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Information about the Company / Composition of the Capital

Number of Shares (Units)	Current Quarter 6/30/2023
Paid-in Capital	
Common Shares	1,866,906,374
Preferred Shares	648,639,993
Total	2,515,546,367
Treasury Shares	
Common Shares	0
Preferred Shares	0
Total	0

Individual Financial Statements / Balance**Sheet - Assets (In Thousands of Reais)**

Account Code	Account Description	Current Quarter 6/30/2023	Previous Fiscal Year 12/31/2022
1	Total Assets	7,327,543	7,176,346
1.01	Current Assets	1,311,632	1,381,935
1.01.01	Cash and Cash Equivalents	17,958	81,606
1.01.01.01	Liquid assets	17,958	81,606
1.01.02	Financial Investments	540,782	615,745
1.01.02.03	Financial Investments at Amortized Cost	540,782	615,745
1.01.03	Trade accounts receivable	584,676	552,847
1.01.03.01	Clients	557,030	517,470
1.01.03.01.01	Trade Receivables	557,030	517,470
1.01.03.02	Other Accounts Receivables	27,646	35,377
1.01.03.02.01	Other Accounts Receivables	27,371	35,113
1.01.03.02.02	Securities	275	264
1.01.04	Inventories	101,992	80,995
1.01.04.01	Inventories in Warehouse	101,992	80,995
1.01.06	Taxes Recoverable	27,345	22,133
1.01.06.01	Current Taxes Recoverable	27,345	22,133
1.01.06.01.02	IRRF (Income Tax Withheld at Source) to Offset	8,456	7,148
1.01.06.01.04	Others - Federal Revenue Service	2,733	2,733
1.01.06.01.05	IRRF on financial investments	12,788	9,991
1.01.06.01.06	Pis/Cofins Leasing Credit	3,368	2,261
1.01.07	Prepaid Expenses	34,992	17,275
1.01.07.01	Advances to Employees	34,992	17,275
1.01.08	Other Current Assets	3,887	11,334
1.01.08.03	Others	3,887	11,334
1.01.08.03.01	Sub-delegation	3,887	11,334
1.02	Non-Current Assets	6,015,911	5,794,411
1.02.01	Non-Current Receivables	2,592,347	2,529,792
1.02.01.04	Trade accounts receivable	1,599,218	1,484,633
1.02.01.04.01	Clients	30,161	30,699
1.02.01.04.02	Other Accounts Receivables	2,393	0
1.02.01.04.03	Sub-delegation	1,544,306	1,425,231
1.02.01.04.04	Securities	6,870	13,798
1.02.01.04.05	Court Deposits	15,488	14,905
1.02.01.07	Deferred Taxes	0	9,255
1.02.01.07.01	Deferred Income Tax and Social Contribution	0	9,255
1.02.01.08	Prepaid Expenses	238,153	243,123
1.02.01.10	Other Non-current Assets	754,976	792,781
1.02.01.10.03	Contract Asset - CPC 47	738,419	759,437
1.02.01.10.04	Taxes Recoverable	10,041	7,697
1.02.01.10.05	Grants to be Received	6,516	25,647
1.02.03	Fixed Assets	430,138	385,855
1.02.03.01	Fixed Assets in Operation	430,138	385,855
1.02.03.01.01	Technical Fixed Assets	430,138	385,855
1.02.04	Intangible Asset	2,993,426	2,878,764
1.02.04.01	Intangible Assets	2,993,426	2,878,764
1.02.04.01.01	Concession Agreement	2,993,426	2,878,764

Individual Financial Statements / Balance**Sheet - Assets (In Thousands of Reais)**

Account Code	Account Description	Current Quarter 6/30/2023	Previous Fiscal Year 12/31/2022
2	Total Liabilities	7,327,543	7,176,346
2.01	Current Liabilities	741,011	796,430
2.01.01	Social and Labor Obligations	160,464	140,074
2.01.01.02	Labor Obligations	160,464	140,074
2.01.02	Suppliers	142,826	177,458
2.01.02.01	Domestic Suppliers	142,826	177,458
2.01.03	Tax Obligations	55,891	57,189
2.01.03.01	Federal Tax Obligations	55,891	57,189
2.01.03.01.02	Taxes and Contributions Payable	55,891	57,189
2.01.04	Loans and Financing	278,451	263,267
2.01.04.01	Loans and Financing	25,605	27,868
2.01.04.01.01	In Local Currency	12,771	13,918
2.01.04.01.02	In Foreign Currency	12,834	13,950
2.01.04.02	Bonds	220,324	213,499
2.01.04.03	Financing by Lease	32,522	21,900
2.01.05	Other Obligations	80,123	119,118
2.01.05.02	Others	80,123	119,118
2.01.05.02.01	Dividends and Interest on Equity Payable	55,234	95,388
2.01.05.02.04	Consortia	736	736
2.01.05.02.06	Payment in installments	3,464	2,018
2.01.05.02.07	Contractual Obligations	0	4,349
2.01.05.02.08	Contractual Advance	2,489	2,489
2.01.05.02.09	Sub-delegation	565	349
2.01.05.02.10	Other Accounts Payable	17,635	13,789
2.01.06	Provisions	23,256	39,324
2.01.06.01	Tax Provisions for Civil and Labor Social Security	23,256	39,324
2.01.06.01.03	Provisions for Employee Benefits	23,256	39,324
2.02	Non-Current Liabilities	2,732,017	2,702,733
2.02.01	Loans and Financing	757,812	840,560
2.02.01.01	Loans and Financing	142,826	156,648
2.02.01.01.01	In Local Currency	99,348	102,850
2.02.01.01.02	In Foreign Currency	43,478	53,798
2.02.01.02	Bonds	494,559	594,981
2.02.01.03	Financing by Lease	120,427	88,931
2.02.02	Other Obligations	1,610,770	1,490,409
2.02.02.02	Others	1,610,770	1,490,409
2.02.02.02.03	Payment in installments	13,793	14,260
2.02.02.02.04	Contractual Advance	7,259	8,503
2.02.02.02.05	Sub-delegation	1,544,306	1,425,231
2.02.02.02.06	Tax Obligations	35,265	31,842
2.02.02.02.08	Labor Obligations	0	426
2.02.02.02.09	Contractual Obligations	10,147	10,147
2.02.03	Deferred Taxes	3,426	0
2.02.03.01	Deferred Income Tax and Social Contribution	3,426	0
2.02.04	Provisions	222,246	219,998
2.02.04.01	Tax Provisions for Civil and Labor Social Security	222,246	219,998

Individual Financial Statements / Balance**Sheet - Assets (In Thousands of Reais)**

Account Code	Account Description	Current Quarter 6/30/2023	Previous Fiscal Year 12/31/2022
2.02.04.01.01	Tax Provisions	13,260	23,926
2.02.04.01.02	Provision for Labor and Social Security Contribution	165,343	79,336
2.02.04.01.04	Civil Provisions	43,643	116,736
2.02.06	Unearned Profits and Revenues	137,763	151,766
2.02.06.03	Unearned Investment Subsidies	137,763	151,766
2.02.06.03.01	Subsidies	137,763	151,766
2.03	Net Equity	3,854,515	3,677,183
2.03.01	Realized Capital	2,515,546	2,515,546
2.03.04	Profit Reserves	1,128,324	1,128,324
2.03.04.01	Legal Reserve	78,543	78,543
2.03.04.10	Reserve for Investment Plan	1,049,781	1,049,781
2.03.05	Retained Earnings/Losses	177,333	0
2.03.06	Equity Valuation Adjustments	33,312	33,313

Individual Financial Statements / Income

Statement (In Thousands of Reais)

Account Code	Account Description	Current Quarter 01/04/2023 to 06/30/2023	Year-to-Date in the Current Fiscal Year 01/01/2023 to 06/30/2023	Same Quarter of the Previous Fiscal Year 01/04/2022 to 06/30/2022	Year-to-Date in the Previous Fiscal Year 01/01/2022 to 06/30/2022
3.01	Revenues from Sale of Goods and/or Services	838,454	1,578,290	758,394	1,418,810
3.01.01	Revenue from Water and Sewage Services	757,952	1,423,756	687,067	1,320,398
3.01.02	Revenue from Construction	77,636	148,802	68,484	92,721
3.01.03	Revenue from Technical Services	591	1,182	568	1,141
3.01.04	Revenue from Grants Sub-delegation	2,275	4,550	2,275	4,550
3.02	Cost of Goods and/or Services Sold	-380,024	-754,857	-382,317	-768,170
3.02.01	Cost of Goods and Services Sold	-302,388	-606,055	-313,833	-675,449
3.02.02	Construction Cost	-77,636	-148,802	-68,484	-92,721
3.03	Gross Income	458,430	823,433	376,077	650,640
3.04	Operating Expenses/Revenues	-312,976	-485,615	-192,645	-440,139
3.04.01	Sales Expenses	-80,576	-155,843	-79,008	-173,316
3.04.02	General and Administrative Expenses	-194,198	-291,714	-114,858	-267,922
3.04.02.01	Administrative Expenses	-120,707	-243,834	-95,198	-269,440
3.04.02.04	Tax Expenses	-22,773	-25,972	-4,367	-11,184
3.04.02.05	Provision/Reversal - Losses / Credit Recovery	-50,718	-21,908	-15,293	12,702
3.04.04	Other Operating Income	1,552	2,803	1,630	2,045
3.04.04.01	Other Revenues	1,552	2,803	1,630	2,045
3.04.05	Other Operating Expenses	-39,754	-40,861	-409	-946
3.04.05.01	Other Expenses	-39,754	-40,861	-409	-946
3.05	Income Before Financial Income/Charges and Taxes	145,454	337,818	183,432	210,501
3.06	Financial Income	-2,203	-12,991	-11,739	-6,007
3.06.01	Financial Revenue	34,758	66,545	33,414	64,477
3.06.02	Financial Expenses	-36,961	-79,536	-45,153	-70,484
3.07	Income Before Income Tax	143,251	324,827	171,693	204,494
3.08	Income Tax and Social Contribution on Profits	-40,427	-92,261	-45,520	-55,067
3.08.01	Current	-48,688	-79,580	-36,748	-36,748
3.08.02	Deferred	8,261	-12,681	-8,772	-18,319
3.09	Net Income from Continued Operations	102,824	232,566	126,173	149,427

Individual Financial Statements / Income**Statement (In Thousands of Reais)**

Account Code	Account Description	Current Quarter 01/04/2023 to 06/30/2023	Year-to-Date in the Current Fiscal Year 01/01/2023 to 06/30/2023	Same Quarter of the Previous Fiscal Year 01/04/2022 to 06/30/2022	Year-to-Date in the Previous Fiscal Year 01/01/2022 to 06/30/2022
3.11	Profit/Loss for the Period	102,824	232,566	126,173	149,427
3.99	Earnings per Share - (Reais / Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common Shares (ON)	0.04088	0.09245	0.0502	0.0594
3.99.01.02	Preferred Shares (PN)	0.04088	0.09245	0.0502	0.0594

Individual Financial Statements / Statement of**Comprehensive Income (In Thousands of Reais)**

Account Code	Account Description	Current Quarter 01/04/2023 to 06/30/2023	Year-to-Date in the Current Fiscal Year 01/01/2023 to 06/30/2023	Same Quarter of the Previous Fiscal Year 01/04/2022 to 06/30/2022	Year-to-Date in the Previous Fiscal Year 01/01/2022 to 06/30/2022
4.01	Net Income of the Period	102,824	232,566	126,173	149,427
4.02	Other Comprehensive Income	0	1	0	1
4.02.01	Realization of Deemed Cost	0	1	0	1
4.03	Comprehensive Income for the Period	102,824	232,567	126,173	149,428

Individual Financial Statements / Statement of Cash Flow (Indirect**Method) (In Thousands of Reais)**

Account Code	Account Description	Year-to-Date in the	Year-to-Date in the
		Current Fiscal Year	Previous Fiscal Year
		01/01/2023 to 06/30/2023	01/01/2022 to 06/30/2022
6.01	Net Cash – Operating Activities	303,356	223,565
6.01.01	Cash from Operations	432,266	301,818
6.01.01.01	Net Income for the Year	232,566	149,427
6.01.01.02	Depreciation and Amortization	85,939	68,252
6.01.01.03	Fixed/Intangible Asset Write-offs	110	892
6.01.01.04	Adjustment to Present Value (AVP) - Credits Receivable	-774	-1,320
6.01.01.05	Charges, Monetary and Exchange Variations, Net	67,104	52,591
6.01.01.06	Capitalized Interest	-5	-70
6.01.01.07	Provisions/Reversals	34,984	14,956
6.01.01.08	Monetary Restatement - Sale of Non-Current Assets	0	-147
6.01.01.09	Deferred Taxes	12,681	18,319
6.01.01.10	Earnings with Financial Investments	-339	-591
6.01.01.12	State Subsidies	0	-491
6.01.02	Variations in Assets and Liabilities	-135,632	-114,420
6.01.02.01	Trade Receivables	-94,792	-90,776
6.01.02.02	Taxes Recoverable	-390	-5,865
6.01.02.03	Inventories	-17,626	-13,137
6.01.02.04	Prepaid Expenses and Advances to Employees	-12,747	-64,591
6.01.02.05	Court Deposit	-583	-1,574
6.01.02.06	Contractual Obligations	-4,349	0
6.01.02.07	Suppliers	-34,632	3,788
6.01.02.08	Consortia	0	3,070
6.01.02.09	Labor Obligations	19,964	37,620
6.01.02.10	Tax Obligations	2,125	2,446
6.01.02.11	Payments in Installments	979	2,306
6.01.02.13	Sub-delegation	7,663	887
6.01.02.14	Contractual Advance	-1,244	11,406
6.01.03	Others	6,722	36,167
6.01.03.01	Other Accounts Receivables	2,876	-3,534
6.01.03.02	Other Accounts Payable	3,846	39,701
6.02	Net Cash – Investment Activities	-97,589	-120,523
6.02.01	Acquisition of Fixed Assets	-14,387	-20,318
6.02.02	Contract Assets	-95,108	-52,050
6.02.03	Acquisition of Intangible Assets	-68,989	-56,090
6.02.04	Securities	7,256	1,558
6.02.05	Acquisition of stock for Works	-1,325	-8,056
6.02.06	Investments/(Financial Redemptions)	74,964	12,453
6.02.07	Income from Sale of Fixed Assets	0	3,557
6.02.08	Sale of Investments in shares	0	9
6.02.09	PAC Subsidy Adjustments	0	-1,586
6.03	Net Cash – Financing Activities	-269,415	-218,025
6.03.02	Financing/Loans Raised	201	0
6.03.03	Amortization of Loans and Borrowings	-107,352	-124,676
6.03.04	Payments of Financial Charges on Fundraising	-62,587	-57,280
6.03.05	Leasing	-24,190	-9,465

Individual Financial Statements / Statement of Cash Flow (Indirect**Method) (In Thousands of Reais)**

Account Code	Account Description	Year-to-Date in the Current Fiscal Year	Year-to-Date in the Previous Fiscal Year
		01/01/2023 to 06/30/2023	01/01/2022 to 06/30/2022
6.03.06	Subsidies	19,901	10,982
6.03.07	Payment of Interest on Equity	-95,388	-82,585
6.03.08	Redemption of Securities	0	44,999
6.05	Increase (Decrease) in Cash and Cash Equivalents	-63,648	-114,983
6.05.01	Opening Balance of Cash and Cash Equivalents	81,606	138,808
6.05.02	Cash and Cash Equivalents Final Balance	17,958	23,825

Individual Financial Statements / Statement of Changes in Equity / Statement of Changes in Equity**(DMPL) - 01/01/2023 to 06/30/2023 (In Thousands of Reais)**

