt to be paid in installments (a)	870	870
Contribution to the Social Integration Program (PIS)	2,879	2,833
Withholding of Federal Contributions	435	504
	<b>34,395</b>	<b>33,813</b>
<b>Noncurrent</b>		
Federal tax debt to be paid in installments (a)	<b>6,862</b>	<b>7,314</b>

### (a) Debt payable to the Brazilian Federal Revenue Service

The debt of the Company was included in a program established by Law 13.496/2017 called Special Tax Settlement Program (PERT) for taxes governed by the Brazilian Internal Revenue Service. As a result, after the waiver of lawsuit # 200935000107769 that questioned the payment of contributions for the Brazilian Social Security Institute (INSS) on the amounts of meal tickets in the period from Jan./2004 to Dec./2005 resulting from the lack of registration with the Workers' Meal Program (PAT), the amount was included and will be paid from Sep./2017 to Jan./2030:

	Principal	Fine	Interest	Charges/Fees	Total
Payment plan in installments	6,928	3,769	3,589	3,591	17,877



## 21. Amounts to be paid in installments

	Description	Beginning	End	Number of installments	Adjustment	06/30/2021	12/31/2020
I	AGR - Control and Inspection Council T.A.0255/15	12/10/2015	12/10/2030	180	a)	11,121	11,432
II	AGR - Control and Inspection Council T.A.054/18	05/10/2018	04/10/2033	180	a)	4,223	4,301
III	Government of the Municipality of Goiânia	06/23/2018	09/21/2021	20	-	542	1,574
IV	STIUEG - Sindicato dos Trabalhadores (union of workers)	08/06/2020	03/08/2021	8	-	-	1,594
V	Prosul Projetos Supervisão e Planejamento	01/03/2021	05/03/2021	5	-	-	1,127
VI	ANA - National Water Agency	05/31/2021	11/30/2021	7	-	233	-
	Other					17	155
						<b>16,136</b>	<b>20,183</b>
	Current					1,643	5,252
	Noncurrent					14,493	14,931

a) Adjustment and monthly interest of 1% p.m.

### I) AGR - Control and Inspection Council of Public Services

Based on Law 18.109 of July 25, 2013, amended by Law 18.957 of July 16, 2015, on December 10, 2015, the Company's Management executed instrument # 255/15 relating an installment debt payment plan.

The amount includes the remaining balances relating instruments 024/2011 and 0102/2013 regarding the Control and Inspection Fee (TRCF) of previous periods and tax assessment notices for non-fulfillment of regulatory requirements.

<b>Total consolidated amount</b>	
Principal	10,808
One-time penalty	2,797
Fine	42
Interest	133
	<u>13,780</u>

### II) AGR - Control and Inspection Council of Public Services

Based on Law 18.109 of July 25, 2013, amended by Law 19.906 of July 14, 2017, on May 10, 2018, the Company's Management executed instrument # 054/2018 relating an installment debt payment plan, which allows reduction in interest and fine on late payment, as well as in the indexation applicable. The debt to be paid in installments corresponds to R\$4,667 and refers to the Control and Inspection Fees (TRCF) of 2016 and 2017.

### III) Municipal Government of Goiânia

On April 24, 2017, an instrument was executed between Saneago and the Municipal Government of the Goiânia corresponding to an amount of R\$16.089, of which R\$12,484 is consideration for the concession of services and R\$3,605 regarding measurements of streets for asphalt paving in the period between 2011 and 2016.

### IV) STIUEG - Sindicato dos Trabalhadores nas Indústrias Urbanas no Estado de Goiás

On August 6, 2020, the Company reached an agreement with Stiuieg (Union of the Workers of Urban Industries of the State of São Paulo). That relates to a labor complaint filed by that union claiming addition of daily wages with 50% extra payment to the compensation base of substitute employees and its corresponding effects to overtime, year-end bonus, vacations and contributions to the Severance Pay Fund (FGTS).

#### V) PROSUL - Projetos, Supervisão e Planejamento Ltda

On December 20, 2020, an agreement was reached with Prosul - Projetos, Supervisão e Planejamento Ltda regarding action # 0020716-83.2011.8.09.0051. The agreement refers to the payment of interest on late measurements of contracts 64/2006 and 1242/2008.

#### VI) ANA - National Water Agency

The installment payment plan refers to charges on the use of water resources owned by the Federal Government in the hydrographic basin of the Paranaíba River, in the municipalities of Itumbiara, Novo Gama, Santo Antônio do Descoberto, Valparaíso de Goiás and Cidade Ocidental, during 2020.

### 21.1 Contract-related obligations

	Description	Beginning	End	# of installments	06/30/2021	12/31/2020
I	Municipality of Águas Lindas	12/28/2018	10/11/2019	4	15,220	15,220
					<b>15,220</b>	<b>15,220</b>

#### I) Municipality of Águas Lindas

On December 28, 2018, Saneago executed an agreement with the Municipal Government of Águas Linda where the Company commits to transfer to the Local Fund of Environmental and Sanitation Infrastructure (FMSAI) an amount of R\$20,293. It represents a compensation for the anticipated termination of Concession Contract # 170/2000 and execution of a Program Contract. The funds must be used in the construction of local sewage systems and are conditioned to fulfillment of the work schedule. Until June 30, 2021, in compliance with the stage of completion of the work, only the first installment was paid.

### 22. Jointly controlled enterprises - Consortium

Noncurrent liabilities	06/30/2021	12/31/2020
Águas Lindas Consortium (a)	93	619
Corumbá Consortium (b)	47,411	47,861
	<b>47,504</b>	<b>48,480</b>

#### a) Águas Lindas Consortium

The companies Saneago and Caesb organized Águas Lindas Consortium on April 7, 2003. It is enrolled with the registry of legal entities (CNPJ) under # 05.966.179/0001-50, and is headquartered at Quadra 45, Conjunto B, Lote 36 a 38, Salas 01 a 04, Setor 01, município de Águas Lindas de Goiás, CEP 72,910-000. It is set to run for thirty-one (31) years, renewable for an equal period and relates to the existing concession contracts between the municipal government and the consortium members.

It has the specific purpose of designing guidelines for the preparation of studies and analyses aiming implementation of sanitation infrastructure, in all its phases and processes, including water supply and sewage systems, in the municipality of Águas Lindas de Goiás.

Saneago holds the financial control of the Consortium (bank accounts and accounts receivable) and its management is shared by the consortium members. Expenses are paid and amounts invested by the member companies and reported in a monthly rendering of accounts where one consortium member approves the accounts of the other party.

It is classified as a joint operation. According to items 14 and 15 of standard CPC 19, the parties that hold joint control have rights on assets and obligations in relation to liabilities. According to the articles of organization, the participation of the member companies is 50% each. However, in practice it is not proportional. On May 31, 2021, Caesb held 49.29% and Saneago 50.71%, (as at December 31, 2020, Caesb held 52.82% and Saneago 47.18%) and the difference is currently recognized in Saneago's noncurrent assets.

Statement of Financial Position - Águas Lindas Consortium				
	05/31/2021	12/31/2020	05/31/2021	12/31/2020
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	2,389	1,495		
Receivable from consumers	16,012	14,716		
Prepaid expenses and advances	677	677		
Storeroom	377	410		
	<b>19,455</b>	<b>17,298</b>		
<b>Noncurrent assets</b>				
Long-term assets				
Receivable from consumers	1,018	861		
Court deposits	221	225		
Prepaid expenses	17,982	18,264		
	<b>19,221</b>	<b>19,350</b>		
<b>Property, plant and equipment and intangible assets</b>				
Property, plant and equipment	104	115		
Intangible assets	87,833	88,695		
Contract-related assets	72,849	72,831		
	<b>160,786</b>	<b>161,641</b>		
<b>Total assets</b>	<b>199,462</b>	<b>198,289</b>		
			<b>Liabilities</b>	
			<b>Current liabilities</b>	
			Contributions to be realized - Suppliers	2,870
			Employees' pay and related charges	639
			Other payables	16,550
				<b>20,059</b>
			<b>Noncurrent liabilities</b>	
			Provision for lawsuits	13
				<b>13</b>
			<b>Equity</b>	
			Participation Fund - SANEAGO	85,387
			Participation Fund - CAESB	82,988
			Income reserve	11,015
				<b>179,390</b>
				<b>178,593</b>
			<b>Total liabilities</b>	<b>199,462</b>
				<b>198,289</b>

## b) Corumbá Consortium

Saneago and Caesb organized Corumbá Consortium on September 17, 2009. It is enrolled with the registry of legal entities (CNPJ) under number 18.801.675/0001-03 and is headquartered at Rua Recife, Quadra 184 Lote Área Especial, Parque Marajó, in the municipality of Valparaíso de Goiás. Its organization is based on articles 278 and 279 of Law 6.404 of December 15, 1976.