Account Code	Account Description	Paid-in Capital	Capital Options Granted and Treasury Shares	Reserves, Granted and	Retained Earnings	Retained Earnings or Losses	Other Comprehensive Income	Equity
5.01	Opening Balances	2,515,546		0	1,128,324	0	33,313	3,677,183
5.03	Adjusted Opening Balances	2,515,546		0	1,128,324	0	33,313	3,677,183
5.04	Capital Transactions with Partners	0		0	0	-55,234	0	-55,234
5.04.07	Interest on Equity	0		0	0	-55,234	0	-55,234
5.05	Total Comprehensive Income	0		0	0	232,567	-1	232,566
5.05.01	Net Income of the Period	0		0	0	232,566	0	232,566
5.05.02	Other Comprehensive Income	0		0	0	1	-1	0
5.05.02.06	Realization of Deemed Cost	0		0	0	1	-1	0
5.07	Final Balances	2,515,546		0	1,128,324	177,333	33,312	3,854,515

Individual Financial Statements / Statement of Changes in Equity / Statement of Changes in Equity**(DMPL) - 01/01/2022 to 06/30/2022 (In Thousands of Reais)**

Account Code	Account Description	Paid-in Capital	Capital Options Granted and Treasury Shares	Reserves, Granted and	Retained Earnings	Profit or Loss Accumulated	Other Revenues Comprehensive	Equity
5.01	Opening Balances	2,515,546		0	822,073	0	19,199	3,356,818
5.03	Adjusted Opening Balances	2,515,546		0	822,073	0	19,199	3,356,818
5.04	Capital Transactions with Partners	0		0	0	-35,489	0	-35,489
5.04.07	Interest on Equity	0		0	0	-35,489	0	-35,489
5.05	Total Comprehensive Income	0		0	0	149,428	-1	149,427
5.05.01	Net Income of the Period	0		0	0	149,427	0	149,427
5.05.02	Other Comprehensive Income	0		0	0	1	-1	0
5.05.02.06	Realization of Deemed Cost	0		0	0	1	-1	0
5.07	Final Balances	2,515,546		0	822,073	113,939	19,198	3,470,756

Individual Financial Statements / Statement of Value**Added (In Thousands of Reais)**

Account Code	Account Description	Year-to-Date in the Current Fiscal Year	Year-to-Date in the Previous Fiscal Year
		01/01/2023 to 06/30/2023	01/01/2022 to 06/30/2022
7.01	Revenues	1,683,541	1,542,511
7.01.01	Sales of Goods, Products and Services	1,569,672	1,454,302
7.01.02	Other Revenues	21,611	42,452
7.01.02.01	Forfeit/Recovery of Credits	13,076	27,658
7.01.02.02	Other Revenues	2,803	9,103
7.01.02.03	Grant Sub-delegation	4,550	4,550
7.01.02.04	Revenue from Technical Services	1,182	1,141
7.01.03	Revenues relating to Construction of Own Assets	148,802	92,721
7.01.04	Provision/Reversal of Doubtful Accounts Doubtful Accounts	-56,544	-46,964
7.02	Inputs Acquired from Third Parties	-535,441	-465,334
7.02.01	Costs of Products, Goods, and Services Sold	-223,606	-243,670
7.02.02	Material, Energy, Third Party Services and Others	-120,013	-124,818
7.02.03	Loss/Recovery of Asset Values	2,346	6,407
7.02.04	Others	-194,168	-103,253
7.02.04.01	Raw Materials Consumed	-4,505	-2,528
7.02.04.02	Construction Cost	-148,802	-92,721
7.02.04.03	Other Expenses	-40,861	-8,004
7.03	Gross Added Value	1,148,100	1,077,177
7.04	Retentions	-66,725	-42,651
7.04.01	Depreciation, Amortization and Depletion	-85,939	-68,251
7.04.02	Others	19,214	25,600
7.04.02.01	Provisions/Reversals	19,214	25,600
7.05	Net Added Value Generated	1,081,375	1,034,526
7.06	Added Value Received as Transfer	66,545	64,477
7.06.02	Financial Revenue	66,545	64,477
7.07	Total Added Value to Distribute	1,147,920	1,099,003
7.08	Distribution of Added Value	1,147,920	1,099,003
7.08.01	Personnel	468,476	583,111
7.08.01.01	Direct Remuneration	345,142	461,189
7.08.01.02	Benefits	94,875	94,051
7.08.01.03	F.G.T.S. (GUARANTEE FUND FOR LENGTH OF SERVICE)	28,459	27,871
7.08.02	Taxes, Fees, and Contributions	362,033	290,829
7.08.02.01	Federal	338,231	280,335
7.08.02.02	State	17,676	4,827
7.08.02.03	Municipal	6,126	5,667
7.08.03	Third Party Capital Remuneration	84,845	75,636
7.08.03.01	Interest	79,536	70,484
7.08.03.02	Rentals	5,309	5,152

A close-up photograph of a single water droplet on a blue surface, creating concentric ripples. The background is a solid, vibrant blue color.

Management Report 2Q2023

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Highlights 2Q2023

+ R\$ 70 mi



+ 10,28% increase in revenue in comparison with 2Q22

R\$ 191 mi



Invested

25.51 pp



Loss index reduced by 6.52% in comparison with 2Q22

97.94 pp



Service index - Water

72.06 pp



Service index - Sewage

- R\$ 14.6 mi



Reduction in electrical energy consumption in comparison with 2Q22

Operational Performance



ETA Mauro Borges in the City of Goiânia

1. Operational Performance

In 2Q2023, the Company expanded its water and sewage systems throughout the state, providing water to 97.94% of the population, which represents an increase of 2.00% in households in relation to the same period of 2022.

With this advance, the Company reaches a total population of 6,017 thousand inhabitants with water supply.

As for the sewage system, the population served increased from 68.38% to 72.06% by the end of 2Q2023, which represents an increase of 6.37% in households in relation to the same period of 2022.

Thus, 4,428 thousand inhabitants have access to a sewage system in the municipalities served by the Company.

General Service Data

Water - Operational indexes	Unit	6M23	6M22	Var.	Var. %
Population with access to service	Thousand	6,017	5,916	101	1.71%
Service index	%	97.94%	97.74%	0.20%	0.20%
Connections	Thousand	2,402	2,355	47	2.00%
Households	Thousand	2,606	2,555	51	2.00%
Expansion of pipeline network	Km	32,974	32,590	384	1.18%
Sewage - Operational indexes	Unit	6M23	6M22	Var.	Var. %
Population with access to service	Thousand	4,428	4,164	264	6.34%
Service index	%	72.06%	68.38%	3.68%	5.38%
Service index Service index - treated	%	93.78%	93.46%	0.32%	0.34%
Connections	Thousand	1,457	1,369	88	6.43%
Households	Thousand	1,637	1,539	98	6.37%
Expansion of pipeline network	Km	16,284	14,927	1,357	9.09%

Table 1

Volume produced/billed/treated

Water - Operational indexes		Unit	2Q23	2Q22	Var.	6M23	6M22	Var. %
Water volume billed	Thousand m ³		75,357	73,709	2.24%	147,076	143,471	2.51%
Water volume produced	Thousand m ³		101,174	99,838	1.34%	197,868	195,900	1.00%
Sewage - Operational indexes		Unit	2Q23	2Q22	Var. %	6M23	6M22	Var. %
Sewage volume billed	Thousand m ³		49,885	46,761	6.68%	97,440	91,268	6.76%
Sewage volume treated	Thousand m ³		46,886	43,631	7.46%	91,383	85,303	7.13%

Table 2

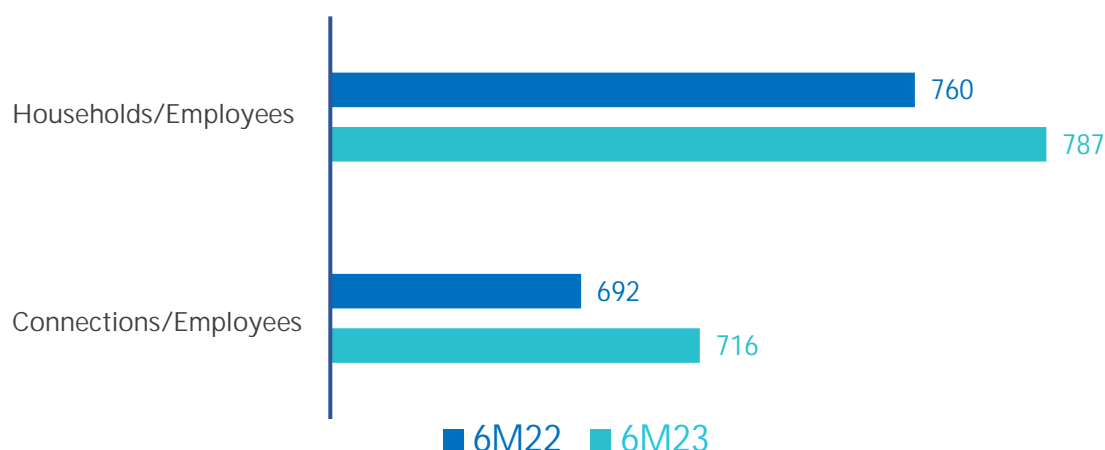
1.1 Personnel performance

The Company currently has **5,391** employees throughout the state of Goiás, who are responsible for **4,243** thousand households benefiting from sewage and water supply services.

The productivity of the workforce, measured by the ratio between the number of households (water + sewage) and the number of employees, increased from **760** Households/Employees to **787** Households/Employees in 2023.

This increase shows an improvement in the efficiency of **3.55%**, caused primarily by the expansion of the customer portfolio in the period due to the increase in the number of households in **2.00%** - Water and **6.37%** - Sewage.

In addition, there was dismissal of **443** employees from the Voluntary Redundancy Program (PDV) in the months of Feb/2022 and Mar/2022.



Graph 1

Area of Operation and Concessions



2. Area of Operation and Concessions

2.1 Operation and Concessions

The Company operates with Water Supply and Sewage Treatment Systems in the state of Goiás, in 224 of the 246 municipalities in the state, of which 62 have Service Contracts and 162 Concession Contracts

The Company's efficient operations guarantee a better quality of life in these municipalities, ensuring the health of the citizens of Goiás. In 2022, the Company terminated its operations in the municipalities of Buriti Alegre de Goiás and Ipameri, being the activities assumed by the municipal government of the cities.

Table 4 shows that the 10 municipalities with the highest billing represent 61.9% of the Company's net revenue, among which Goiânia and Anápolis stand out, respectively representing 36.51%, to mature in December/2049, and 7.26%, to mature in February/2049, of the Company's total billing.

It should be noted that more than 71% of the Company's revenues derive from 62 service contracts expiring between 2037 and 2050.

The average maturity of the contracts is 18.5 years, weighted by % of net revenue in 2Q2023.

Area of operation

Concession and Service Contracts	Unit	6M23	6M22	Portion of revenue (%)
Total municipalities served by Saneago	Nr.	224	225	100%
Total municipalities with service contracts	Nr.	62	62	71.65%
Total municipalities with active concession contracts	Nr.	82	83	12.74%
Total municipalities with expired concession contracts	Nr.	80	80	15.61%

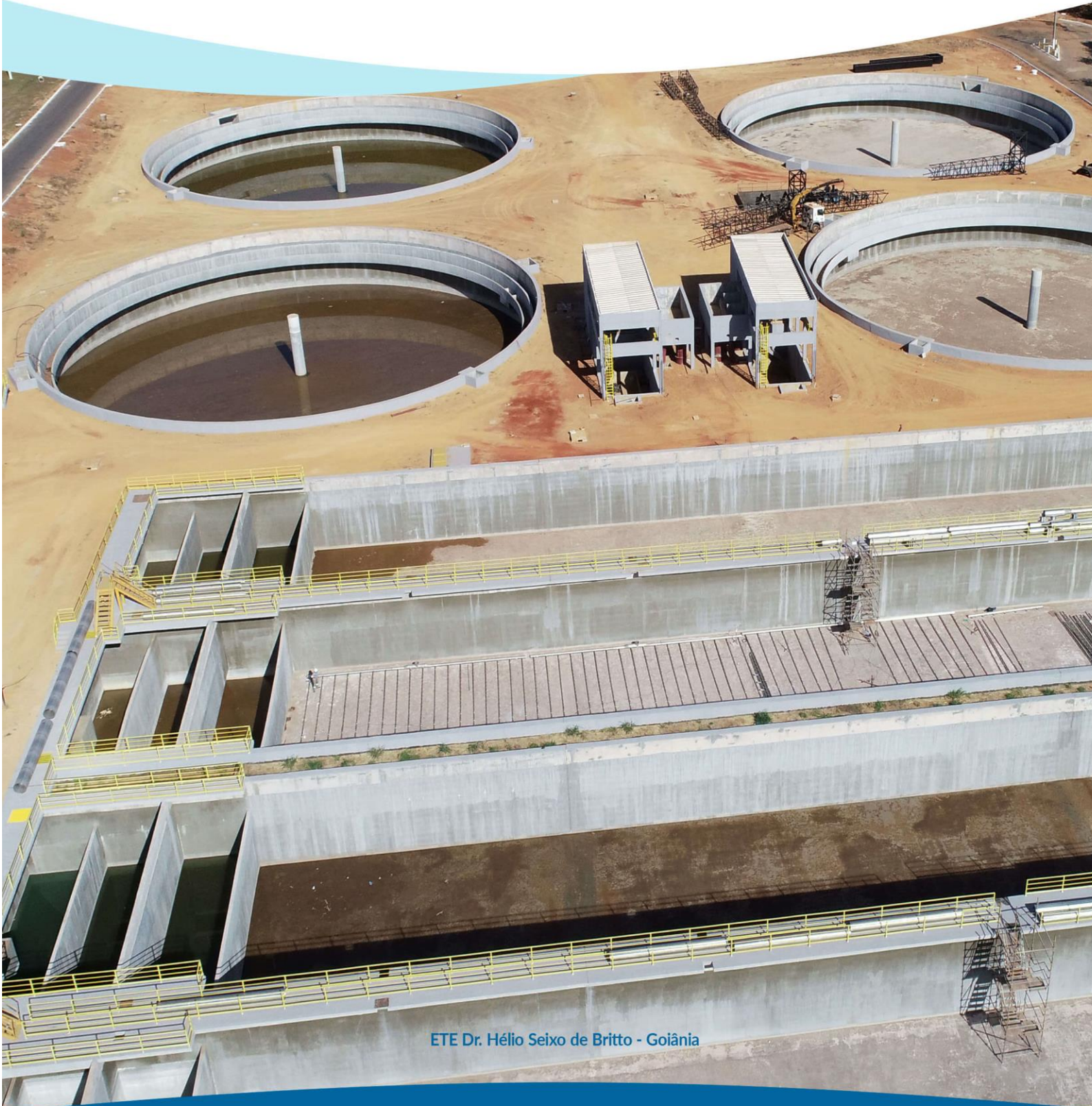
Table 3

Net revenue ranking per city

Ranking	Cities	Maturity	% Net revenue	Type of contract
1º	Goiânia	12/2049	36.51%	Service
2º	Anápolis	02/2050	7.26%	Service
3º	Aparecida De Goiânia	11/2041	4.14%	Service
4º	Valparaíso De Goiás	11/2048	2.74%	Service
5º	Rio Verde	11/2041	2.43%	Service
6º	Luziânia	12/2045	2.16%	Service
7º	Formosa	03/2025	2.08%	Concession
8º	Itumbiara	02/2025	1.70%	Concession
9º	Planaltina	04/2030	1.50%	Service
10º	Trindade	11/2041	1.38%	Service
Total			61.90%	-

Table 4

Operational Improvements



ETE Dr. Hélio Seixo de Britto - Goiânia

Operational Improvements

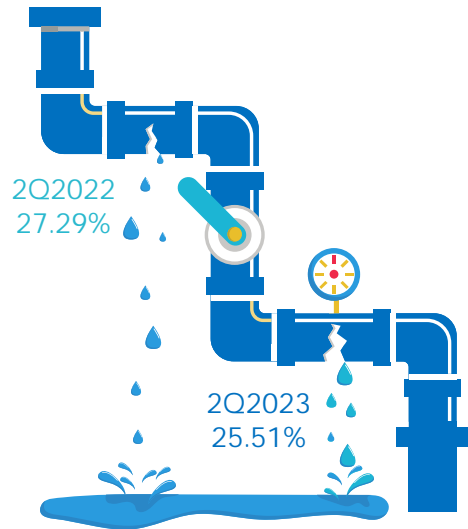
3.1 Loss rate

The Company reported a loss rate of 25.51% at the end of 2Q2022.

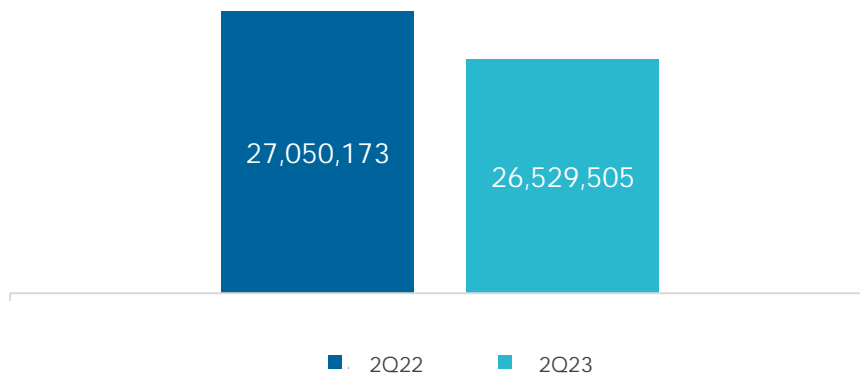
Thus, in addition to guarantee the optimization of produced water, the fight against losses was fundamental to the critical period of water shortage in 2021.

This percentage is necessary to increase the volume available for consumption and to reduce costs on water production/distribution, mainly during the period of water shortage.

According to the data collection of the National System of Information on Sanitation (SNIS - Sistema Nacional de Informações sobre Saneamento) for 2021, Saneago is the only regional company of the country with index below 30%.

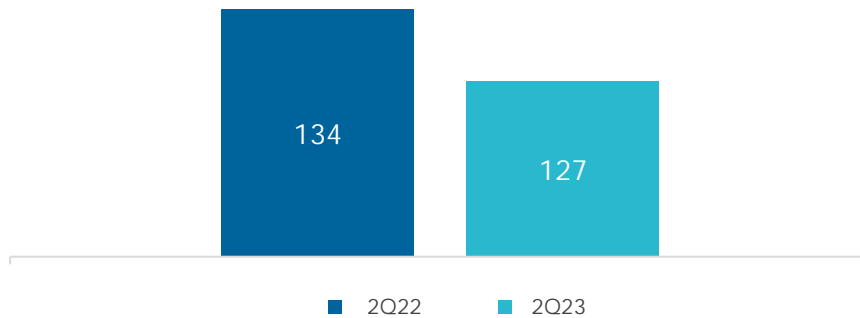


Loss of treated water per m³



Graph 2

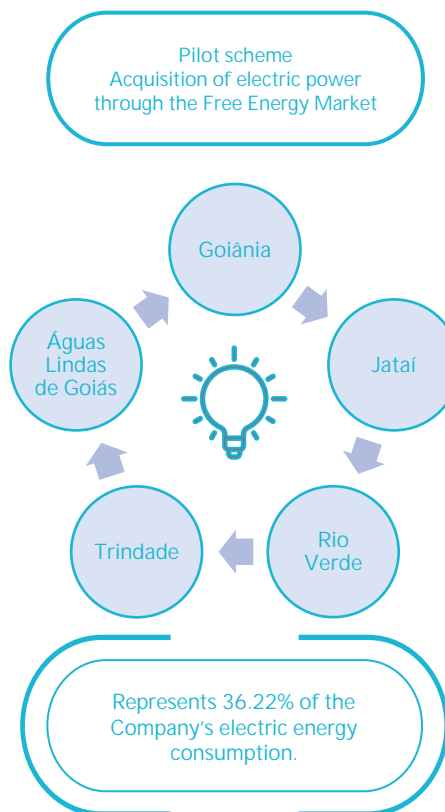
Loss per connection (liters per connection per day)



Graph 3

3.2 Project of energy acquisition through the free energy market

As of March/2023, the Company started to acquire electric power through the Free Energy Market for use in another 10 consumer units.

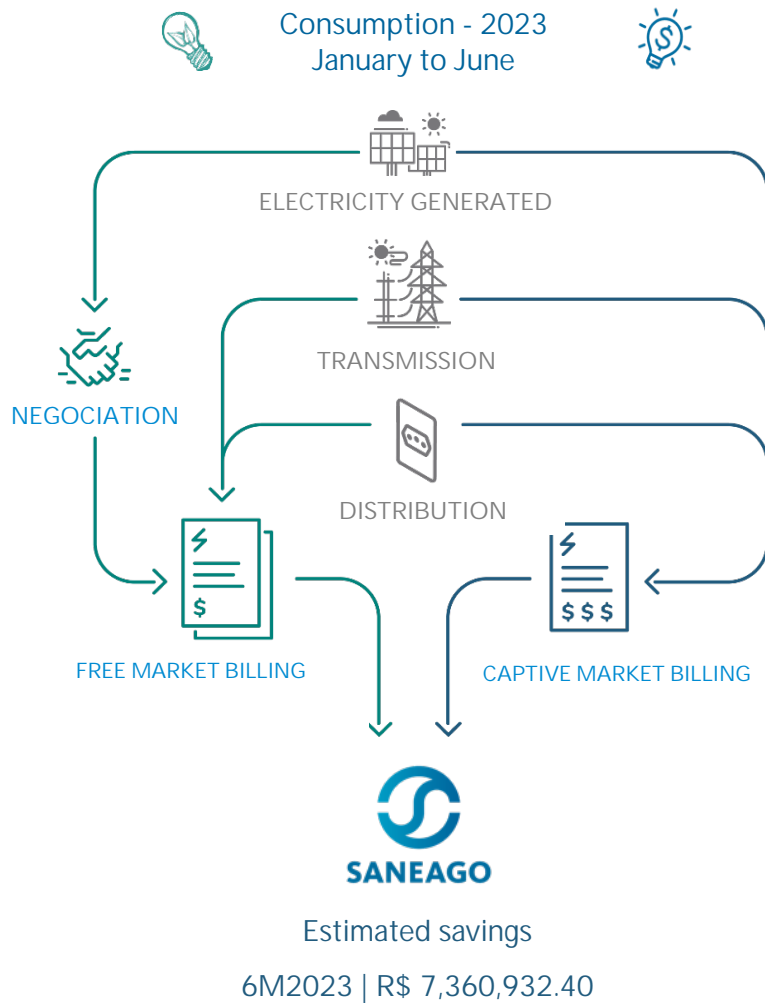


Five units are currently served by the contract in force, namely: Goiânia (Cascalho Water Lift Station (EAT), Mauro Borges Raw Water Station (EAB), João Leite EAT, Meia Ponte EAB, Ipiranga EAT, Vila Adélia EAT and Atlântico EAT), Rio Verde (Booster Abóbora and Jataí (Water collection, Water Treatment Station (ETA) and EAT), Águas Lindas de Goiás (Sewage Treatment Station (ETE)), Trindade (EAB, ETA, EAT).

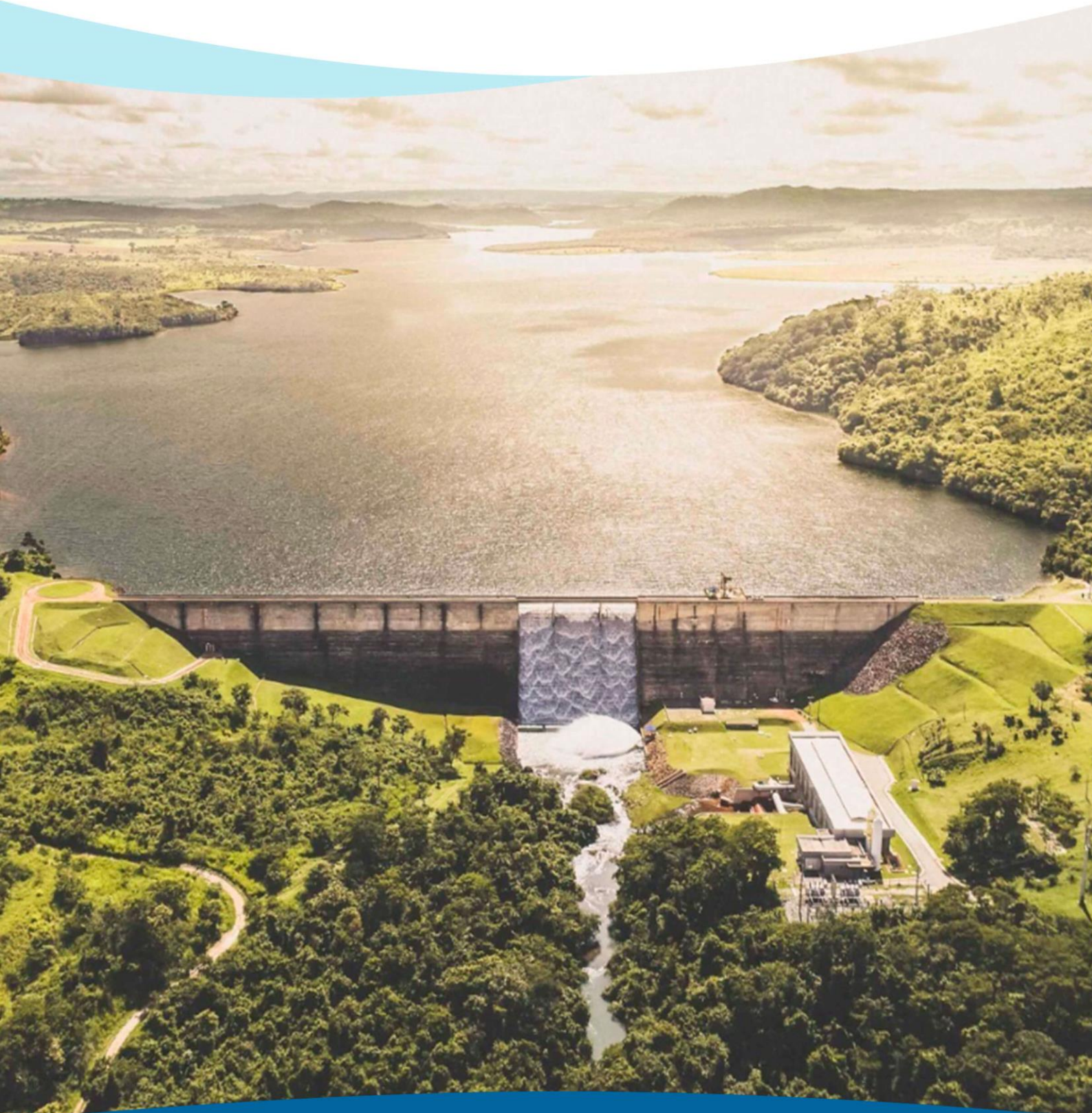
These 13 Consumer Units (UC) correspond to 36.22% of all energy consumed by the Company.

Between January and June 2023, the estimated savings with the new Consumer Units reached R\$ 7.4 million.

Future actions: The migration of another 42 UCs is included in the strategic energy management plan, to be annually migrated until 2025 and representing about 56.08% of all energy consumed by the Company.

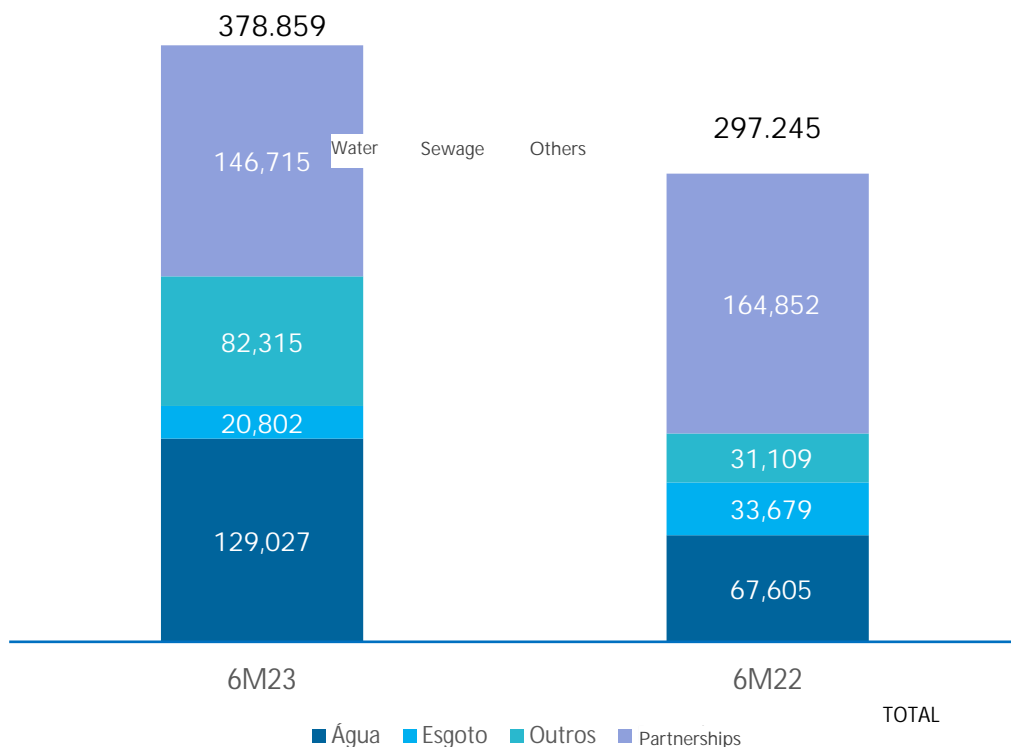
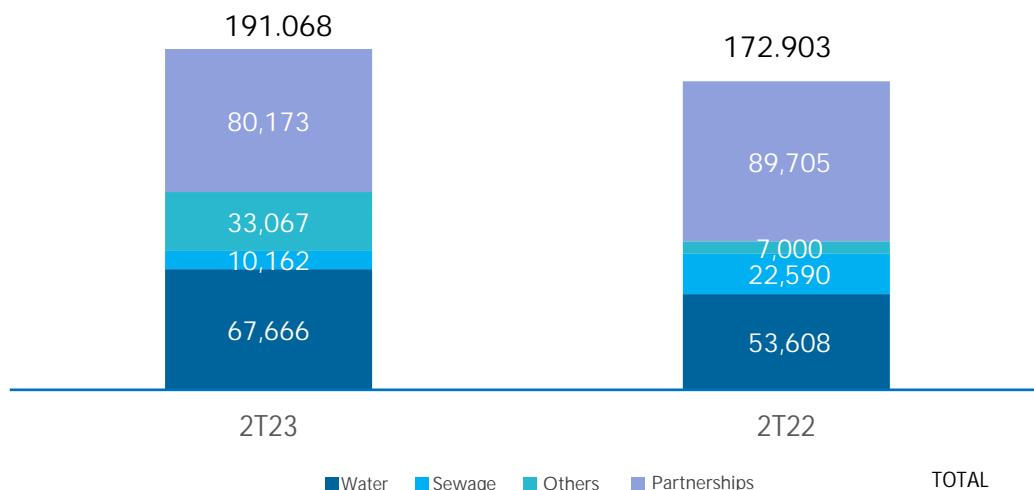


Investments



4. Investments

Investments made in 2Q2023 totaled **R\$ 191,068 thousand**, as shown in Graph 4. Of this amount, 36% was invested in water supply systems, 5% was allocated to sewage collection and treatment systems, 17% was invested in operational improvement programs, general purpose goods and others, and 42% was invested through Partnerships. In 6M23, this represented an accumulated total of **R\$ 378,859 thousand**.