The consortium has as exclusive purpose the implantation, operation and joint maintenance of an enterprise called Sistema Produtor de Água Corumbá and aims to meet the demand of water supply in the municipalities of Luziânia, Valparaíso de Goiás, Novo Gama and Cidade Ocidental in the state of Goiás, as well as the cities of Gama and Santa Maria in Distrito Federal.

It is conducted by a managing council with ten equally divided members representing the companies and an Executive Management with two officers. It was set to run for a period of thirty (30) years, renewable for equal and successive periods. On May 31, 2021, Caesb held 61% and Saneago 39% interest in it, (as at December 31, 2020, Caesb held 61.12% and Saneago 38.88%). The difference is recognized in Saneago's noncurrent liabilities.

Statement of Financial Position - Corumbá Consortium

	05/31/2021	12/31/2020		05/31/2021	12/31/2020
<b>Assets</b>			<b>Liabilities</b>		
<b>Current assets</b>			<b>Current liabilities</b>		
			Contributions to be realized - Suppliers	1,363	1,414
				<u>1,363</u>	<u>1,414</u>
<b>Noncurrent assets</b>					
<b>Long-term assets</b>					
<b>Property, plant and equipment</b>			<b>Equity</b>		
General use assets	13,247	13,207	Participation Fund - SANEAGO	168,233	166,212
Construction work in progress	386,080	383,140	Participation Fund - CAESB	263,101	261,246
Construction work in progress - PAC	32,585	32,525	Loss for the period	(785)	-
	<u>431,912</u>	<u>428,872</u>		<u>430,549</u>	<u>427,458</u>
<b>Total assets</b>	<u>431,912</u>	<u>428,872</u>	<b>Total liabilities</b>	<u>431,912</u>	<u>428,872</u>

### 23. Contract-related advances

The Brazilian Central Bank authorized the hiring of a private bank institution to process the payment of salaries, vacations, travel advances, pension plans and similar ones of Saneago's employees according to the conditions established in the invitation to bid and its attachments. The contracted service provider paid an amount of R\$9,970 to Saneago for the assignment of the services in one installment. The term of the contract is sixty (60) months starting June 1, 2017. The outstanding balance as at June 30, 2021, refers to 11 installments in the amount of R\$166 thousand corresponding to the period from July/2021 to May/2022.

### 24. Other payables

Current	06/30/2021	12/31/2020
Guarantees	667	810
Other payables (a)	25,154	14,919
	<u>25,821</u>	<u>15,729</u>

(a) Refers mostly to the provision for expenses on replacement of asphalt payable to the municipality of Goiânia and treated water purchased not yet billed.

### 25. Provision for lawsuits

	06/30/2021	12/31/2020
Civil actions	128,296	55,385
Tax-related court cases	17,075	7,137
Labor complaints	102,615	81,984
AGR - Control and Inspection Council of the State of Goiânia	1,199	1,090
	<u>249,185</u>	<u>145,596</u>

Change in provisions:

	Balance as at 12/31/2020	Recognition/reversal of provisions	Balance as at 06/30/2021
Civil actions (a)	55,385	72,911	128,296
Tax-related court cases	7,137	9,938	17,075
Labor complaints (b)	81,984	20,631	102,615
AGR – Control and Inspection Council of the State of Goiânia	1,090	109	1,199
<b>Total</b>	<b>145,596</b>	<b>103,589</b>	<b>249,185</b>

According to the rating of legal counselors and evaluation of the Company's Management, the most relevant causes are the following:

a) Minaçu

Refers to an environmental-related fine of 2002, which has been added to the enforceable debt of the municipality and has been challenged in court. The motion to stay execution filed was denied, however there was chance of reversal of that ruling through an appeal. It was previously rated as a possible loss, but it was changed to a probable loss based on the fact that the appeal was denied in January 15, 2021, and on the low likelihood of success. Payment is expected to be made in the medium term and in cash. Dation in payment or installment payment of the tax credit requires approval by the municipal legislative authority.

b) STIUEG

In March 2021, STIUEG (Union of Urban Workers of the State of Goiás) filed three collective actions discussing the rest time of the Company's system operators in the period from March from 2016 to February 2021. The action rating is based on previous unsuccessful actions (corresponding to the period from 2011 to February 2016) and continuation of the same scenario. Management has applied procedures to avoid future litigation in similar situations.

In addition to the main provisioned lawsuits mentioned above, in the second quarter of 2021, a provision was reversed in the amount of R\$10,000 thousand relating to undue water meter collection filed by the Federal Public Prosecution Office. It was agreed that indemnity in the amount of R\$6,825 thousand would be paid, which has already been settled.

**Civil, tax and labor lawsuits**

The Company is a party of various civil, tax and labor court cases classified as probable losses and duly accrued for according to CVM Decision 594/09 and standard CPC 25.

(a) Civil, tax and labor lawsuits:

Nature	Proceeding	Description	Author	Estimate
Environmental	0215530-65.2004.8.09.0011	Execution of TAC Aquífero Quartzítico Serra Areais	Prosecution Office of Goiás	11,847
Civil	0421373-37.2007.8.09.0103	Tax foreclosure - Active debt certificate	Municipal Government of Minaçu	75,123
Civil	5532023-46.2019.8.09.0103	Provisionary motion to stay	Municipal Government of Minaçu	7,186
Labor	0010242-85.2016.5.18.0016	Class action claiming payment of rest time between working days	STIUEG	31,050
Labor	0011614-8.2016.5.18.0004	Class action claiming weekly paid rest time	STIUEG	23,000
Labor	0010341-76.2021.5.18.0017	Class action claiming payment of rest time between working days	STIUEG	17,250
Labor	0010242-39.2021.5.18.0007	Class action claiming payment of rest time between working days	STIUEG	8,800
Labor	0010243-24.2021.5.18.0007	Class action claiming payment of rest time between working days	STIUEG	5,500
Labor	0026826-44.2018.4.01.3500	Tax foreclosure	Regional Chemistry Committee	11,455
Labor	5377963-81.2018.8.09.0158	Tax foreclosure	Government of Sto Ant do Descoberto	9,473
				<b><u>200,684</u></b>

**Causes rated as possible**

They are not accrued for, but the possibility of loss is continuously evaluated.