Graphs 4 and 5

This raise has its origin in new contracts and service orders initiated in 1Q2023. However, in relation to the group "Others", Vehicles Rental Leases with no purchase option were recorded, in the amount of R\$ 11,852 thousand, accounted for as per Technical Pronouncement (CPC) 06.

Breakdown of investments

Investments	1Q2023	2Q2023	6M2023
WATER	61,360	67,666	129,027
Water main - Untreated	2,036	1,312	3,348
Water main - Treated	11,608	11,210	22,819
Collection	1,174	1,519	2,693
Wastewater lift station	12,829	8,537	21,366
Water line	7,142	13,528	20,669
Water network	12,837	14,246	27,083
Reservoir	4,969	11,183	16,152
Wastewater treatment	8,766	6,132	14,898
SEWAGE	10,640	10,162	20,802
Sewage lift station	806	1,458	2,264
Interceptor/emissary	123	142	265
Sewer line	133	6	139
Sewer network	3,752	2,981	6,733
Sewage treatment	5,827	5,574	11,401
OTHERS	49,248	33,067	82,315
Right-of-use of vehicles	34,150	11,852	46,002
Software (licenses)	6,463	12,301	18,765
Machinery, tractors and similar	4,190	2,095	6,285
Equipment	2,394	2,518	4,912
Furniture and fixtures	1,554	2,430	3,983
Others	497	1,872	2,369
Grand total	121,249	110,895	232,144

Table 5

In addition to the lease, we highlight the acquisition, in 2Q2023, of trucks and backhoes for city operations, in the amount of R\$3,022 thousand. Another significant investment of the category "Other" refers to cyber security software for data protection in the Company in the amount of R\$ 12,301 thousand.

We highlight the amount of R\$ 80,173 thousand invested by the Company by means of Private Partnerships for the expansion of sewage services in Rio Verde, Aparecida de Goiânia, Trindade and Jataí, according to Note 11.

4.1 Main Constructions Concluded in 2Q2023

- **Expansion of the Sewage System of Luziânia** - Implementation of 133 km of collection network. We made 3,232 new connections available. Investment: **R\$ 18 million**.
- **Expansion of the Sewage System of Goiânia** - Implementation of 48 km of collection networks. We made 3,314 new connections available. Investment: **R\$ 10.8 million**.
- **Expansion of the Water Supply System of Novo Gama** – Expansion of the water supply system by installing five (5) tube wells, one compact 21m³/h wastewater lift station, four (4) standpipes and one (1) elevated tank, as well as extension of the water network by 29km, making 541 new connections available. Investment: **R\$ 9.6 million**.
- **Expansion of the Water Supply System of Padre Bernardo** – Implementation of supply systems in Vendinha and Monte Alto by installing one (1) wastewater lift station, one (1) standpipe and one (1) elevated tank, as well as expansion of the water network by 74 km. Investment: **R\$ 7.5 million**.
- **Expansion of the Sewage System of Pirenópolis** - Implementation of 25 km of collection networks. We made 325 new connections available. Investment: **R\$ 5.2 million**.

Financial performance – Revenue



Sistema Produtor Corumba no município de Luziânia

5.1 Revenue

In 2Q2023, the Company reported an increase of **10.28%** in revenue from Water and Sewage services. This result mainly reflects the 7.02% tariff adjustment as of April 01, 2023.

Additionally, the **2.24%** increase in the volume of water billed in the period also stands out, i.e., there was increase in customer consumption mostly in the residential and commercial categories. We also highlight the **2.00%** increase in water savings and **6.37%** increase in sewage savings.

Revenue from Sewage and Water Supply Services

Revenue by type of service	2Q2023	2Q2022	Var. %	6M23	6M22	Var. %
Residential water services	363,917	331,532	9.77%	680,599	637,717	6.72%
Social tariff	51,629	46,100	11.99%	96,185	87,171	10.34%
Commercial	13,028	11,949	9.03%	23,716	21,967	7.96%
Industrial	28,341	24,801	14.27%	51,085	46,324	10.28%
Public	2,419	1,296	86.67%	4,567	2,353	94.08%
Indirect revenue from services	8,940	8,284	7.92%	17,722	15,760	12.45%
Minimum fixed rate	79,873	74,778	6.81%	154,200	147,354	4.65%
Social subvention	-	391	-100.00%	-	491	-100.00%
Water total	548,146	499,130	9.82%	1,028,075	959,138	7.19%
Residential sewage services	180,270	160,030	12.65%	339,359	310,157	9.42%
Social tariff	39,672	35,353	12.22%	74,295	67,794	9.59%
Commercial	5,730	5,212	9.95%	10,742	9,968	7.76%
Industrial	17,929	16,095	11.40%	32,791	28,828	13.75%
Public	945	577	63.81%	1,773	1,071	65.53%
Indirect revenue from services	14,135	14,772	-4.31%	27,315	27,142	0.64%
Minimum fixed rate	29,291	26,042	12.48%	56,286	51,103	10.14%
Sub-delegation	2,275	2,275	0.00%	4,550	4,550	0.00%
Sewage total	290,249	260,356	11.48%	547,111	500,613	9.29%
Technical services	590	568	3.82%	1,179	1,141	3.31%
Total gross revenue (water+sewage)	838,985	760,054	10.38%	1,576,365	1,460,891	7.90%
Deductions	(78,170)	(70,144)	11.44%	(146,882)	(134,802)	8.96%
Revenue from water and sewage	760,815	689,911	10.28%	1,429,482	1,326,090	7.80%

Table 6

Financial performance - EBITDA



6.1 EBITDA

The Company's EBITDA reached R\$ 184,158 in 2Q2023 in comparison to R\$ 212,643 recorded in the same period of the previous year, totaling a reduction of 13.40% in relation to 2Q2022. In 6M23, the accumulated EBITDA reached R\$ 412,897, 53.92% higher than that recorded in 6M22.

In 2Q2023, the main impacts were:

- Increase in Net Revenue of 10.28% resulting from both the 7.02% tariff adjustment as of April 01, 2023, and the 2.00% increase in households benefiting from water supply services and 6.37% increase in households benefiting from sewage services.
- Reversal of R\$ 75,123 due to a legal proceeding related to an environmental fine filed with the municipality of Minaçu, for which a provision had been recognized in 2021 in the amount of R\$ 75,123 thousand, dismissed by the court in 2023.
- Recognition of provisions for labor proceedings in the amount of R\$ 55,444 thousand.

The EBITDA on net revenue in 2Q2023 was 24.21% in comparison to 30.82% in the same period of the previous year.

Performance of Financial Income (Loss)

Performance of Financial Income (Loss)	2Q23	2Q22	Var. %	6M23	6M22	Var. %
Total net revenue (+)	760,818	689,911	10.28%	1,429,487	1,326,090	7.80%
Personnel (-)	(287,079)	(280,089)	2.50%	(577,218)	(684,292)	-15.65%
Materials (-)	(29,080)	(24,566)	18.37%	(55,693)	(45,927)	21.26%
Third parties (-)	(58,920)	(49,586)	18.82%	(118,713)	(101,477)	16.99%
Electricity (-)	(56,187)	(70,747)	-20.58%	(115,341)	(145,932)	-20.96%
General (-)	(8,870)	(9,265)	-4.26%	(17,115)	(39,005)	-56.12%
Concession-related compensation (-)	(24,832)	(24,575)	1.05%	(46,572)	(43,827)	6.26%
Tax expenses (-)	(22,773)	(4,367)	421.48%	(25,972)	(11,185)	132.20%
Provisions/Reversals (-)	(50,718)	(15,293)	231.64%	(21,908)	12,702	-272.48%
Other revenues/expenses (-)	(38,202)	1,221	-3228.75%	(38,058)	1,099	-3562.97%
Amortization/depreciation (-)	(38,703)	(29,211)	32.49%	(75,080)	(57,746)	30.02%
Total costs and expenses (=)	(615,364)	(506,478)	21.50%	(1,091,670)	(1,115,590)	-2.14%
Financial income (loss) (-)	(2,203)	(11,739)	-81.23%	(12,991)	(6,007)	116.26%
Current/Deferred Income and Social Contribution taxes (IRPJ and CSLL) (-)	(40,428)	(45,521)	-11.19%	(92,261)	(55,066)	67.55%
Net income (=)	102,824	126,173	-18.51%	232,565	149,427	55.64%
EBITDA	184,158	212,643	-13.40%	412,897	268,246	53.92%
EBITDA margin	24.21%	30.82%	-21.47%	28.88%	20.23%	42.79%
Adjusted EBITDA	239,009	230,943	3.49%	438,939	387,111	13.39%
Adjusted EBITDA margin	31.41%	33.47%	-6.14%	30.71%	29.19%	5.19%

Table 7

EBITDA Reconciliation

EBITDA Reconciliation	2Q23	2Q22	Var. %	6M23	6M22	Var. %
Net income	102,824	126,1723	-18,50%	232,565	149,427	55.64%
(-) Amortization/depreciation	(38,703)	(29,211)	32,49%	(75,080)	(57,746)	30.02%
(-) Financial income (loss) (-)	(2,203)	(11,739)	-81,23%	(12,991)	(6,007)	116.26%
(-) Current/Deferred Income and Social Contribution taxes (IRPJ and CSLL) (-)	(40,428)	(45,521)	-11,19%	(92,261)	(55,066)	67.55%
(=) EBITDA	184,158	212,643	-13,40%	412,8987	268,2476	53.92%

Table 8

6.1.1 Non-recurring items

In the months of February and March, 2022, the Company dismissed 433 employees through PDV. As per CVM Resolution No. 156/22, the Company classified the indemnity costs, excluding the regular budget, as non-recurring, and removed its effects on the calculation of Adjusted EBITIDA, totaling R\$ 131,566.

In June 2023, the Company recognized R\$ 4,133 thousand as non-recurrent, referring to the Regulatory and Inspection Fees charged by the city of Rio Verde on sewage services. These fees refer to the period from 2020 to 2022, and were paid by the subdelegate for services rendered in the city, BRK Ambiental, whom, in 2023, requested that those values be reimbursed to Saneago. The values were classified as non-recurring because they refer to other fiscal years. Those relating to 2023 were not classified as non-recurring.

6.2 Adjusted EBITDA

The adjusted EBITDA measured for 2Q2023, whose calculation does not take into account Provisions/Reversals/Losses and Credit Recovery not affecting cash, as described in Table 8, resulted in an amount of **R\$ 239,009 thousand**, representing an increase of **3.49%** in comparison to the same period of the previous year. In 6M23, the accumulated Adjusted EBITIDA was **R\$ 438,939 thousand**.

This raise was affected by the **10.28%** increase in Net Revenue resulting from both the **7.02%** tariff adjustment as of April 01, 2023, and the **2.00%** increase in households benefiting from water supply services and **6.37%** increase in households benefiting from sewage services.

EBITDA Reconciliation

EBITDA Reconciliation	2Q23	2Q22	Var. %	6M23	6M22	Var. %
EBITDA	184,158	212,643	-13.40%	412,898	268,247	53.92%
Provisions/Reversals (+)	(50,718)	(15,293)	231.64%	(21,908)	12,702	-272.48%
PDV 2022 – Non-recurring		(3,007)	-100.00%	-	- 131,566	-100.00%
Regulatory and Inspection Agency of the City of Rio Verde (AMAE) – Non-recurring	(4,133)	-	-	(4,133)	-	-
Adjusted EBITDA	239,009	230,943	3.49%	438,939	387,111	13.39%

Table 9

The Adjusted EBITDA on net revenue (adjusted EBITDA margin) in 2Q2023 was **31.41%**, compared to **33.47%** calculated in the same period of the previous year. In 6M23, the accumulated percentage reached **30.71%**.

6.3 Costs and expenses

6.3.1 Personnel

Expenses on personnel totaled R\$ 287,079 thousand in 2Q2023, representing an increase of 2.50% compared to the same period of 2022. In 6M23, the accumulated total decreased by 15.65%. The main reason for this reduction was the Voluntary Redundancy Program mentioned in Item 6.1.1, through which 443 employees were dismissed in 1Q2022 at a cost of R\$ 142,215 thousand.

When not considering PDV in 6M22, Personnel costs totaled R\$ 542,075 thousand, and R\$ 577,218 thousand in 6M23, an increase of 6.48%, less than the 11.90% employee pay adjustment for 2022.

Nevertheless, the Company hired 209 new employees in 2022 at the monthly cost of R\$ 2,812 thousand, however, the amount is still in accordance with PDV's monthly estimated savings of R\$ 10,769. Not considering inflation adjustments, and even with the mentioned hires, the increase in the period would be less than 2%.

6.3.2 Electricity

Electricity costs in 2Q2023 totaled R\$ 56,187 thousand, a decrease of 20.58% in comparison with 2022. In 6M23, the accumulated total decreased by 20.96%. Despite the 10.84% increase in the tariff in October 2022, by the end of July 2022, Statute 194/2022 was enacted, limiting the rate of ICMS charged on electric power to 17%. The previous tax rate applied was 29%. In spite of that, in March 2023, the Company migrated more than ten (10) UCs to the Free Energy Market, resulting in accumulated savings of R\$ 7,361 thousand by June.

6.3.3 Materials

There was a 18.37% increase in expenses on materials in 1Q2023, reaching R\$ 29,080 thousand. In 6M23, this represented an accumulated total of R\$ 55.963 thousand. The main reason for this was the increase in the cost of treatment materials, as well as the R\$ 1,370 thousand increase in sundry maintenance materials, mainly submersible pumps.

6.3.4 Third-party services

There was a 18.82% increase in expenses on third-party services in 2Q23, mainly derived from contracts for asphalt replacement in several municipalities in the state. Previously, the service used to be provided by the municipal governments, and billings were less frequent. Expenses on maintenance increased from R\$ 3,749 thousand to R\$ 9,662 thousand.

Nevertheless, for being related to the workforce, the costs of cleaning and security services were adjusted according to contracts indexed to inflation rates, which reached 11.92% in the first half of 2022. Additionally, such raise was impacted by the increase in video surveillance costs.

6.3.5 General

General expenses were reduced by 4.26% in 2Q2023. In 6M23, the reduction in the accumulated total was 56.12%. This was due to the decrease in indemnity payment to third parties in court proceedings.

6.3.6 Contractual/Concession-related compensation

Amounts paid to municipal governments arising from service and concession contracts increased by 1.05% in 2Q2023. In 6M23, this represented an accumulated total of 6.26%. In spite of the 7.02% increase in tariffs as of April 01, 2023, based on which compensation is calculated, the actual variation was below this raise due to the payment of retroactive compensation in 2022.

6.3.7 Tax

Tax expenses in 2Q2023 increased by 421% in relation to 2Q2022. In 6M23, this variation was 132%, reaching an accumulated total of R\$ 25,972 thousand, compared to R\$ 11,185 in 6M22. Notably, the payment of the regulatory tax for 2023 of R\$ 5,479 thousand to the Regulatory Agency of Goiânia (AR) was not charged in 2022 for legal reasons. Nonetheless, in 2023, the Company recognized the amount of R\$ 6,021 thousand, of which R\$ 4,133 thousand were accounted for as tax expenses relating to the Regulatory and Inspection Fee charged by the municipality of Rio Verde on sewage services rendered in the city between 2020 and 2023, paid by the corresponding subdelegate, BRK Ambiental, whom, in 2023, requested that those values be reimbursed to Saneago.

Provision for losses/recovery of barred credit

Provisions/Reversals/Losses and Recovery of Credits

Reversals (-) Provisions, Net	2Q23	2Q22	Var. %	6M23	6M22	Var. %
Losses on barred credits	6,001	11,852	-49.37%	13,076	27,658	-52.72%
Provision for contingencies	(60,823)	7,247	-939%	(2,248)	25,811	-108.71%
Allowance for doubtful accounts	(27,857)	(21,190)	31.46%	(56,544)	(46,964)	20.40%
Inventory valuation allowance	2,465	(586)	-520%	2,346	6,408	-63.39%
Provision for profit sharing (PPR)	29,042	(12,617)	-330%	16,068	(211)	-7715%
Estimated losses on concessions	-	-	-	(48)	-	-
Reversal of losses on construction	454	-	-	5,442	-	-
Provision/Reversal/Losses/Recovery of credits	(50,718)	(15,294)	231.62%	(21,908)	12,702	-272.48%

Table 10

According to the table above, there was an increase of 231% in the debt balance between reversals and provisions in 2Q2023.

The main highlights were:

- Reversal of R\$ 39,324 thousand in July due to payment of profit sharing for 2022;
- In 1Q2023, there was reversal of R\$ 75,123 thousand referring to a legal proceeding filed with the municipality of Minaçu, for which a provision had been recognized in 2021, now dismissed.
- New provisions for labor proceedings amounting to R\$ 54,444 thousand.

6.5 - Net Financial Income (Loss)

The results reported in 2Q2023 show a debt balance of R\$ 2,203 thousand. In 6M23, this represented an accumulated total of R\$ 12.991 thousand. Notably, there was exchange rate loss due to fluctuation in the US Dollar, resulting in a debt balance of R\$ 3,051 thousand for 2Q2023, compared to a credit balance of R\$ 7,130 thousand for 2Q2022. Additionally, interest paid in the period increased by 12% due to the 13.75% increase in the Central Bank Overnight Rate (SELIC), resulting in higher interest payment, since part of the Company's debt is indexed to this rate.

Financial revenues and expenses, net

Financial income (loss)	2Q23	2Q22	Var. %	6M23	6M22	Var. %
Interest/fine	28,495	23,297	22.32%	53,314	44,209	20.60%
Monetary adjustment	5,779	9,356	-38.24%	12,457	18,947	-34.25%
Discount to present value	483	759	-36.34%	774	1,320	-41.36%
Total financial revenues	34,757	33,412	4.03%	66,545	64,475	3.21%
Interest/Charges and Expenses	(38,669)	(35,737)	8.20%	(81,912)	(72,893)	12.37%
Monetary adjustment	(1,342)	(2,283)	-41.21%	(2,445)	(3,493)	-30.00%
Exchange rate gains (losses)	3,051	(7,130)	-142.79%	4,821	5,903	-18.33%
Total financial expenses	(36,960)	(45,150)	-18.14%	(79,536)	(70,483)	12.84%
Financial income (loss)	(2,203)	(11,739)	-81.23%	(12,991)	(6,007)	116.28%

Table 11

Net income

The Company's income for 2Q2023 amounted to **R\$ 102,824** thousand. In 6M23, the accumulated total was **R\$ 232,566** thousand, compared to **R\$ 149,427** in 6M22, which represents an increase of **55.64%**. One of the main reasons for this raise was the reversal of the legal proceeding filed with the municipality of Minaçu, in the amount of **R\$ 75,123** thousand, as explained in Item 6.4. Additionally, electricity costs decreased by **R\$ 30,591** thousand in 6M23.

Nevertheless, there was a **10.28%** increase in Net Revenue, mainly due to the **2.00%** increase in households benefiting from water supply services and **6.37%** increase in households benefiting from sewage services.

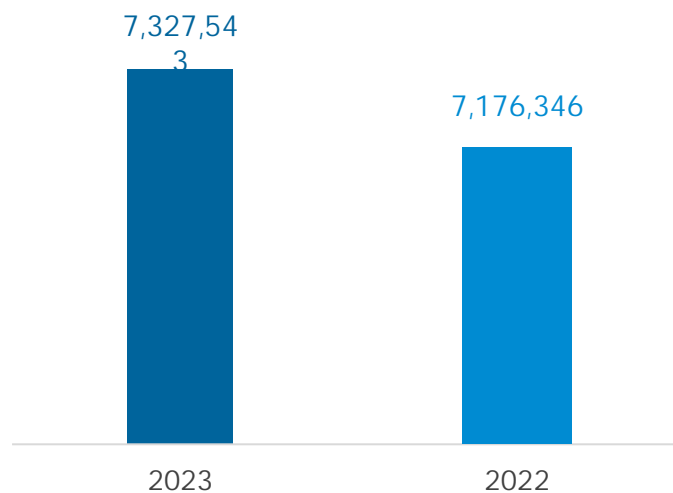
Analysis and Discussion about the Structure of Assets



7. Analysis and Discussion about the Structure of Assets

In the analysis below about the Company's equity structure, we tried to include the accounts that we understand to be the most significant and justify the change in them in 2Q2023 in comparison with that recorded at the end of the previous year.

Progression of Total Assets



Graph 6

In 2Q2023, the main change in the structure of assets was in the group cash and cash equivalents, with a decrease of R\$ 138,612 thousand in the period.

This reduction is consistent with the payment of dividends/interest on equity capital, as well as the Profit Sharing Program for 2022, of R\$ 95,388 thousand and R\$ 39,323 thousand, respectively.

This variation is also seen in the balance of trade payables, which was reduced by R\$ 34,632 thousand. Notably, there was a 6.4% increase in revenue in 2023 compared to 2022, equivalent to R\$ 91,035 thousand. Accordingly, there was a reduction in current liquidity, from 1.7351 at the end of 2022 to 1.77 at the end of 2Q2023.

The increase in Total Assets was due to the increase in Intangible and Sub-delegation assets in view of investments made by the Company, of R\$ 114,662 thousand and R\$ 119,075 thousand, respectively.

Additionally, there was a decrease in third-party capital of 95.16% at the end of 2022, compared to 90.10% at the end of 2023.

7. Assets

Structure of Assets 2023



Graph 7

7.1.1 Current assets

7.1.1.1. Cash and cash equivalents

There was a reduction of R\$ 138,612 thousand in cash and cash equivalents and financial investments, resulting in a balance of R\$ 697,352 at the end of 2022, compared to R\$ 558,740 at the end of 2Q2023.

Among the main factors, we point out:

- Payment of dividends/interest on equity capital, as well as the Profit Sharing Program for 2022, in the amounts of R\$ 95,388 thousand and R\$ 39,323 thousand, respectively.
- Increase in funds raised by 6.4%, corresponding to around R\$ 91,035 thousand, mainly due to the 7.02% tariff adjustment as of April 01, 2023.

7.2 Liabilities

7.2.1 Current liabilities

7.2.1.1 Trade accounts payable

There was a reduction of R\$ 34,633 thousand in trade accounts payable in the period from December 31, 2022, to the end of 2Q2023. This reduction is compatible with the change in maturity from the end of December 2022 to 2023, because banks did not open on December 30, 2022.

7.2.1.2 Dividends and Interest on Equity Capital Payable

There was a decrease of 42.10% in this account, resulting in a balance of R\$ 55,234, compared to R\$ 95,388 in 2022. This variation reflects dividends for 2022 paid in May 2023. Despite this, the account's balance is maintained due to the recognition of monthly provisions for the payment of dividends for 2023.

7.2.1.3 Loans and financing

The account of loans and financing was reduced by 8.12% in relation to the balance reported for the year ended December 31, 2022, due to amortization and payments made in the period.

7.2.2 Noncurrent liabilities

7.2.2.1 Loans and financing

The account of loans and financing was reduced by 8.82% in relation to the balance reported for the year ended December 31, 2022, due to amortization and payments made in the period.

7.2.2.2 Debentures

There was a decrease of R\$ 100,422 thousand in debentures classified as Noncurrent. Four of the five issues of the Company (5th, 6th, 8th and 9th) are already being amortized through current installment payments, and others are being transferred from noncurrent to current.

7.2.2.3 Lease

There was an increase of R\$ 31,496 in leases, which corresponds to around 35%, resulting from new contracts entered into as per CPC-06.

7.3 Equity

Due to the income determined in the period, equity presented an increase of approximately R\$ 177,332 thousand, corresponding to a positive variation of 4.82%.

Breakdown of liabilities – Equity - 2Q2023



Graph 8

Legal Sanitation Framework



8. Legal Sanitation 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 05, 2007 - National Legal Basic Sanitation Framework. 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.

Contracts that do not include these targets shall be amended until March 31, 2022. Moreover, state service providers shall prove their economic and financial capacity to meet contractual obligations, according to the methodology defined in Decree No. 10.710 of May 31, 2021, amending article 10-B of Law No. 11.445/2007. For the validation and certification of the 1st phase of proof of economic and financial capacity required by the decree, the Company contracted BDO RCS Auditores, which issued a report on the calculations carried out by the Company regarding minimum compliance with the established indexes, as shown in the following table:

Description	Target	2016	2017	2018	2019	2020	Median
Net Margin Index ¹	> 0	0.15	0.21	0.15	0.16	0.17	0.16
Indebtedness Level Index ²	< 1	0.51	0.44	0.45	0.49	0.47	0.47
Index of Return on Equity ³	> 0	0.04	0.10	0.04	0.10	0.11	0.10
Cash Sufficiency Index ⁴	> 1	1.04	1.09	1.06	1.06	1.07	1.06

Table 12

Net Margin without depreciation and amortization¹: economic and financial index calculated by dividing net income without depreciation and amortization and operating income; debt and tax expenses; Indebtedness Level Index²: economic and financial index calculated from the sum of current liabilities and noncurrent liabilities, divided by total assets; Return on Equity³: economic and financial index calculated by dividing net income by equity; and Cash Sufficiency⁴: economic and financial index calculated by dividing total collected by the sum of operating expenses, expenses on interest, charges, debt amortization and tax expenses.

Regarding the 2nd phase, it consisted of preparing feasibility studies and a fundraising plan to demonstrate the Company's capacity to make the necessary investments for the universalization of services. For this purpose, the Company hired Consultoria EY - Ernst & Young Advisory Services in order to comply with the requirements established by Federal Decree No. 10.710 of May 31, 2021.

The work was concluded on December 16, 2021, and Consultoria EY attested that the Company complies with the adequacy requirements for the base date of December 31, 2020, i.e., that it meets the minimum reference financial and economic indexes. It also showed that the present net value of global cash flows from regular contracts is higher than zero, and that the fundraising plan of the Company is compatible with its feasibility studies, as per Decree No. 10.710, of May 31, 2021, which establishes the methodology for proving the financial and economic capacity of providers of public water supply or sewage services, as set forth in the new Legal Basic Sanitation Framework (Law No. 14.026/2021).

Later, on March 24, 2022, the Regulatory Agencies of Goiás (AGR) and Goiânia (AR) approved the statement of financial and economic capacity of Saneago in compliance with Decree No. 10.710/2021.

In its article 18, item III, Decree 10.710 conditions the conclusion of the regulatory agencies through the proof of financial and economic capacity to the execution by the companies, within the deadlines established in the same Decree, of the fundraising plans presented.

Accordingly, the Company approved the raising of one billion Brazilian Reais (R\$ 1,000,000,000.00) in the capital market, in line with the fundraising plan presented to regulatory agencies, in addition to the amounts of two hundred million Brazilian Reais (R\$ 200,000,000.00) from the 10th Issue of debentures in July 2022, and of about two hundred and fifty million Brazilian Reais (R\$ 250,000,000.00) filed with and soon to be authorized through "Programa Saneamento para Todos" of the Ministry of Regional Development.

This fundraising, approved in Meeting of the Board of Directors No. 487 of December 08, 2022, was divided into three tranches in the amounts of R\$ 300,000,000.00, R\$ 300,000,000.00 and R\$ 400,000,000.00, to be respectively disbursed in the second quarters of 2023, 2024 and 2025.

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. Therefore, Statute No. 182/2023, issued on May 22, 2023, establishes the West, Center and East Basic Sanitation Microregions and their respective governance structures.

Thus, the Company has been adapting its structure to this new scenario.

Among the measures taken for this adaptation, we highlight:

- (i) the creation of a specialized unit to coordinate processes related to participation in biddings and compliance with its related obligations more efficiently;
- (ii) amendments to contracts to adapt them to targets established by the new law;
- (iii) amendments to its creation law (State Law No. 6.680/1967).

These actions aim 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, controlled companies in Brazil and funds.

Lastly, it should be noted that the Company is aware of Federal Decrees No. 11.598 and 11.599, issued on July 12, 2023, and has been studying the impact of these Regulations on services rendered in the municipalities in which it operates.

Corporate Governance



9. Corporate Governance

Saneago bases its corporate governance on essential principles that guide its actions and decisions. Transparency is one of the fundamental pillars, ensuring that the Company correctly publishes information that is relevant to all parties involved, either internal or external, including shareholders, investors, employees, customers and regulatory agencies.

In this context, the Company recognizes the vital importance of corporate governance to assure sustainable growth and efficient compliance with public policies. Its objective is to promote the principles of transparency, rendering of accounts, equality and corporate responsibility.

At Saneago, Corporate Governance is a process that concerns the adherence to rules that unify the search for social, financial and economic sustainability, and the promotion of an ethical environment in conducting business. The commitment to public interest is constant, and the Company seeks to achieve its social objectives responsibly and efficiently.

To assure the effective implementation of corporate governance, Saneago has the following governance bodies: General Meeting; Board of Directors and Executive Board; Fiscal Council, Internal and Statutory Audit Committee; as well as the Advisory Committees:

- a) Strategic Committee;
- b) Eligibility Committee;
- c) Sustainability Committee;
- d) Financial Risk Management and Use of Funds Committee;
- e) Sectorial Committee of Compliance and Corporate Governance and Organization Unit of Governance.

We point out the fundamental role of the Sectorial Committee of Compliance and Corporate Governance, established in 2019, which has been the driving force in the promotion and continuous monitoring of best practices. Said Committee has a permanent and advisory nature, responsible for guidance related to the Public Compliance Program of the state of Goiás. Its main objective is to guarantee the effective implementation of the areas indicated in State Decree No. 9.406/2019.

Concerned with the protection of the personal data related to any activity of the Company or of third parties operating on its behalf, which require processing, such as collection, classification, use, access, reproduction, transmission, distribution, archiving, storage, elimination, evaluation or control of the information, modification, communication, transfer, diffusion, or extraction of data, in October 2022, a Data Protection Officer was appointed, in compliance with Law No. 13.709/2018 - Brazilian General Data Protection Law - LGPD.

Still, in search of best practices, in November 2022, an Ethics Commission was created, in charge of verifying violations of mild and medium severity committed by employees. In addition to identifying violations, the mentioned Commission has the purpose of disseminating and consolidating principles of professional-ethics behavior in the Company, according to Personnel Disciplinary Regulations RG00.0152.

The Company has as main instrument a Code of Conduct and Integrity, duly implemented and revised twice a year. The last review occurred on May 12, 2022.