	06/30/2021		12/31/2020	
	Estimated value	Qty	Estimated value	Qty
Administrative	13,720	216	2,434	36
Environmental	32,514	29	-	-
Civil	101,361	746	181,019	1,260
Criminal	-	3	-	1
Regulatory	99	17	335	10
Labor	9,864	30	4,467	11
Tax	714,342	13	552,226	10
	<b>871,900</b>	<b>1,054</b>	<b>740,481</b>	<b>1,328</b>

Proceeding	Plaintiff	Value
0251149-53.2009.8.09.0117	Eco Engenharia Ltda.	14,194
0407844-63.2014.8.09.0051	Estal Limpeza E Serviços Gerais	5,000
5182910-61.2019.8.09.0051	Prosecution Office of Goiás	25,050
0250140-93.2009.8.09.0137	Prosecution Office of Goiás	4,000
0010469-20.2021.5.18.0010	Prosecution Office for Labor Issues	4,000
0057557-58.2003.8.09.0051	Government of Goiânia	367,300
0281694-13.2009.8.09.0051	Government of Goiânia	241,870
0241645-61.2008.8.09.0051	Government of Goiânia	4,164
0279704-45.2015.8.09.0093	Municipal Government of Jataí	3,092
0350138-73.2008.8.09.0103	Municipal Government of Minaçu	65,966
0350155-12.2008.8.09.0103	Municipal Government of Minaçu	22,122
10120.734566/2018-63	Federal Revenue Service	5,548
10120.734564/2018-74	Federal Revenue Service	7,427
10120005927/2003-84	Federal Revenue Service	2,600
10120005929/2003-73	Federal Revenue Service	8,500
0400750-30.2015.8.09.0051	Saalva - Associação Dos Amigos Do Residencial Aldeia Do Vale	9,000
5379008-22.2018.8.09.0126	Sobrado Construção Ltda	4,000
0010290-17.2020.5.18.0012	STIUEG	3,957
		<b><u>797,790</u></b>

## 26 Employee benefits

### 26.a - Defined benefit pension plan

According to Technical Pronouncement CPC 33 (R1), the retirement pension plan managed by PREVSAN is of the defined benefit type, financed by contributions of active participants and assisted by Saneago as sponsor. According to regulations of the plan, the monthly contribution of the Sponsor is equal to the ones of employees, maintaining a one to one parity.

At the Company, after-employment benefits provided to employees are the following: Retirement pension for disabled workers, retirement pension for time of service or contribution, retirement for age, special retirement plan, annual bonus and deferred proportional benefit.

They take into account other actual benefits paid, equivalent to an average of the contributions made to the plan and the value of the benefit paid by government program. In the preparation of the study, actuarial calculations were made for the reference date of November 30, 2020.

Determination of net liabilities (assets)		12/31/2020
<b>1 Deficit/(Surplus) determined</b>		
1 Actuarial obligations determined		1,184,225
2 Fair value of the assets of the plan		(1,147,023)
3 Deficit/(Surplus) determined		37,202
<b>2 Asset ceiling effect and additional liabilities</b>		
1 Asset ceiling effect		-
2 Additional liabilities		-
3 Asset ceiling effect and additional liabilities		-
<b>3 Net liabilities/(assets) resulting from the provisions of CPC 33 (R1)</b>		
1 Net liabilities/(assets) determined (A 1.3 + A 2.3)		37,202

As seen in the table above, there was appreciation of the assets of the plan from 2019 to 2020. However, existing pool of funds of the plan on November 30, 2020, was not enough to assure the pensions of the plan. The actuarial liability in 2020 was R\$37,202.

### Assumptions used in the calculation of liabilities and projections

The assumptions and actuarial methods adopted were those set forth in standard CPC 33(R1) addressing when and how the cost to provide the benefits to employees must be recognized by the employer, as well as data that must be disclosed in the financial information. As demanded in the norm, the projected unit credit method was adopted to calculate actuarial liabilities. In 2020, for calculation of the weighted average of future payments of benefit of the plan, the following hypotheses and actuarial assumptions were used:

Assumption	12/31/2020
Actual rate of actuarial discount	3.66%
Actual return expected from assets	3.66%
Actual rate of growth of assets	3.30%
Benefit capacity factor	0.98
Salary capacity factor	0.98
Estimated inflation	3.32%
Nominal discount rate	7.10%
Nominal return expected from the assets of the plan	7.10%
Nominal rate of salary growth	6.73%
General death rate	BR-EMSsb-2015, divided by gender
Death of disabled people	MI-85 divided by gender
People becoming disable	TASA 27
Annual turnover rate	Linear 1.00% p.a.
	Benefits to be granted: Average family
Family composition	Benefits granted: Actual family, according to the records of people receiving benefits

### **26.b - Defined contribution pension plan**

Approved on April 16, 2019, according to Administrative Act 310 of the National Superintendency of Private Pension Plans (Previc), code CNPB 2019.0009-38, the benefit plan 002 managed by PREVSAN is of the defined contribution type, or in other words, where the programmed benefits have their value adjusted to the balances of the shares kept on behalf of the participant, including in the phase where benefits are received, considering the net result of the pool of funds invested, amounts contributed and benefits paid.

It is financed by the contributions of active participants and sponsored by Saneago. The participants' monthly contribution has to be at least 3% of the minimum contribution and the maximum one is at discretion of the participant'. The contribution of the sponsor is at least 3% of the minimum individual contribution and 6.10% at most.

### **26.c Health assistance program**

CAESAN is a non-profit private association destined to provide exclusive medical and hospital assistance to its beneficiaries and their dependents, offering non-mandatory collective plans according to the conditions established in its specific benefit regulations.

As determined in article 68 of the Regulations, the Program is maintained by means of usual and special contributions by Saneago of forty percent (40%) of the amount of the expenses incurred with employees during work. As article 69 of the Regulations provides, former employees and retired ones that opt for the program undertake to pay the cost and the one that would be payable by Saneago.

CAESAN's Program has the characteristic of a defined contribution plan. To meet the provisions of CVM Decision CVM 695/12, accounting of obligations of that type of program is determined through the amount of contributions Saneago made to it. As at June 30, 2021, they corresponded to R\$11,860 (R\$12,717 as at June 30, 2020), not being necessary to calculate actuarial liabilities.

## **27. Equity**

a) According to the prevailing law, capital may be increased upon decision of the Board of Directors, regardless of amendment to the articles of incorporation, up to the limit of three billion, one hundred and twenty-five million Brazilian reais (R\$3,125,000,000.00), provided the proportion established in Article 5, paragraph 1 of the Articles of Incorporation.

The Company's capital totally subscribed and paid corresponds to two billion, five hundred and fifteen million, five hundred and forty-six thousand, three hundred and sixty-seven Brazilian reais and seventy-six cents (R\$2,515,546,367.76), represented by two billion, five hundred and fifteen million, five hundred and forty-six thousand, three hundred and sixty-seven (2,515,546,367) book-entry shares, without face value.

The shareholder called Companhia de Investimentos e Parcerias do Estado de Goiás - Goiás Parcerias, through Letter 091/2019-GP of October 18, 2019, confirmed by letter 091/2019-GP of January 9, 2020, requested the conversion of ordinary shares into preferred ones. The conversion at an amount of 170,998.719 (broken down in the table below) was approved in the Meeting of the Board of Directors # 404/2020 on January 30, 2020.



**06/30/2021**

Shareholder	# of ordinary shares	%	# of preferred shares	%	Total # of shares	%
State of Goiás	1,336,135,801	71.5695%	354,992,364	54.7287%	1,691,128,165	67.2271%
State Social Security Fund	488,016,887	26.1404%	122,637,514	18.9069%	610,654.401	24.2752%
Cia de Inv. E Parcerias Goiás	42,749,681	2.2899%	170,998,719	26.3627%	213,748.400	8.4971%
Others	4,005	0.0002%	11,396	0.0018%	15,401	0.0006%
<b>Total</b>	<b>1,866,906,374</b>	<b>100.00 %</b>	<b>648,639,993</b>	<b>100.00000%</b>	<b>2,515,546,367</b>	<b>100.00 %</b>

**12/31/2020**

Shareholder	# of ordinary shares	%	# of preferred shares	%	Total # of shares	%
State of Goiás	1,336.135,801	71.5695%	354,992.364	54.7287%	1,691.128,165	67.2271%
State Social Security Fund	488,016.887	26.1404%	122,637.514	18.9069%	610,654.401	24.2752%
Cia de Inv. E Parcerias Goiás	42,749.681	2.2899%	170,998.719	26.3627%	213,748.400	8.4971%
Other	4,005	0.0002%	11,396	0.0018%	15,401	0.0006%
<b>Total</b>	<b>1,866.906,374</b>	<b>100.00 %</b>	<b>648,639.993</b>	<b>100.00000%</b>	<b>2,515.546,367</b>	<b>100.00 %</b>

The unit value of ordinary and preferred shares is R\$1.00 (one Brazilian real).