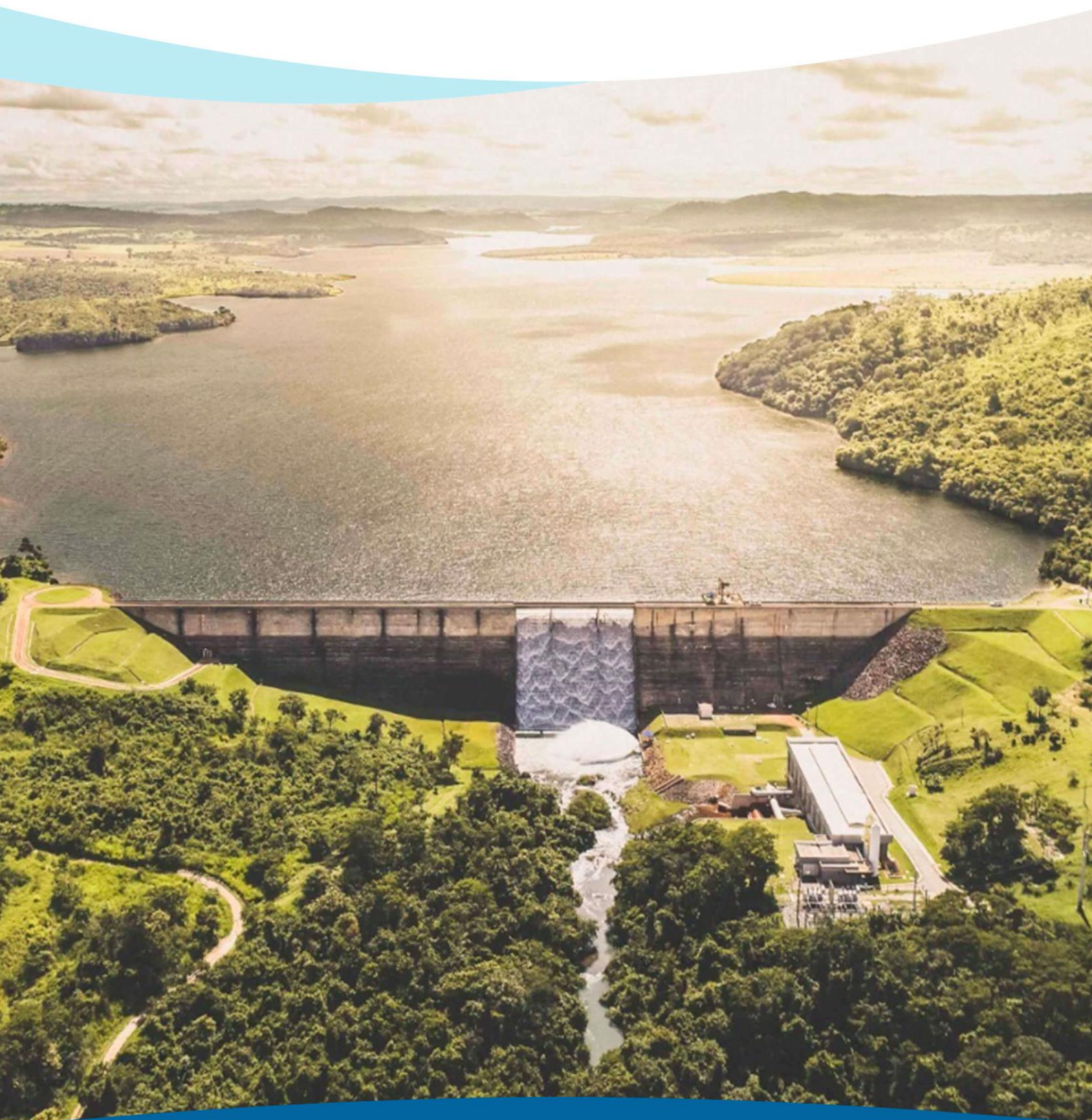
In addition to this Code of Conduct and Integrity, the Company established other mechanisms of integrity, approved by the Board of Directors.

- Policy on Approval Levels and Limits, updated on 10/14/2021;
- Policy on Compliance, updated on 12/16/2021;
- Policy on Risk Management, updated on 12/01/2022;
- Policy on Corruption Prevention, updated on 12/16/2021;
- Policy on Conflict of Interests, updated on 10/21/2021;
- Policy on Non-Retaliation, updated on 09/24/2020;
- Policy on Prevention of Nepotism, updated on 06/10/2021;
- Policy on Related-party Transactions, updated on 05/12/2022;
- Policy on Sponsorship, updated on 10/15/2020;
- Policy on Information Security, updated on 03/26/2020;
- Policy on Management of Financial Risks and Use of Funds, updated on 09/15/2022;
- Policy on Personal Data Protection of Saneago, updated on 10/14/2021.

The Company points out that, since 2020, it has introduced in its notices for biddings, a Declaration of Implementation of the Integrity Program, pursuant to the provisions of State Law No. 20.489/2019.

At the same time, Integrity Program Regulatory Instruction IN 00.0452 in the context of Saneago was prepared and published, with the objective of regulating the State Law, and to provide guidance and instructions applicable to all suppliers of goods and services to Saneago, in accordance with the requirements of State Law No. 20.489/2019, and rules on the implementation of an effective Integrity Program.

Water Security



10. Water Security

10.1 Water situation

After the end of the hydrological year of 2022/2023, Saneago's Hydrological Monitoring Network (RMHS) identified, by means of its hydrological stations installed in water sources of interest in the state of Goiás, that most rainfall measurement stations had a positive variation in relation to the average rainfall volume of the basins.

The surveillance stations installed in Goiânia identified a rainfall volume 220mm higher than that identified in the last rainfall season, from September 2022 to April 2023, and in Anápolis, the rainfall volume was 179mm higher than the average volume identified in that same season.

Gathering data for Anápolis in the period from 2022 to 2023, it was possible to identify that in the months of April, September, November and December, the rainfall volume was higher than the average (April 2023 - 145mm, September 2022 - 108mm, November 2022 - 378mm, December 2022 - 329mm), reaching a positive accumulated volume of 179mm.

Gathering data for Goiânia in the period from 2022 to 2023, it was possible to identify that in the months of January, February, October and December, the rainfall volume was higher than the average (September 2022 - 30mm, October 2022 - 107mm, December 2022 - 225mm, January 2023 - 277mm, February 2023 - 213mm, March 2023 - 138mm and April 2023 - 87mm), reaching a positive accumulated volume of 220 mm.

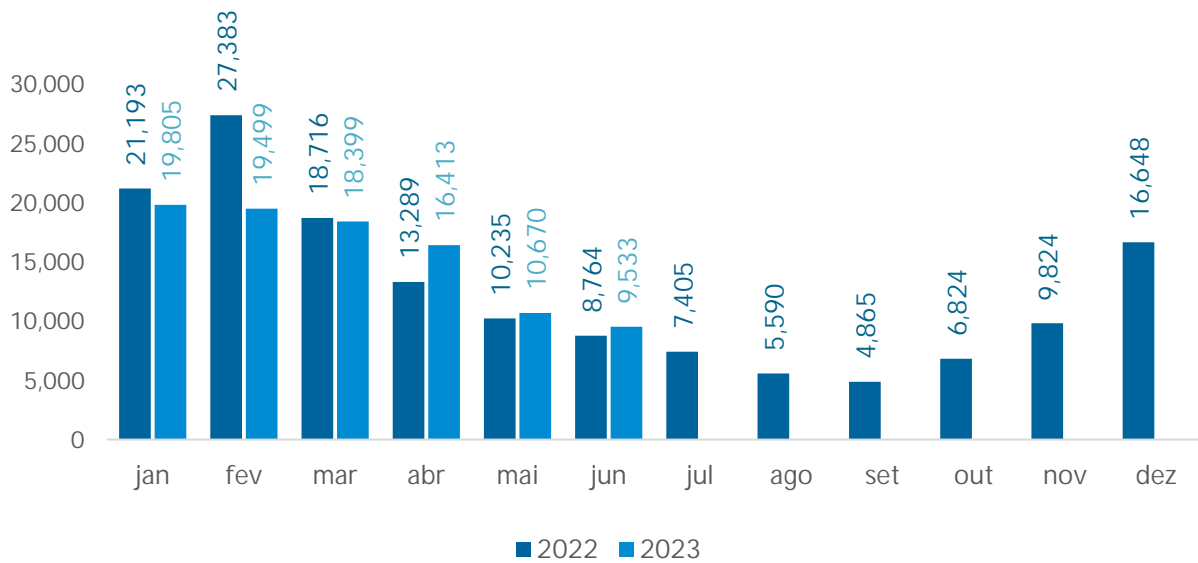
There was indication that the average is inching closer to the regular volumes. The data pointed to future improvement in the volume of our aquifers, indicating a probable resumption of normal storage levels. The scenario was typical of La Niña (colling down of the equatorial portion of the Pacific Ocean), and while this lasted for a long period, there was a turnaround in March 2023, skipping neutrality straight into a scenario influenced by El Niño (warming up of the equatorial portion of the Pacific Ocean).

El Niño usually intensifies rainfall in the Southern region of Brazil and reduces precipitation events in the Northern and Northeastern regions. Accordingly, a state that has been experiencing severe drought for years, like Rio Grande do Sul, could have a more intense rainfall season next summer, while there could be lack of rain in the Amazon, which might favor the spread of wildfires. It is important to note that rainfall in the Center-West region of Brazil relies on "Atmospheric rivers", which are air masses carried by the wind that contain a high concentration of water vapor, originated in the Atlantic Ocean.

Water from the Amazonian evapotranspiration process boosts the humidity volume of these air masses, changing their direction towards the South and the Southeast, cutting across the Center-West region, after colliding with the Andes Mountain Range. That said, we warn of the possibility of a period of drought with higher-than-normal temperatures and a compromised rainfall season. The hydrographical basins where Saneago operates will probably be influenced by this typical El Niño scenario.

10.2 Situation of the Main Systems in the Metropolitan Area

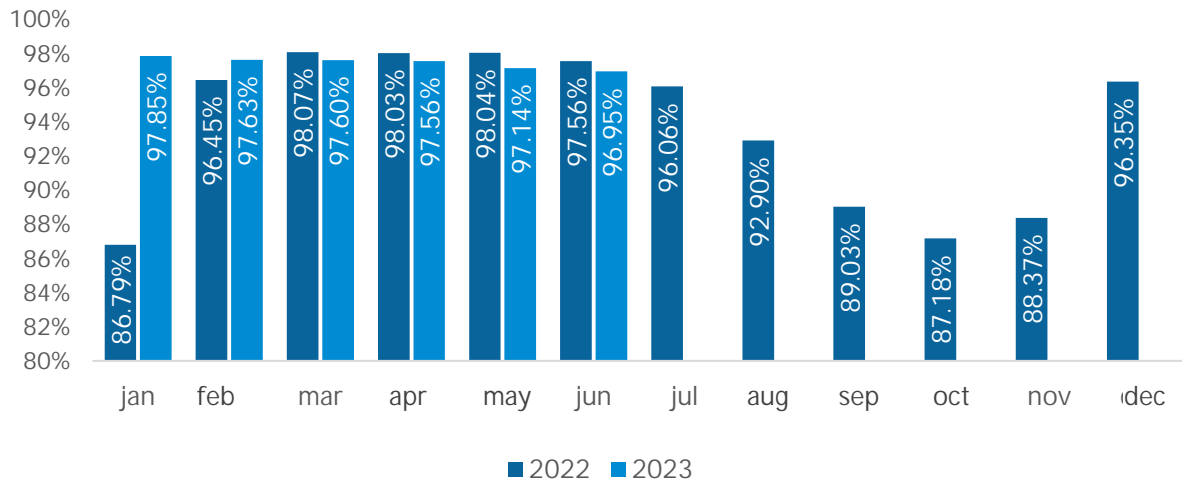
System "Meia Ponte"



Graph 8

- Treatment capacity of 2.5 m³/s water/sec;
- Concession 2.0 m³/s (water/sec drought);
- Water collection by High Dam (Superficial);
- Connection water main with output capacity, by gravity, of 800 liters/sec from Mauro Borges System.

System "Mauro Borges"



Graph 9

- Storage capacity of 129 million m³ of water;
- Concession 6.6 m³ water/sec;
- Treatment capacity of 4.0 m³/s water/sec;
- Little variation in reservoir levels;
- 1,040 hectares of area;

Regulatory Environment



Sistema Produtor Corumbá no município de Luziânia

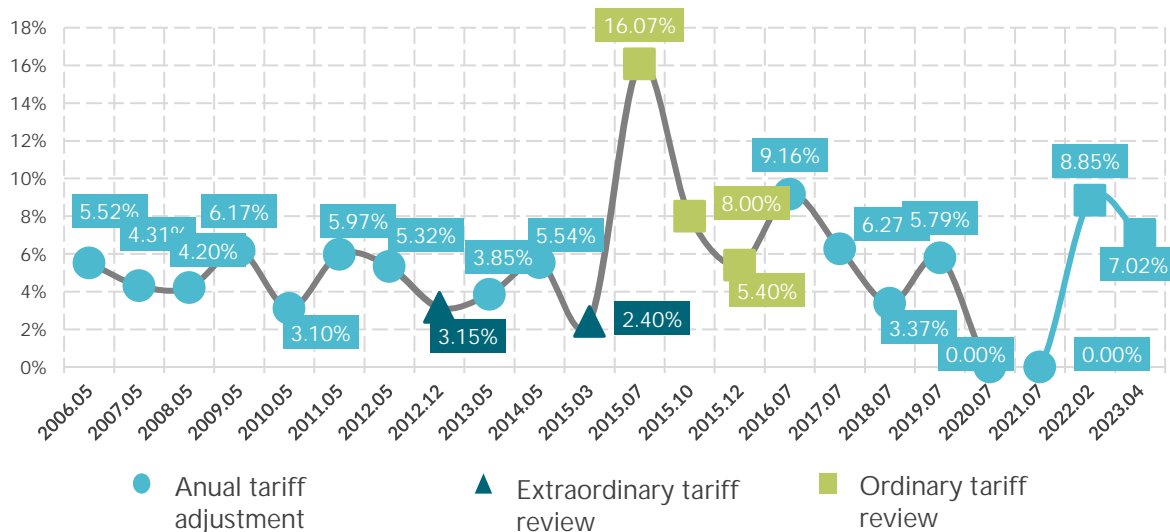
11. Regulatory Environment

Saneago is regulated by four independent agencies: a state agency – the Agency of Regulation, Control and Inspection of Public Services of the state of Goiás (AGR) – and three municipal agencies – the Regulatory Agency of Goiânia (AR), created in 2016, and the Municipal Agency of Regulation of Water and Sewage Services (AMAE), established in 2018.

In 2021, by means of Municipal Law No. 4.115/2021, the Regulatory Agency of the Municipality of Anápolis (ARM) was created, with the purpose of regulating, monitoring and controlling public services granted by concession in the Municipality of Anápolis. Besides these agencies, the Legal Sanitation Framework attributed to the National Water and Basic Sanitation Agency (ANA) the function of establishing reference standards for the sector, to be followed by subnational agencies.

The years of 2021 and 2022 were marked by the conclusion of the process of tariff adjustment and approval, by regulatory agencies, of a new methodology for tariff calculation, which allows the recovery of Saneago's costs and expenses, and the realization of investments during the established cycle.

The methodology also leads to an increase in efficiency by establishing a Production Factor (X Factor).



Such revision required the survey and final definition of the Regulatory Assets Base (BAR) of the Company, conducted by a consulting firm hired by means of a bidding procedure.

The conclusion on the work of final definition and certification of the BAR occurred by means of Joint Technical Notice No. 10/2021-AGR-AR in September 2021.

In December 2021, the members of AGR and AR approved Joint Technical Notice No. 12/2021, setting the index of tariff adjustment at 8.854%, resulting from the tariff's revision as of 02/03/2022.

Tariff adjustment 2023

According to resolutions of the Agency of Regulation, Control and Inspection of Public Services of the state of Goiás (AGR), the Regulatory Agency of Goiânia (AR) and the Municipal Agency of Regulation of Water and Sewage Services (AMAE), a 7.02% adjustment to Saneago's water and sewage tariffs was authorized, coming into effect as of April 01, 2023.

Ownership Interest



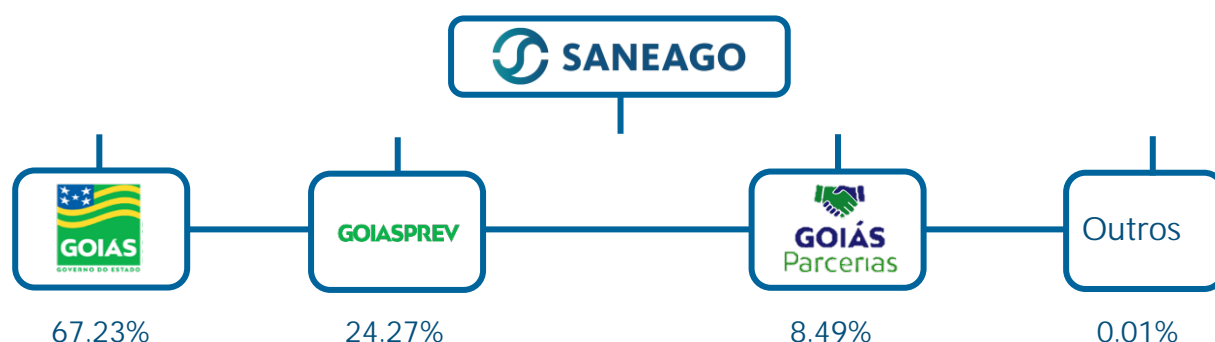
Saneago

12. Ownership interest

In 2Q2023, the Company's major shareholder is the state of Goiás, which holds 67.22% of the Company's total shares.