**b) Payment of capital**

Between December 31, 2020, and June 30, 2021, there was no payment of capital.

**c) Legal reserve**

It is recognized by allocating 5% of the net income of the year up to the limit of 20% of capital. A statutory reserve is no longer recognized in the year where the balance of the reserve exceeds 30% of capital. The statutory reserve aims to assure the integrity of capital and can only be used to compensate losses or increase capital and it cannot be used for payment of dividends.

**d) Investment reserve**

According to Article 73, item II of the Company's articles of incorporation, the remaining balance of income after deduction of accumulated losses, statutory reserve and mandatory minimum dividends has to be destined for the recognition of an investment reserve.

**e) Asset and liability valuation adjustment**

Law 11.638/07 created this account, which was amended by Law 11.941/09. Its purpose is accounting for increase and decrease in the value of assets and liabilities as a result of adjustment to fair value not yet computed in the income of the year because of the accrual basis and also the realization of the depreciation of assets.

Asset and liability valuation adjustment	06/30/2021	12/31/2020
Asset and liability valuation adjustment	50,476	50,477
Deferred taxes on deemed cost (Note 13)	(17,162)	(17,162)
	<b>33,314</b>	<b>33,315</b>

**f) Dividends and interest on equity capital**

In compliance with the Brazilian corporate law, the Company's articles of incorporation establish the distribution of mandatory dividends of 25% of the net income of the year, first paid to holders of preferred shares. During an ordinary general meeting on April 29, 2021, Management approved the distribution of an amount of R\$79,884 referring 2020. As approved during meeting # 431/2021 on Dec. 17, 2020, payment was made in June 2021 in the form of interest on equity capital.

In June 2021, the Company's Management also recognized a provision for interest on equity capital in the interim statement of income for 2021, to be distributed to shareholders as follows:

Calculation of dividends and interest on equity capital payable	
Interim statement of income - 2 <sup>nd</sup> quarter of 2021	123,800
Legal reserve as a portion of interim income (5%)	(6,190)
Adjusted profit distributable	117,610
<b>Mandatory dividends offset (25%)</b>	<b>29,403</b>
Interest on capital added to dividends	29,403
<b>Total proceeds distributed to shareholders until 06/30/2021</b>	<b>29,403</b>

### g) Earnings per share

Basic earnings per share are calculated by dividing the net income attributable to shareholders by the weighted average of outstanding ordinary and preferred shares. However, as described in item II of paragraph 1 of article 17 of the Brazilian Corporate Law, shareholders holding preferred shares are entitled to receive a dividend ten percent (10%) higher than the one attributed to ordinary shares.

Type of share	Quantity	Percentage	Income for the period	Earnings per share
Ordinary shares	1,866,906,374	74.21%	91,878	0.0492
Preferred shares	648,639,993	25.79%	31,922	0.0492
	<b>2,515,546,367</b>		<b>123,800</b>	

## 28. Net operating revenue (expenses)

Gross revenue	04/01/2021 to 06/30/2021	01/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020
Water supply and sewage services	660,314	1,285,434	605,605	1,232,349
Technical services	789	1,272	417	872
Outsourcing	2,275	4,550	2,275	4,550
Revenue from construction work	24,226	46,745	47,614	76,904
		<b>1,338,00</b>		
<b>Total</b>	<b>687,604</b>	<b>1</b>	<b>655,911</b>	<b>1,314,675</b>
<b>Taxes and returned items</b>				
Contribution to the Social Integration Program (PIS)	(10,950)	(21,319)	(10,043)	(20,420)
Contribution for Social Security Funding (COFINS)	(50,434)	(98,199)	(46,256)	(94,055)
Products returned and rebates	(384)	(797)	(498)	(1,467)
	<b>(61,768)</b>	<b>(120,315)</b>	<b>(56,797)</b>	<b>(115,942)</b>
		<b>1,217,68</b>		
<b>Net operating revenue (expenses)</b>	<b>625,836</b>	<b>6</b>	<b>599,114</b>	<b>1,198,733</b>

## 29. Costs and expenses

Cost of services	04/01/2021 to 06/30/2021	01/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020
Personnel	(149,890)	(300,305)	(143,120)	(281,777)
Materials	(18,385)	(38,505)	(22,747)	(43,956)
Electric power	(55,360)	(107,261)	(51,313)	(101,416)
Third-party services	(21,785)	(50,894)	(19,204)	(34,668)
General expenses	(1,074)	(2,078)	(1,155)	(2,808)
Amortization	(25,587)	(51,064)	(25,409)	(50,651)
Depreciation	(952)	(1,912)	(1,029)	(2,075)
Depreciation of deemed cost	-	-	-	(1)
Depreciation of lease-purchase operations	(23)	(47)	(24)	(48)
PIS and COFINS credit on depreciation and amortization (a)	3,503	6,983	-	-
	<b>(269,553)</b>	<b>(545,083)</b>	<b>(264,001)</b>	<b>(517,400)</b>
Construction costs	(24,226)	(46,745)	(47,614)	(76,904)
	<b>(293,779)</b>	<b>(591,828)</b>	<b>(311,615)</b>	<b>(594,304)</b>

Administrative expenses	04/01/2021 to 06/30/2021	01/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020
Personnel	(82,053)	(158,171)	(73,401)	(154,040)
Materials	(896)	(1,797)	(1,333)	(2,810)
Electric power	(594)	(1,232)	(548)	(1,154)
Third-party services	(8,474)	(18,242)	(9,216)	(17,888)
General expenses	(10,283)	(12,701)	(1,916)	(4,433)
Amortization	(1,564)	(3,266)	1,183	3,576
Depreciation	(4,854)	(9,709)	(4,588)	(9,243)
Depreciation of deemed cost	(1)	(1)	(1)	(3)
Depreciation of lease-purchase operations	(137)	(275)	(138)	(275)
	<b>(108,856)</b>	<b>(205,394)</b>	<b>(89,958)</b>	<b>(186,270)</b>

Selling expenses	04/01/2021 to 06/30/2021	01/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020
Personnel	(30,297)	(61,204)	(28,453)	(55,512)
Materials	(151)	(280)	(93)	(357)
Electric power	-	-	-	(9)
Third-party services	(17,205)	(32,782)	(16,797)	(36,620)
Concession-related compensation	(18,342)	(36,212)	(17,875)	(36,383)
General expenses	(2,290)	(3,147)	(337)	(965)
Amortization	(7)	(13)	(8)	(18)
Depreciation	(30)	(61)	(29)	(69)
Depreciation of lease-purchase operations	(19)	(38)	(18)	(36)
PIS/COFINS credit on depreciation and amortization (a)	5	11	-	-
	<b>(68,336)</b>	<b>(133,726)</b>	<b>(63,610)</b>	<b>(129,969)</b>

Total costs and expenses	04/01/2021 to 06/30/2021	01/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020
Personnel	(262,240)	(519,680)	(244,974)	(491,329)
Materials	(19,432)	(40,582)	(24,173)	(47,123)
Electric power	(55,954)	(108,493)	(51,861)	(102,579)
Third-party services	(47,464)	(101,918)	(45,217)	(89,176)
Concession-related compensation	(18,342)	(36,212)	(17,875)	(36,383)
General expenses	(13,647)	(17,926)	(3,408)	(8,206)
Amortization	(27,158)	(54,343)	(24,234)	(47,093)
Depreciation	(5,836)	(11,682)	(5,646)	(11,387)
Depreciation of deemed cost	(1)	(1)	(1)	(4)
Depreciation of lease-purchase operations	(179)	(360)	(180)	(359)
PIS/COFINS credit on depreciation and amortization (a)	3,508	6,994	-	-
	<b>(446,745)</b>	<b>(884,203)</b>	<b>(417,569)</b>	<b>(833,639)</b>

- (a) As from 2021, credits started being accounted for before deduction from expenses on depreciation and amortization and shown in a specific account.