In 2Q2023, the Company paid Dividends and Interest on equity capital to shareholders, amounting to approximately R\$ 95,388 thousand, calculated based on income (loss) for 2022.

However, by the end of 2Q2023, in view of the reported income of R\$ 232,566 thousand, the Company maintains R\$ 55,234 thousand referring to Dividends and Interest on equity capital in its statement of financial position.



Financial revenues and expenses, net

Shareholder	Common shares		Preferred shares		Total	
	Number	%	Number	%	Number	%
Companhia de Investimento e Parcerias do Estado de Goiás	42,749,681	2.28%	170,998,719	26.36%	213,748,400	8.49%
Goiás Previdência - GOIASPREV	488,016,887	26.14%	122,637,514	18.90%	610,654,401	24.27%
	1,336,135,80				1,691,128,16	
State of Goiás	6	71.56%	354,992,364	54.72%	5	67.22%
Others	4,000	0.00%	11,396	0.00%	15,401	0.00%
Total	1,866,906	100%	648,639	100%	2,515,546	100%

Table 13

Risk Rating



SANEAGO

Saneamento de Goiás S.A
Edifício Sede

Saneago

13. Risk Rating

On February 24, 2023, Fitch Ratings increased the Long-Term National Rating of Saneamento de Goiás S.A. ("Corporate") and its issue of debentures from A+(bra) to a stable AA-(bra).

According to Fitch, Saneago's credit profile is "benefited from the low risk of businesses of the Brazilian sector of basic sanitation, whose demand is relatively resilient in adverse macroeconomic scenarios.

The Company should maintain a conservative financial leverage, despite the expectation of significant increase in investments required to meet the targets established by the new legal framework of the sector.

On November 23, 2022, Moody's assigned a AA+.br Corporate Rating to Saneago's issue of debentures, with a stable outlook.

According to Moody's, the Company's rating reflects its resilient demand, with stable and predictable cash flow generation, the growth opportunity of its concession area and the long remaining period of most of its contracts.

The rating also takes into account the Company's strong credit metrics and the adequate level of its reservoirs, despite the country's water crisis.

The complete list of ratings is provided in Table 12.

Table 12. Company's Ratings and Issues - Saneago S.A.



Agency	Rating	Classification	Outlook	Latest report
	Corporate and 10th issue of debentures	AA+ .br	Stable	11/23/2022
	Corporate and issue of debentures (5th, 6th, 8th, 9th and 10th)	AA- (bra)	Stable	03/24/2023

Table 14

ESG Initiatives



14. 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 the Sustainable Development Goals defined by the United Nations (UN) and demonstrates the concern of the Company's Management in generating value through sustainable development. Thus, the Company has been working to reduce the environmental impacts of its 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, aspects 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;
- Approval of a Sustainability Policy;
- 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 the Sustainable Development Goals (SDGs);
- Issue of Inventory of Greenhouse Gas Emissions (GHG);
- Inclusion of a Sustainability section in the Investor Relations website;
- Joining of the Energy and Water Resilience Coalition and *Movimento +Água* of the UN Global Compact;
- Recognition by means of the Certification of "*Empresa Amiga da Família*" (SEAF) (Family Supportive Company) - 2021/2022 edition;
- Publication of the Sustainability Report according to the methodology of the Global Reporting Initiative - GRI.

In the context of *Movimento +Água*, Saneago was involved in the following activities:

- Participation in the collaborative publishing of "*Guia de Boas Práticas de Monitoramento: uma ferramenta para promover a justiça socioambiental*" (A guidebook on good surveillance practices to promote social and environmental justice), organized by the UN Global Compact as part of *Movimento +Água*, in March 2023;
- Promotion of the project "*Recuperação Florestal em áreas de Nascentes e/ou margens de corpos d'água*" (Forestry recovery in headwaters or margins of bodies of water) during the case study-based panel discussion on *Movimento +Água*, in April 2023.
- Organization of the regional event "*Desafios e Oportunidades para o Setor Empresarial e outros segmentos no cumprimento do Objetivo de Desenvolvimento Sustentável (ODS) 6 em Goiás*" (Challenges and opportunities for the corporate sector and other areas in complying with SDGs), in partnership with the UN Global Compact, in celebration of the World Environment Day, in June 2023. For 2023, the Sustainability Committee is developing a project titled "*Saneago Sustentável*" (Sustainable Saneago), whose objective is decentralizing responsibilities through a framework that correlates several of the Company's areas with ESG and SDGs, with the intent of establishing an effective culture of sustainability at the Company.

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.



INTERIM STATEMENTS OF FINANCIAL POSITION
(In thousands of Brazilian Reais)

	Note	06/30/2023	12/31/2022		Note	06/30/2023	12/31/2022
Assets				Liabilities			
Current				Current			
Cash and cash equivalents	4	17,958	81,606	Trade accounts payable		142,826	177,458
Financial investments	5	540,782	615,746	Loans and financing	20.a	25,605	27,868
Marketable securities	6	275	264	Debentures	20.b	220,324	213,499
Receivables from customers	7	557,030	517,470	Leases	20.d	32,522	21,900
Inventory	8	101,992	80,995	Labor liabilities	21	160,464	140,074
Recoverable taxes	9	27,345	22,132	Provision for profit sharing - employees		23,256	39,324
Prepaid expenses and advances	10	34,992	17,275	Tax liabilities	22	55,891	57,189
Outsourcing	11	3,887	11,334	Installment payments	23	3,464	2,018
Other accounts receivable	12	27,371	35,113	Contract obligations	24	-	4,349
		<u>1,311,632</u>	<u>1,381,935</u>	Consortiums	25	736	736
Noncurrent				Contract-related advance	26	2,489	2,489
Marketable securities	6	6,870	13,798	Other accounts payable	27	17,635	13,789
Receivables from customers	7	30,161	30,699	Outsourcing	11	565	349
Recoverable taxes	9	10,041	7,697	Dividends and interest on equity capital payable	30.f	55,234	95,388
Prepaid expenses	10	238,153	243,123			<u>741,011</u>	<u>796,430</u>
Outsourcing	11	1,544,306	1,425,231	Noncurrent			
Other accounts receivable	12	2,393	-	Loans and financing	20.a	142,826	156,648
Court deposits	13	15,488	14,905	Debentures	20.b	494,559	594,981
Deferred taxes	14.2	-	9,255	Leases	20.d	120,427	88,931
Subventions receivable	19.b	6,516	25,647	Labor liabilities	21	-	426
		<u>1,853,928</u>	<u>1,770,355</u>	Tax liabilities	22	35,265	31,842
Fixed assets				Installment payments	23	13,793	14,260
Contract assets	17	738,419	759,437	Contract liabilities	24	10,147	10,147
Intangible assets	18	2,993,426	2,878,764	Contract advances	26	7,259	8,503
		<u>4,161,983</u>	<u>4,024,056</u>	Provision for legal claims	28	222,246	219,998
				Outsourcing	11	1,544,306	1,425,231
				Subventions	19.a	137,763	151,766
				Deferred taxes	14.2	3,426	-
						<u>2,732,017</u>	<u>2,702,733</u>
				Equity			
				Capital stock	30.a	2,515,546	2,515,546
				Statutory reserve	30.c	78,543	78,543
				Reserve for investments	30.d	1,049,781	1,049,781
				Asset and liability valuation adjustment	30.e	33,312	33,313
				Retained earnings for the period		177,333	-
						<u>3,854,515</u>	<u>3,677,183</u>
Total assets		<u><u>7,327,543</u></u>	<u><u>7,176,346</u></u>	Total liabilities		<u><u>7,327,543</u></u>	<u><u>7,176,346</u></u>

The accompanying notes are an integral part of this interim financial information.

INTERIM STATEMENTS OF INCOME
(In thousands of Brazilian Reais)

	Note	04/01/2023 to 06/30/2023	01/01/2023 to 06/30/2023	Restated 04/01/2022 to 06/30/2022	Restated 01/01/2022 to 06/30/2022
Net revenue					
Revenue from water and sewage supply services		757,952	1,423,756	687,067	1,320,398
Revenue from construction		77,636	148,802	68,484	92,721
Revenue from technical services		591	1,182	568	1,141
Approval of outsourcing		2,275	4,550	2,275	4,550
	31	<u>838,454</u>	<u>1,578,290</u>	<u>758,394</u>	<u>1,418,810</u>
Costs					
Cost of services	32	(302,388)	(606,055)	(313,833)	(675,449)
Cost of construction	32	(77,636)	(148,802)	(68,484)	(92,721)
	32	<u>(380,024)</u>	<u>(754,857)</u>	<u>(382,317)</u>	<u>(768,170)</u>
Gross profit		458,430	823,433	376,077	650,640
Selling expenses	32	(80,576)	(155,843)	(79,008)	(173,316)
Administrative expenses	32	(120,707)	(243,834)	(95,198)	(269,440)
Tax expenses		(22,773)	(25,972)	(4,367)	(11,184)
Provisions/reversals - Loss/recovery of credits	33	(50,718)	(21,908)	(15,293)	12,702
Other operating revenues/expenses	34	(38,202)	(38,058)	1,221	1,099
		<u>(312,976)</u>	<u>(485,615)</u>	<u>(192,645)</u>	<u>(440,139)</u>
Income before financial income (loss)		145,454	337,818	183,432	210,501
Net financial income (loss)	35	(2,203)	(12,991)	(11,739)	(6,007)
Income before taxes		143,251	324,827	171,693	204,494
Current Tax and Social Contribution taxes		(48,688)	(79,580)	(36,748)	(36,748)
Deferred Tax and Social Contribution taxes	14.2	8,261	(12,681)	(8,772)	(18,319)
Net income for the period		102,824	232,566	126,173	149,427
Earnings per share	30.g	0.04088	0.09245	0.05016	0.05940

The accompanying notes are an integral part of this interim financial information.

INTERIM STATEMENTS OF COMPREHENSIVE INCOME
(In thousands of Brazilian Reais)

	<u>04/01/2023 to 06/30/2023</u>	<u>01/01/2023 to 06/30/2023</u>	<u>04/01/2022 to 06/30/2022</u>	<u>01/01/2022 to 06/30/2022</u>
Net income for the period				
Net income for the period	102,824	232,566	126,173	149,427
Other comprehensive income				
Realization of deemed cost, net of deferred taxes	-	1	-	1
Comprehensive income for the period	<u><u>102,824</u></u>	<u><u>232,567</u></u>	<u><u>126,173</u></u>	<u><u>149,428</u></u>

The accompanying notes are an integral part of this interim financial information.

Saneamento de Goiás S.A.

INTERIM STATEMENTS OF CHANGES IN EQUITY (In thousands of Brazilian Reais)

	Capital stock	Statutory reserve	Reserve for investment	Asset and liability valuation adjustment	Other comprehensive income	Retained earnings/ Accumulated losses	Total equity
Balances as at January 01, 2022	<u>2,515,546</u>	<u>58,460</u>	<u>763,613</u>	<u>33,315</u>	<u>(14,116)</u>	<u>-</u>	<u>3,356,818</u>
Net income for the period	-	-	-	-	-	149,427	149,427
Interest on equity capital	-	-	-	-	-	(35,489)	(35,489)
Realization of deemed cost	-	-	-	(1)	-	1	-
Balances as at June 30, 2022	<u>2,515,546</u>	<u>58,460</u>	<u>763,613</u>	<u>33,314</u>	<u>(14,116)</u>	<u>113,939</u>	<u>3,470,756</u>
Balances as at January 01, 2023	<u>2,515,546</u>	<u>78,543</u>	<u>1,049,781</u>	<u>33,313</u>	<u>-</u>	<u>-</u>	<u>3,677,183</u>
Net income for the period	-	-	-	-	-	232,566	232,566
Interest on equity capital	-	-	-	-	-	(55,234)	(55,234)
Realization of deemed cost	-	-	-	(1)	-	1	-
Balances as at June 30, 2023	<u>2,515,546</u>	<u>78,543</u>	<u>1,049,781</u>	<u>33,312</u>	<u>-</u>	<u>177,333</u>	<u>3,854,515</u>

The accompanying notes are an integral part of this interim financial information.

INTERIM STATEMENTS OF CASHFLOWS
(In thousands of Brazilian Reais)

	Note	<u>06/30/2023</u>	<u>06/30/2022</u>
Net cash from operating activities		<u>303,356</u>	<u>223,565</u>
Cash from operations		<u>432,266</u>	<u>301,818</u>
Net income for the period		232,566	149,427
Adjustments to reconcile net income			
Depreciation and amortization		85,939	68,252
Write-off of investments, fixed and intangible assets/Inventory adjustment		110	892
State subventions		-	(491)
Discount to present value - receivables	35	(774)	(1,320)
Deferred taxes - Income Tax (IRPJ)/Social Contribution Tax (CSLL)	14.1	12,681	18,319
Charges on loans, financing and leases		67,104	52,591
Capitalized interest	20.c	(5)	(70)
Return on financial investment	6	(339)	(591)
Monetary adjustment - Sale of noncurrent assets		-	(147)
Provisions/reversals	33	34,984	14,956
Changes in assets and liabilities		<u>(135,632)</u>	<u>(114,420)</u>
Receivables from customers	40	(94,792)	(90,776)
Recoverable taxes	40	(390)	(5,865)
Inventories	40	(17,626)	(13,137)
Prepaid expenses and advances do employees		(12,747)	(64,591)
Court deposits		(583)	(1,574)
Trade accounts payable		(34,632)	3,788
Consortiums		-	3,070
Labor liabilities		19,964	37,620
Tax liabilities		2,125	2,446
Installment payments		979	2,306
Contract obligations		(4,349)	-
Outsourcing		7,663	887
Contract-related advance		(1,244)	11,406
Others		<u>6,722</u>	<u>36,167</u>
Other accounts receivable	40	2,876	(3,534)
Other accounts payable		3,846	39,701
Net cash from investing activities		<u>(97,589)</u>	<u>(120,523)</u>
Acquisition of fixed assets	16.1	(14,387)	(20,318)
Contract assets	40	(95,108)	(52,050)
Acquisition of intangible assets	18	(68,989)	(56,090)
Acquisition of inventory for construction	17	(1,325)	(8,056)
Receipt from disposal of fixed assets		-	3,557
Marketable securities	6	7,256	1,558
Redemption of financial investments		74,964	12,453
Adjustments - Growth Acceleration Program (PAC)		-	(1,586)
Sale of investments in shares		-	9
Net cash from financing activities		<u>(269,415)</u>	<u>(218,025)</u>
Financing/loans raised	20.c	201	-
Amortization of loans and financing	20.c	(107,352)	(124,676)
Payment of finance charges on fundraising	20.c	(62,587)	(57,280)
Leases	20.c	(24,190)	(9,465)
Subventions	19.a	19,901	10,982
Redemption of marketable securities	20.c	-	44,999
Payment of interest on equity capital		(95,388)	(82,585)
Increase/(decrease) in cash and cash equivalents, net		<u>(63,648)</u>	<u>(114,983)</u>
Cash and cash equivalents at beginning of year	4	81,606	138,808
Cash and cash equivalents at end of year	4	17,958	23,825

The accompanying notes are an integral part of this interim financial information.