### 30. Net recognition/reversal of provisions

	04/01/2021 to 06/30/2021	01/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020
Losses/recovery of expired credit	(14,420)	(29,737)	(21,519)	(35,691)
Recognition/reversal of provision for contingencies	7,911	(103,589)	1,164	(4,650)
Net recognition/reversal of allowance for doubtful accounts	(1,617)	3,383	7,269	(6,880)
Recognition/reversal of provision for losses on construction work	-	-	-	3,750
Recognition/reversal of provision for inventory losses	(1,086)	15,200	9,456	3,494
	<b>(9,213)</b>	<b>(114,743)</b>	<b>(3,630)</b>	<b>(39,977)</b>

### 31. Net financial income (loss)

	04/01/2021 to 06/30/2021	01/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020
<b>Financial revenues</b>				
Interest/fine/income (a)	19,797	40,261	10,091	22,951
Monetary adjustment (a)	8,565	16,259	3,890	8,504
Exchange rate gains (b)	11,821	2,788	-	-
Adjustment to present value	-	-	440	664
	<b>40,183</b>	<b>59,308</b>	<b>14,421</b>	<b>32,119</b>
<b>Financial expenses</b>				
Interest/fine/charges and other expenses	(22,304)	(45,687)	(24,425)	(52,566)
Adjustment to present value	(491)	(785)	-	-
Monetary adjustment	(747)	(1,138)	(287)	(573)
Exchange rate losses (b)	-	-	(5,543)	(29,629)
	<b>(23,542)</b>	<b>(47,610)</b>	<b>(30,255)</b>	<b>(82,768)</b>
<b>Net financial income (loss)</b>	<b>16,641</b>	<b>11,698</b>	<b>(15,834)</b>	<b>(50,649)</b>

- (b) The variation in revenue is the result of an increase in receivables collected with addition of monetary adjustment, fines and interest on late payment and installment payment agreements. Such recovery is associated with the resumption of supply cuts, after suspension in 2020 due to COVID-19 (Note 1).
- (c) The variation in exchange rate losses refers to contract 1414/OC executed with in 2002 and is a reflex of the current scenario of exchange instability. In the 2nd quarter of 2020, there was an increase in the exchange rate of dollar in relation to the Brazilian real of 35.86% going up from R\$4.03 to R\$5.48. In the 2nd quarter of 2021, there was a decrease of 3.74%, going down from R\$5.20 (01/01/2021) to R\$5.00 (06/30/2021).

### 32. Obligations undertaken

In compliance with Law 11.445/2007, Concession Contracts have been changed into Program Contracts. Currently, 62 contracts were renewed with municipalities of the state of Goiás, which define the investment to be made within the terms of the Contracts. The amount to be invested and the realized amounts are broken down below:

Municipality	Expiration of Program Contract	Amount to be invested	Amount invested until 06/30/2021 - Saneago	Amount invested until 06/30/2021 - BRK Ambiental	Total amount invested
Adelândia	01/16/2048	525	89	-	89
Águas Lindas de Goiás	12/28/2048	309,022	1,253	-	1,253
Anápolis	02/27/2050	525,925	22,529	-	22,529
Anicuns	04/10/2048	42,785	4,570	-	4,570
Aparecida de Goiânia	11/01/2041	988,848	189,797	557,039	746,836
Aporé	04/6/2048	7,682	238	-	238
Aragoiânia	12/26/2042	27,926	1,272	-	1,272
Araguapaz	03/16/2048	5,210	922	-	922
Avelinópolis	01/22/2046	1,724	243	-	243
Barro Alto	12/26/2042	32,703	1,842	-	1,842
Brazabrantes	02/06/2044	8,056	1,344	-	1,344
Cachoeira Alta	07/27/2045	26,167	906	-	906
Caldazinha	08/02/2048	1,070	154	-	154
Campestre de Goiás	01/06/2046	645	311	-	311
Campinaçu	08/12/2045	13,146	9,741	-	9,741
Cavalcante	12/28/2048	1,612	2,109	-	2,109
Cezarina	12/17/2042	23,352	15,056	-	15,056
Cidade Ocidental	11/01/2041	243,394	17,880	-	17,880
Cristalina	02/07/2044	58,952	20,080	-	20,080
Davinópolis	05/04/2048	506	34	-	34
Diorama	07/24/2047	1,091	27	-	27
Divinópolis	10/05/2047	675	166	-	166
Flores de Goiás	08/14/2044	4,221	246	-	246
Goianira	10/03/2048	1,457	136	-	136
Goiânia	12/17/2049	3,419,897	144,261	-	144,261
Guarani de Goiás	09/15/2040	962	597	-	597
Guarinos	02/16/2048	1,383	143	-	143
Hidrolândia	08/03/2046	9,737	2,426	-	2,426
Indiara	04/30/2044	32,180	1,731	-	1,731
Inhumas	06/17/2050	79,176	4,134	-	4,134
Israelândia	11/24/2039	3,300	112	-	112
Itajá	12/19/2042	2,328	341	-	341
Itapaci	12/28/2048	56,172	790	-	790
Itapuranga	12/28/2048	8,063	7,397	-	7,397
Jataí	11/01/2041	114,116	33,493	94,849	128,342
Jussara	12/26/2046	5,759	824	-	824
Luziânia	12/01/2045	366,853	28,427	-	28,427
Mambaí	03/07/2046	1,689	379	-	379
Minaçu	02/06/2044	57,857	9,936	-	9,936
Morrinhos	11/30/2040	46,917	17,700	-	17,700
Morro Agudo de Goiás	05/02/2046	1,198	395	-	395
Mozarlândia	12/28/2046	1,894	1,109	-	1,109
Nazário	05/04/2048	2,280	231	-	231
Novo Gama	11/16/2048	253,055	2,610	-	2,610
Palmelo	10/29/2042	1,039	162	-	162
Perolândia	12/21/2048	499	173	-	173
Petrolina de Goiás	10/20/2041	6,797	7,435	-	7,435
Pires do Rio	11/03/2038	10,529	23,667	-	23,667
Posse	06/12/2047	19,945	9,546	-	9,546
Rio Verde	11/01/2041	249,889	56,684	185,414	242,098
Santa Cruz de Goiás	06/28/2043	1,497	303	-	303
Santo Antônio da Barra	12/29/2045	3,977	407	-	407
Santo Antônio de Goiás	12/02/2045	15,868	711	-	711
Santo Antônio do Descoberto	06/10/2046	55,686	22,210	-	22,210
São Domingos	12/28/2048	1,334	277	-	277
São João D'aliança	05/31/2049	3,033	1,524	-	1,524
São Luís de Montes Belos	12/19/2042	41,928	5,335	-	5,335
São Miguel do Passa Quatro	12/18/2049	8,686	290	-	290
Trindade	11/01/2041	169,222	21,114	79,770	100,884
Uirapuru	12/28/2048	699	61	-	61
Uruaçu	12/28/2048	44,341	2,570	-	2,570
Valparaíso de Goiás	11/16/2048	389,652	2,979	-	2,979
		<b>7,816,131</b>	<b>703,429</b>	<b>917,072</b>	<b>1,620,501</b>

### 33. Insurance (unaudited)

On July 05, 2021, the Company's civil liability insurance policy was renewed for twelve (12) months in relation to Managers and Directors (D&O Insurance). According to it, the insurance company will pay, on behalf of policy holders, all losses they are legally forced to pay as a result of actions brought for alleged wrongful acts during the retroactivity period or within the term of the policy, provided such loss does not exceed the maximum contracted limit of insurance, which is fifty million Brazilian reais. The total premium payable is 336 thousand.

The Company has no full coverage of all costs inherent to its businesses and assets. The occurrence of any uncovered losses may adversely affect its financial performance.

### 34. Related-party transactions

As required according to item 9, of standard CPC 05(R1) and CVM Decision 642 of October 7, 2010, we list below the entities that are related to Saneago.

#### 34.1 State of Goiás

##### a) Non-dependent relation

Saneago is in the condition of a non-dependent state company, or in other words, it does not receive any financial funds to pay payroll costs, general costs general or capital from the controller, the Government of the state of Goiás, except for funds for shareholding increase.

##### b) Participation in financing operations

The state of Goiás participates as guarantor in the loan agreement executed between the Company and the Inter-American Development Bank (IBD), besides offering collateral to financing contracts executed with Caixa Econômica Federal and BNDES.

##### c) Rendering of services

The Company provides water supply and sewage services to direct and indirect public administration agencies of the state of Goiás. In the second quarter of 2021, the gross revenue the Company received from that State was R\$63,775 (R\$52,914 in the second quarter of 2020). The balances of debt due and not yet due of those agencies are the following:

	06/30/2021	12/31/2020
Amounts billed not yet due	8,682	4,730
Falling due in more than 30 days	768	1,030
Overdue for up to 30 days	-	1,614
Overdue from 31 to 60 days	4,221	1,135
Overdue from 61 to 90 days	6,433	1,158
Overdue from 91 to 120 days	1,053	364
Overdue from 121 to 180 days	2,201	915
Overdue from 181 to 360 days	4,678	2,566
Overdue from 361 days to 5 years	70,688	85,245
Overdue for more than 5 years	6,948	8,303
Estimate of amounts to be billed	2,630	2,718
(-) Discount to present value of receivables	(29)	(51)
(-) Allowance for doubtful accounts	(102,312)	(106,201)
<b>Subtotal</b>	<b>5,961</b>	<b>3,526</b>
Amounts receivable (noncurrent)	2,244	1,697
(-) Discount to present value of receivables	(314)	(226)
(-) Allowance for doubtful accounts	-	-
<b>Subtotal</b>	<b>1,930</b>	<b>1,471</b>
<b>Total</b>	<b>7,891</b>	<b>4,997</b>

Considering the history of amounts received from state agencies at the Company, it was established as practice of allowance for doubtful accounts for amounts overdue for more than 90 days.

#### **34.2 Operations with municipalities**

a) The program contract with the municipality of Goiânia was executed on December 17, 2019, to be in effect until December 17, 2049. The contract establishes monthly payment of 5% of gross revenue into the Municipal Sanitation Fund. Until 06/30/2021, gross revenue in the municipality of Goiânia corresponded to R\$495,127 and an amount of R\$24,756 was deposited into the Fund.

b) As at June 30, 2021, 21 out of the 140 contracts in effect had as compensation a percentage ranging from 2% to 5% of the amounts collected in the municipality.

c) Rendering of accounts have been prepared and debt settled through services provided by local governments to the Company. As at June 30, 2021, the balance of accounts receivable overdue and not yet due regarding the debt of municipalities with the Company was R\$74,896. An amount of R\$427 was settled after 13 rendering of account reports were prepared. (December 31, 2020 - R\$72,165, and 17 reports, with settlement of R\$609).

#### **35. Compensation of Management, Tax Board and Statutory Committee**

As at June 30, 2021, the expenses related to the compensation of members of the Board of Directors, Executive Board, Internal Audit Committee and Statutory Audit Committee was R\$2,994 (R\$2,898 as at June 30, 2020).

##### **a) Board of Directors**

The Board of Directors is the area of the Company that establishes norms and makes decisions. It has at least seven (7) and eleven (11) members at most, which receive monthly fees of eighteen percent (18%) of the average compensation paid to Executive Officers of the Company.

##### **b) Executive Board**

The Executive Board has the powers to manage the Company's day-to-day businesses and has the following composition: Main Management Board, Sales Management, Corporate Management, Financial Management, Relationship with Investors and Regulations, Production Management, Expansion Management and Legal Affairs Management. The Board of Directors establishes Management's compensation, which cannot be lower than the highest compensation paid to employees of the Company. Officers receive fees between the equivalent to the highest base salary of the Company and ninety five percent (95%) of the highest compensation established for the position of CEO.

The Company's articles of incorporation do not provide the payment of annual bonus to the Officers, however they are employees of the Company and receive the same benefits that other employees receive.

##### **c) Internal Audit Committee**

The Internal Audit Committee has at least three (3) and five (5) members at maximum and an equal number of substitutes. The Board of Directors also establishes the monthly fees to be paid them, observing a minimum limit, for each member, of fourteen percent (14%) of the average fees attributed to Officers.

#### d) Statutory Audit Committee

It is a Committee that reports directly to the Board of Directors, with operating autonomy to conduct or determine the execution of consultations, evaluations and investigations. It is composed of at least three (3) and five (5) members at maximum and, according to Law 13.303/2016, the appointment of substitutes is not allowed. The Board of Directors chooses the members and determines their monthly fees, which correspond to eighteen percent (18%) of the average compensation paid to the Officers of the Company.

### 36. Supplementary cash flow information

As demonstrated below, changes not affecting cash are deducted from the Statement of Financial Position:

Assets	06/30/2021	Liabilities	06/30/2020
Receivable from consumers	(20,592)	Consortium-related amounts	(976)
Allowance for doubtful accounts/ reversals/discount to present value	(96,274)	Transfers of property, plant and equipment/intangible assets	1133
	<u>(116,866)</u>		<u>157</u>
Inventories	(2,353)		
Transfers of property, plant and equipment/intangible assets	614		
Estimated inventory losses/reversals	15,200		
	<u>13,461</u>		

### 37. 'Operação Decantação'

#### Current situation:

The complaint brought by the Public Prosecution Office was rejected by the Federal Judge of the 11th Court of Goiânia, given the lack of exposure of the criminal fact and the elements of conviction required to file a criminal suit against those then investigated.

The Public Prosecution Office filed an appeal against the decision issued, with a request for reform, for receipt of the complaint and consequent filing of the criminal suit. The parties presented counterarguments and, as at June 30, 2021, the proceeding has yet to be judged by the court, which has issued no decision contrary to the prior one.

#### Chronological description of events and Management's response:

On August 24, 2016, an official investigation process called "*Operação Decantação*" was started, aiming to determine whether irregularities exist at Saneago in relation to certain bidding operations at the Company, under the reasoning that possible price alignments have been taking place, as well as overpayment in the performance of the respective contracts.

As described in the complaint, those facts would be causing misapplication of federal funds coming from the Growth Acceleration Program (PAC) and from financing obtained with financial institutions, as well as of amounts destined for the execution of construction work, besides other assumed acts against the government.

It is important to clarify that the investigation started is based on the need of determining assumed irregularities in the application of public funds by certain managers, employees and suppliers and Saneago is not a party to the complaint.



The investigation was divided into two stages:

(I) analyzing the bidding process executed for the purchase of pumps to be used in the Raw Water Pumping Station of Corumbá IV Production System;

(II) determine whether fraud exists in the above-mentioned bidding process and the assumed overpricing in the Company's reference budget, as well as the people who was making use of their positions to take personal advantage and who may still be holding their respective positions.

As per a federal court order, all executive officers of the Company were dismissed. On the 331<sup>st</sup> meeting of the Board of Directors on August 24, 2016, Directors decided that the Chairwoman of the Board, Ms. Marlene Alves de Carvalho e Vieira would temporarily hold the position of CEO of the Company. That decision made possible to keep the usual provision of services, as well as the fulfillment of commitments and obligations.

On August 29, 2016, during the 332<sup>nd</sup> Meeting of the Board of Directors, Mr. José Carlos Siqueira was elected to hold the position of CEO until February 16, 2017. Jalles Fontoura de Siqueira replaced Mr. José Carlos and remained in the position until Dec. 31, 2018. Effort was made to appoint new officers for the Company to provide assurance to shareholders, market and people about the lawfulness of operations. Later, other officers were appointed and some of them were employees of Saneago.

The members of the Permanent Bidding Committee mentioned in the official investigation were removed from their positions according to Decision # 123/2016 of September 6, 2016. Involved employees of the Company were suspended for a period of 120 days as per a court order. They later returned, however, they do not hold any powers to make decisions in any department of Saneago and none of them took part in the Bidding Committee. Other employees returned to the agencies they came from. In the same Decision, new members were appointed for the Bidding Committee.

On September 8, 2016, the Board of Directors, through Decision 18.683/2016, authorized the hiring of an independent firm to internally investigate the irregularities mentioned in the Official Investigation.

On December 26, 2016, bidding 41/2016 was announced calling bidders. The bidding winner was the company Maciel Auditors S/S. and the contract was signed on January 30, 2017. The period established for execution of the services was sixty (60) days. On March 22, 2017, the contracted company requested more thirty (30) days to finish the services, what Saneago granted.

The report of the audit firm was completed on April 26, 2017. In the opinion of the auditors, the bidding procedures are lawful and no breach exists that could invalidate them.

On the other hand, noncompliance was detected in the execution of construction work, what led to the adoption of measures to solve the non-compliance. That allowed an evolution in the management and execution of construction work, including the control of materials, equipment and receiving of the work done, in particular, an Enterprise Resource Planning (ERP) system was purchased.

Starting November 10, 2017, after an amendment to the articles of incorporation, a Statutory Eligibility Committee was organized to make background checks of all people appointed to hold administrative positions, as well as of members of the Audit Committee and of members of the Statutory Audit Committee, in compliance with Law 13.303/2016, bringing more assurance as for the Company's managers.

Another relevant point was the adoption of the electronic system of Banco do Brasil for execution of auctions (electronic bidding).

As a result of negotiation among the Ministry of Cities, Federal Public Prosecution Office (MPF), General Federal Controllershship (CGU), Caixa Econômica Federal (CEF), the contracted building consortium and Saneago, the contract relating to the purchase of the pumps was renegotiated and an Addendum executed, which made possible the resuming of the work of implantation of the Water Producing Corumbá IV, currently in its final phase.

In relation to the work of the Sewage System of Goiânia, a technical report/justification was presented to CEF as for the item "transportation", which that financial institution had questioned. After analysis and as authorized by CEF and Ministry of Cities, the work was resumed, including the one regarding secondary treatment of the Sewage Treatment Station Hélio Seixo de Brito.

Management, aiming to improve the standing of the Company in relation to shareholders, market and society, detected the need of hiring the service of an Expert in Forensic Services in addition to the report of Maciel Auditors S/S and also to support the audit opinion on the financial statements as at December 31, 2017. Thus, the firm Ernst & Young (EY) was hired through Decisions # 20.734/2017 and # 2.474/2018. Contracts were executed on December 15, 2017, and February 16, 2018, for the provision of "Specialized Forensic Technical Services." A Statutory Audit Committee was also organized, which among its attributions, tracked and adjusted the investigation plans together with Ernst & Young."

The following procedures were executed:

- Gathering of data and processing of information with a specific forensic methodology and tool;
- Identification of the individuals and legal entities investigated by '*Operação Decantação*';
- Detailed research in public sources regarding the companies and individuals mentioned above and in reports of the Federal General Controllershship (CGU), Federal General Accounting Office and Prosecution Office, among others;
- Background check of the parties that sign the representation letter;
- Preparation of a list of custodians and per key word, based on the assumed violations for review of documentation and conflicts of interest;
- Financial and engineering analysis of a sample of contracts executed in the period from 2007 to 2017 with similar business purposes to the ones investigated.

In August 2018, the Final Forensic Audit Report was also presented to the Statutory Audit Committee, which analyzed it together with independent legal counselors. That was finished in January 2019. Even before the conclusion, the Committee started to adopt the necessary measures to confirm the findings of the audit firm, as well as determine the responsible people.

The report indicated the following:

i) quantifiable findings in relation to financial, accounting, managerial and engineering matters referring the period from 2007-2017, determined by means of analysis of finances, contracts, comparative prices, evaluation in unit prices and other transactions;

ii) data research and personal and corporate history, aiming to identify relationships and possible conflicts of interests (background check).

As for quantified findings, they were all classified and sent to the Internal Audit Committee of the Company, where some were concluded and others are in the process of confirmation, for issuance of conclusion reports.

As for background checks, the Statutory Audit Committee followed-up the investigations to confirm of the points indicated in the report about the assumed conflicts of interests and/or misconduct, as well as any other situations classified as irregular or as violation to ethics or other important principles of the Company. The conclusion report has already been issued and the Board of Directors approved it on December 13, 2018, according to the minutes of the 372nd meeting of the Board of Directors.

At the same time, the Company's Management identified possible accounting effects by applying of a reasonable methodology, what made possible to measure the amounts to be accrued for. As a result of the evaluation process and Report issued by EY and information on improper additional payments made to contracted parties, the impacts of losses on the financial information of Saneago can be measured according to the following assumptions:

- Saneago does not tolerate corruption or any illegal business practices on the part of suppliers, employees or service providers, nor involvement of employees, management or anyone that, internally or externally, holding managerial position could cause damage to the assets of the Company or to its image;
- Internal audit procedures are in progress to qualify and quantify all losses directly or indirectly caused and included in the EY's Report and Management has been adopting all necessary measures to repair such losses;
- It is not practicable to quantify the amount of the supposed overpayment of all contracts executed at the Company in the period, being possible only to establish estimates based on the sample available in the EY's Report;
- No amounts of overpayment accrued for have been recovered yet and no reliable estimate of recoverable amounts can be made at this moment. Such estimation will be prepared when amounts are received or when their realization becomes almost certain.

The Final Forensic Audit Report points some possible irregularities. From the contracts analyzed, forty-eight (48) were considered as priority and correspond to one billion, one hundred and sixty-six million, seventeen thousand and five hundred and sixty-nine Brazilian reais (R\$1,166,017,569.00). The sample was selected from payments made to certain companies in the period from 2007 to 2017.

On that sample, the forensic audit pointed differences amounting to seventy-four million, four hundred and twenty-six thousand and nine hundred and eighty-two Brazilian reais (R\$74,426,982.00), what corresponds to a percentage of six-point eight three percent (6.383%) of the amount of payments of the sample.

The data regarding the assumed overpayment in the period was updated and extrapolated to other payments made to the companies mentioned in the Audit Report, what totaled one billion, seven hundred and eighty five million, one hundred and eleven thousand, nine hundred and eighty Brazilian reais (R\$1,785,111,980.00), on which the same percentage was applied, resulting in an amount of one hundred and thirteen million, nine hundred and forty three thousand, eight hundred and twenty-one Brazilian reais (R\$113,943,821.00), as estimated differences that should be write-off (accrued for).

The Board of Directors had recognized a provision on Dec. 31, 2017, based on the preliminary findings of the forensic audit of sixty-four million, seven hundred and eighty-five thousand, four hundred and thirty-two Brazilian reais (R\$64,785,432.00).

After the conclusion of the reports and analysis by a multidisciplinary team, including technicians of the Company and the Statutory Audit Committee, it was detected that a complement to the existing provision was necessary, as follows:

Description			In Brazilian reais
<b>Sample (Period from 2007 to 2017)</b>			
Amount paid in priority contracts (EY's Report)		A	1,166,017,570
Amount of difference described on EY's Report in Priority Contracts		B	74,426.982
% ratio of difference to priority payments	(B*100/A)	C	6.383 %
<b>Extrapolation of the sample to the universe of the construction work contracts (Period 2007 - 2017)</b>			
Total amount paid in all contracts mentioned in the "Operação Decantação"		D	1,709,805,620
Total amount paid in contracts of companies listed for Background Check		E	75,306.360
<b>Subtotal</b>	(D+E)	F	1,785,111,980
Estimated provision for contracts listed in "Operação Decantação"	(F*C/100)	G	113,943,821
Amount accrued for as at December 31, 2017		H	64,785,432
<b>Subtotal</b>	(G-D)	I	49,158,389
Tax effects to contracts entered in the statement of income		L	4,550,663
Supplementary provision restated on January 1, 2018	(I+L)	K	53,709,052

The operation of the Brazilian Federal Police that determines the facts called "Operação Decantação" is still in indictment phase.

Besides, considering the facts occurred on March 28 and April 4, 2019, where the Federal Police executed the first investigation actions, the Company released an official letter to the market stating that:

- In relation to the facts occurred in the period from 2012 to 2016, Saneago highlights that the current Management of the Company has been prioritizing the implantation of governance and compliance practices to assure the lawfulness of all processes;
- Among the actions implemented, there was the creation of a Governance Superintendency, responsible for the implantation of a series of strategic policies, such as Responsibility Limits, a document that standardized the making of decisions by the Executive Board, Policies for Prevention of Conflict of Interests, a Code of Conduct, Policies for Transactions with Related Parties and Policies for Prevention of Corrupt Acts;
- Saneago's Management informs that although they remain providing all the necessary assistance to the investigation, the Company is protected against the actions taken seeing it is not a party to the action. Saneago is entirely at disposal of authorities to render any explanations that may be necessary and will keep the market timely informed.

It is also important to point out that there is mention in "Operação Decantação" 3 that some companies mentioned in the 1st Phase of the Operation still have contracts in effect with Saneago. However, the Company trusts in the governance measures adopted after 2016, among which we highlight the following:

1. The Committees of Compliance and Risks Management are working in the preparation of risk matrixes in all operations contracted with the companies mentioned in "Operação Decantação" 1, 2 and 3, with the purpose of determining the risks to the which Saneago would be exposed in those contracts, as well as to establish mitigation actions against those risks;
2. According to a decision of the Executive Board, the Compliance Management is restructuring the appointment of people to managerial positions with the Company;
3. A study was prepared to adjust the management of contracts and suppliers to the Company's Code of Conduct, to the Policies of Prevention of Corruption Acts, Prevention of Conflict of interest and Recruiting Regulations at Saneago, what resulted in the creation of two statements that have to signed by suppliers.

The areas of compliance and risk management executed the work of preparation of risk matrixes for the companies mentioned in “Operação Decantação” 1,2 and 3 in order to diagnose the intrinsic risk, as well as to make Management aware of risk to Saneago from the performance of those contracts and mitigation measures have been established for the risk.

It is also important to report that the Judge conducting the criminal proceedings associated with the so-called “Operação Decantação” investigation - Phase 1” (Proceeding 0020618-15.2016.4.01.3500), being processed at the 11th Federal Court of Goiás rendered a ruling rejecting the accusation presented by the Federal Public Prosecution Office, as he understood that the initial complaint did not meet the requirements established in the Criminal Code. It is also important to highlight that, considering the reason for the rejection, he did not judge the merit of the complaint. An appellate court will still judge such decision.

In January 2020, the Federal Prosecution Office filed an appeal questioning that decision and requesting that the case be resumed. The judge agreed to hear the appeal, but has not rendered a ruling yet. If the first decision is kept, the proceedings will go to a higher court, the Regional Federal Court for judgment.

At last, we need to highlight that Saneago was one of the first Brazilian companies to get adapted to the provisions of Law 13.303 of June 29, 2016, including the adjustment of contracting rules. All companies had a period of two (2) years to get adjusted to that law and since the end of 2016 various internal measures had been adopted to adjust the Company to the mentioned provisions. At the beginning 2018, certain measures established in the Regulations for State-Owned companies were already complete and implanted at Saneago, or in other words, almost 6 months before the time limit.

Ricardo José Soavinski  
Chairman

Hugo Cunha Goldfeld  
Sales Officer

Silvana Canuto Medeiros  
Corporate Management Officer

Paulo Rogério Bragatto Battiston  
Financial and Investor Relation Officer

Mauro Aparecido Lessa de Souza  
Production Officer

Fernando Cozzetti Bertoldi de Souza  
Expansion Officer

Ariana Garcia do Nascimento Teles  
Legal Officer

Elias Evangelista Silva  
Accountant CRC/GO 13.330

**Opinions and Statements / Special Review Report - No Disclaimer****INDEPENDENT AUDITOR'S REPORT ON THE INTERIM FINANCIAL INFORMATION**

To the shareholders, Directors and Managers of Saneamento de Goiás S.A - Saneago

Goiânia – GO

**Introduction**

We have reviewed the interim financial information of Saneamento de Goiás S.A. (the “Company”), included in the Quarterly Information for the quarter ended June 30, 2021, which comprises the statement of financial position as at June 30, 2021, and the respective statement of income and comprehensive income for the three- and six-month periods then ended, and of changes in equity and cash flows for the six-month period then ended, including a summary of the significant accounting practices and other notes.

The Company's Management is responsible for the preparation of this interim financial information in accordance with NBC TG 21 – Interim Information and International Accounting Standard (IAS) 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and for the presentation of this information in conformity with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to Quarterly Information. Our responsibility is to express a conclusion on this interim financial information based on our review.

**Scope of the review**

We have conducted our work as determined in Brazilian and international standards for review of interim information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity). A review of interim information consists mainly of applying analytical and other review procedures, making enquiries and having discussions with people responsible for financial and accounting matters. An interim review is substantially less in scope than an audit conducted in accordance with auditing standards. An interim review does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit. Accordingly, we do not express such an audit opinion.

**Conclusion about the interim financial information**

Based on our review, we are not aware of any fact that leads us to believe that the interim financial information included in the quarterly information referred to above have not been prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to Quarterly Information – ITR, and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

**Other matters****Interim statement of value added**

The statements referred to above include an interim statement of value added for the six-month period ended June 30, 2021, prepared under the responsibility of the Company's Management and presented as supplementary information for the purposes of IAS 34. These statements were submitted to review procedures executed with the review of the interim financial information, with the purpose of concluding whether they are reconciled with the interim financial information and accounting records, as applicable, and whether its form and contents meet the criteria defined in NBC TG 09 – Statement of Value Added. Based on our review, we are not aware of any fact that would lead us to believe that these interim statements of value added were not prepared, in all material respects, in accordance with the criteria established in that technical pronouncement and consistently with the interim financial information taken as a whole.

Goiânia, August 12, 2021.

BDO RCS Auditores Independentes SS

CRC 2 GO 001837/F-4

Eduardo Affonso de Vasconcelos

Accountant CRC 1 SP 166001/O-3–S-GO

## **Opinions and Statements / Opinions of the Fiscal Council**

### OPINIONS OF THE FISCAL COUNCIL

The people who sign below, members of the Fiscal Council of Saneamento de Goiás S.A. - Saneago, in executing their duties and after analyzing the documentation provided, declare that the Financial statements of the 2st Quarter of 2021 are satisfactory and that the Board of Directors can be approve them.

Goiânia, August 11, 2021.

Bruno Magalhães D'Abadia

Chairman of the Fiscal Council

Antônio Carlos de Souza Lima Neto

Council Member

Cristiane Alkmin Junqueira Schmidt

Council Member

Pedro Henrique Ramos Sales

Council Member

**Management Statement on the Quarterly Financial Statements - 2<sup>st</sup> Quarter of 2021**

We have reviewed the Quarterly Financial Statements – ITR for the period ended June 30, 2021, of Saneamento de Goiás S/A – SANEAGO and based on documentation provided and internal discussions, we agree that such Statements fairly present, in all material respects, the Company's financial position and performance for the period.

Goiânia, August 09, 2021.

Ricardo José Soavinski

Chairman

Hugo Cunha Goldfeld

Sales Officer

Silvana Canuto Medeiros

Corporate Management Officer

Paulo Rogério Bragatto Battiston

Financial and Investor Relation Officer

Mauro Aparecido Lessa de Souza

Production Officer

Fernando Cozzetti Bertoldi de Souza

Expansion Officer

Ariana Garcia do Nascimento Teles

Legal Officer



**Management Statement on the Independent Auditor's Report referring to Quarterly Financial Statements of June 30, 2021**

Based on our knowledge, the planning presented by the auditors and on the discussions on the audit results for the period ended June 30, 2021, of Saneamento de Goiás S/A – SANEAGO, we agree with the opinions stated in the independent auditor's report of BDO RCS Auditores Independentes SS.

Goiânia, August 12, 2021.

Ricardo José Soavinski

Chairman

Hugo Cunha Goldfeld

Sales Officer

Silvana Canuto Medeiros

Corporate Management Officer

Paulo Rogério Bragatto Battiston

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