INTERIM STATEMENTS OF VALUE ADDED
(In thousands of Brazilian Reais)

	Note	<u>06/30/2023</u>	<u>Restated 06/30/2022</u>
Revenues			
Sales of goods, products and services		1,569,672	1,454,302
Revenue from construction work	31	148,802	92,721
Recognition/reversion of allowance for doubtful accounts	33	(56,544)	(46,964)
Expiration/recovery of credit	33	13,076	27,658
Outsourcing grant	31	4,550	4,550
Revenue from technical services	31	1,182	1,141
Other revenues		2,803	9,103
		<u>1,683,541</u>	<u>1,542,511</u>
Inputs acquired from third parties			
Cost of goods and services sold		(223,606)	(243,670)
Raw materials consumed		(4,505)	(2,528)
Electric power and third-party services		(120,013)	(124,818)
Cost of construction work		(148,802)	(92,721)
Recognition/reversal of provision for inventory losses		2,346	6,407
Other expenses		(40,861)	(8,004)
		<u>(535,441)</u>	<u>(465,334)</u>
Gross value added		1,148,100	1,077,177
Withholdings			
Depreciation/amortization		(85,939)	(68,252)
Recognitions/reversals		19,214	25,601
		<u>(66,725)</u>	<u>(42,651)</u>
Net value added		1,081,375	1,034,526
Value added received through transfer			
Financial revenues	35	66,545	64,477
		<u>66,545</u>	<u>64,477</u>
Total value added to be distributed		1,147,920	1,099,003
Distribution of value added		1,147,920	1,099,003
Personnel and charges			
Direct compensation		345,142	461,189
Benefits		94,875	94,051
Severance Pay Fund (FGTS)		28,459	27,871
		<u>468,476</u>	<u>583,111</u>
Taxes, fees and contributions			
Federal taxes		325,550	262,017
Federal taxes - Deferred Income and Social Contribution taxes		12,681	18,318
State taxes		17,676	4,827
Municipal taxes		6,126	5,667
		<u>362,033</u>	<u>290,829</u>
Return on debt capital			
Interest		79,536	70,484
Rents		5,309	5,152
		<u>84,845</u>	<u>75,636</u>
Return on equity capital		<u>232,566</u>	<u>149,427</u>
Net income for the period		232,566	149,427

The accompanying notes are an integral part of this interim financial information.

Notes to the interim financial information as at June 30, 2023
(In thousands of Brazilian reais, unless otherwise stated)

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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. These amendments were incorporated into the Company’s Bylaws through the reform and consolidation approved on August 10, 2021.

Considering the growing market concern for best corporate, environmental, social and governance practices, a committee with representatives from different areas of the Company was organized, which is responsible for the strategies, guidelines and other sustainability matters, including corporate guidelines and acts in the management of environmental, social and governance matters (ESG - Environmental, Social and Governance). Among the actions carried out by the committee, the following are highlighted: preparation of Sustainability Policy, preparation of Sustainability Report by a specialized consulting company, definition of ESG indicators and contractual clauses and creation of Innovation Program. Furthermore, Saneago enrolled with the Global Compact, which is an initiative proposed by the United Nations to encourage companies to adopt corporate social responsibility and sustainability policies.

Program contracts and concession contracts:

As at June 30, 2023, Saneago had executed 224 contracts, as follows: 144 in effect, of which 82 are concession contracts, 62 are program contracts, and 80 contracts overdue, representing an average percentage of 84.39% and 15.61% of net revenue, respectively. In 2022, the concession contract was resumed by the municipality and the rendering of services was discontinued in Buriti Alegre and Ipameri, with average representation of 0.35% of the Company's net revenue in 2022, and a lawsuit has been filed by Saneago to obtain compensation for investments made and not amortized, as described in Note 12 (a).

The Company has corresponding intangible assets and contract assets amounting to R\$ 616,995 in relation to expired contracts, of a total of R\$ 3,731,845 as per Notes 17 and 18. The realization of these assets depends on the regularization by the National Water Agency - ANA for definition of the compensation calculation methodology.

The average term of current concession and program contracts, weighted by the percentage of 2023 net revenue from active contracts, is 18.5 years. The contracts have the following maturity schedule: 80 overdue, 28 due in the next 5 years, 13 due between 6 and 10 years, 27 due between 11 and 15 years, 31 due between 16 and 20 years and 45 due after 20 years.

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

Municipality	Status	Maturity date	% Net revenue	Type of contract	Term (years)
Goiânia	IN EFFECT	12/17/2049	36.51%	Program	30
Anápolis	IN EFFECT	02/27/2050	7.26%	Program	30
Aparecida De Goiânia	IN EFFECT	11/01/2041	4.14%	Program	30
Valparaíso De Goiás	IN EFFECT	11/16/2048	2.74%	Program	30
Rio Verde	IN EFFECT	11/01/2041	2.43%	Program	30
Luziânia	IN EFFECT	12/01/2045	2.16%	Program	30
Formosa	IN EFFECT	03/14/2025	2.08%	Concession	25
Itumbiara	IN EFFECT	02/23/2025	1.70%	Concession	20
Planaltina	IN EFFECT	04/01/2030	1.50%	Concession	25
Trindade	IN EFFECT	11/01/2041	1.38%	Program	30
Águas Lindas de Goiás	IN EFFECT	12/28/2048	1.38%	Program	30
Jataí	IN EFFECT	11/01/2041	1.33%	Program	30
Goianésia	EXPIRED	06/15/2020	1.25%	Concession	25
Novo Gama	IN EFFECT	11/16/2048	1.21%	Program	30
Cidade Ocidental	IN EFFECT	11/01/2041	1.18%	Program	30
Inhumas	IN EFFECT	06/17/2050	0.96%	Program	30
Quirinópolis	EXPIRED	06/24/2016	0.94%	Concession	20
Maturing in 01 - 05 years			3.78%		
Maturing in 06 - 10 years			0.70%		
Maturing in 11 - 15 years			1.74%		
Maturing in 16 - 20 years			3.95%		
Maturing in 21 - 30 years			6.25%		
Expired			13.43%		
			<u>100.0%</u>		

The operations of the Company are concentrated in the Municipality of Goiânia, which, as at June 30, 2023, represented 36.51% of net revenue and 34.29% of intangible assets (36.71% of net revenue and 32.77% of intangible assets as at December 31, 2022).

New Legal Framework on Basic Sanitation

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.

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. Ernest Young, an independent certifier, confirmed that the company complies with the adequacy requirements on the base date of December 31, 2020, showing that it meets the minimum benchmark indexes of economic-financial indicators, that the net present value of the global cash flows of regular contracts is greater than zero and that the Company's fundraising plan is compatible with its feasibility studies, as provided for in the decree.

Additionally, 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. In this second phase, contracts that do not include universalization targets must be amended by March 31, 2022, and the Company amended 114 contracts out of the 121 for which an economic and financial feasibility study was carried out.

As for the regionalization process, on May 22, 2023, the state issued Statute No. 182/2023, establishing the Basic Sanitation Microregions and their respective governance structures. Three (3) microregions were established in the state, and their respective governance structures consist of: i) Microregion Committee, a decision-making body; ii) Technical Committee, a technical and advisory body; iii) Participatory Council; iv) General Secretary, an elected executive officer; and v) Integrated system for the management of resources and rendering of accounts regarding resources managed for each microregion.

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 80 expired contracts mentioned.

Also within the corporate scope, in addition to the reform carried out in its creation law (Law No. 6.680/1967) and the structuring to meet the requirements of the New Framework, the Company created a specialized unit to ensure its capacity to participate in bidding processes and fulfill its obligations more efficiently.

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 entitled to compensation for assets not yet amortized, as provided for in article 36 of the Law of Concessions.

Lastly, it should be noted that the Company is aware of Federal Decrees No. 11.598/2023 and 11.599/2023, which respectively revoked Federal Decrees No. 11.466 and 11.467 on July 12, 2023, promoting discussions and studies on the impacts of these Regulations on services rendered in the municipalities in which it operates.

Price adjustment

The Control and Inspection Council of Public Services of the city of Goiânia (AGR), Goiânia's Regulatory Agency (AR) and the Municipal Agency for Regulation of Water and Sewage Services (AMAE) authorized the adjustment of Saneago's water and sewage tariffs in 7.02% as from April 1, 2023.

It should be noted that this was the first readjustment granted after Saneago's process of Ordinary Tariff Adjustment, where the percentage of 8.85% was granted for water/sewage tariffs as from February 1, 2022, and that this was defined after a long period of work to define calculation methodologies for the tariffs revision and the Company's Regulatory Weighted Average Cost of Capital (WACC), approved through Joint Technical Notes AGR/AR No. 006/2021 and 007/2021, respectively, in addition to the methodology for approval of the Regulatory Assets Base (BAR) as per Technical Note No. 004/2021.

Approval for issuance of interim financial information

Issuance of this interim financial information was approved by the Board of Directors on August 10, 2023.

2. Basis of preparation and summary of main accounting practices

Despite being allowed by CPC 21 (R1) and the guidelines contained in Circular Letter CVM/SNC/SEP/Number 003/2011, the Company chose to re-disclose the details presented, in Note 2 "Basis of preparation for the financial statements and summary of main accounting practices".

2.1 Declaration of compliance

The 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 statements are also in alignment with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The financial 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 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 financial information 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 and write-off per maturity

To write off customer credits (effective loss), the Company adopts commercial maturity criteria, namely 10 years for private customers and 5 years for public customers, not using the tax criterion (Law 9.430/1996).

For calculating the allowance for doubtful accounts in order to align its estimates of expected losses to the provisions of CPC48 (IFRS 09) - Financial Instruments.

Losses are estimated using the provision matrix technique, which considers expectations of loss as accounts receivable age, whose percentages are determined based on the Company's history of default in the years prior to disclosure. Due to different payment profiles, matrices are calculated separately for private and public customers, not considering those that have filed legal proceedings against the Company.

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.

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

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 14.2.

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 28.

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, 2023, and December 31, 2022, 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

As per ICPC 01 (R1)/ IFRIC 12 Concession agreements and CPC 47/ IAS 15 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 Contractual 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 expected use by the Company for a period of six 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 Receivables 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. The allowance for doubtful accounts is recognized as per Note 2.3 a).

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 Fixed assets

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 Fixed assets 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.

The Company annually assesses the existence impairment of its fixed and intangible assets with a defined useful life in accordance with CPC 01 - Reduction in the Recoverable Value of Assets (Note 2.12).

The useful lives of assets are described below:

Nature of the assets	EUL*	Nature of the assets	EUL*
Civil construction	50	Equipment - Metering pumps	13
Dams	50	Hydrometers	11
Reservoirs and Tanks - Concrete	50	Vehicles	11
Decanters and Ponds	50	Machinery and Tractors	10
Transmission and Electricity Lines	40	Equipment - Sewage pumps	10
Piping	40	Treatment Equipment	10
Generation groups	30	Laboratory Equipment	10
Building connections	30	IT equipment - Switch	10
Water wells	25	Other equipment	9
Renewable Energy Systems	25	Deemed cost (General)	25
Reservoirs and Tanks - Metal	20	IT equipment - Servers	8
Environmental Protection and Preservation - Reforestation	17	IT equipment - Endpoints	7
Environmental Protection and Preservation - Fencing	15	IT equipment - Leases	7
Equipment - Air Conditioning	15	-Vehicles - Right of use	3
Equipment - other pumps	15	IT equipment - No breaks	2
Macro meters	15	Works of art	-
Equipment - Engines	14	Plots of land	-
Furniture and fixtures	13	Servers	-
Computer programs	13		-

**Economic Useful Life*

Based on a study prepared in 2022 by an independent firm, the economic useful lives of Fixed and intangible assets were reviewed with the purpose of meeting the provisions of Law 11.638/2007 and standard CPC 27. The current valuation report was issued at December 09, 2022 and implemented still within the year, including the group of Generators with defined useful lives.

a) Concession and Program contracts

The infrastructure linked to concession and program contracts is governed by standard ICPC 01 - Concessions - considering that: (I) the municipal government (grantor) controls or regulates which services the operator must supply, (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, and the counterparty has little or no option to avoid payment, usually because the contract is enforceable by law; (V) the Company is entitled to collect 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 must be assured through the amounts charged for services, preferably in the form of tariffs.

In spite of the expectation of remuneration preferably in the form of tariffs, it is known that the Company’s operating income (loss) in the municipalities is not always enough to amortize the investments made, during the period in which services are rendered. The amortization of the investments in concessions is not limited to contractual terms, because this system is ruled by the reasonability of tariffs during the rendering of services, and thus, the term of the contract is not always enough for the amortizations. Accordingly, the compensation for investments not yet amortized is left as a form of remuneration. This is provided for in article 36 of Federal Law No. 8.987/1995, which also establishes that “the reversal upon the termination of the contract shall be carried out by the compensation of the installments of investments linked to reversionary assets, not yet amortized or depreciated, which have been realized for the purpose of ensuring the continuity and effectiveness of the service rendered”. This is provided for in the sanitation legislation, in its article 42, § 5, which establishes that the transfer of services from one provider to another shall be conditioned to the previous compensation of the investments linked to reversionary assets not yet amortized or depreciated (Law No. 11.445/2007 with wording given by Law No. 14.026/2020). Additionally, there is no discussion regarding the right to compensation prior to the reintegration of the system to the municipality, especially after the decision by Minister Sérgio Kukina of the Federal Court of Appeals (STJ), in Special Appeal No. 1.564;416 - PR, which establishes that “strictly speaking, the Municipality must not reassume the services granted in concession before paying the due compensation” and that “the contract is not expired until that occurs, since its clauses have not been duly complied with”.

Accordingly, Saneago’s departure from the sanitation services operation due to the maturity of the Concession Contract must be preceded by the administrative procedures required to promote the effective compensation of the assets not yet amortized. The obligation of compensation obliges the granting power to anticipate the termination of the contract and proceed with the analyses, evaluations and settlements needed to determine the value of the compensation it owes to the concessionaire. Thus, until the due administrative process is initiated for settlement of the contract, with payment of the due compensation to the Company, the Municipality cannot retake, and Saneago cannot transfer the services, without due settlement.

In locations where the Municipalities launch public bidding notices in advance, to hire a company for the rendering of such public services, Saneago is pursuing its legitimate interests and rights by administrative and judicial means. There are 4 municipalities in this situation, which represents 2.59% of the Company’s total revenues. We point out the failed attempt by 2 municipalities, representing around 1.01% of the Company’s total revenues, of retaking the system through an emergency hire, with no legal grounds and observation of the due compensation. Nevertheless, for the reasons exposed above, the prognosis regarding proceedings in progress are favorable to Saneago, given that there is only reversal with compensation; if there is no definition of the value of such compensation, or conclusion on it not being due, there can be no reversal, since the requirement of the law was not met.

Regarding the other expired contracts, after the regionalization of the sanitation services in the state there are still regulatory uncertainties, given that the rules for provision of the services are still being defined by ANA and that the Agency will take a considerable period of time to develop such legal framework, considering the complexity of the matter. Thus, Saneago seeks, through the Statement of Consent, the sustainability of the relationship after the termination of the contract, supplementing the ruling regarding the technical and operation condition of provision, despite waiting for the new ANA guidelines for the regulation of services, with the specific definition of the criteria to be observed in cases of compensation.

Considering that i) in view of the principle of continuity of the public service and in respect to the rights of local consumers, Saneago continues to be responsible for the rendering of services; ii) the compensation for the investment realized and not amortized is guaranteed by law; iii) that such compensation constitutes a prerequisite to the termination of the contract and that iv) the regulation by ANA for the definition of the calculation methodology of compensations is pending, which would provide a technical orientation to the Company on the measurement of such value. The investments in the municipalities in which the rendering of the services occurs without contractual coverage are maintained as intangible assets without bifurcation in Financial assets, which are amortized by their respective useful lives.

As soon as the matters above are solved, which do not depend on the Company's actions, it intends to review the bifurcation policies for its investments.

b) Government subsidies

When government subsidies related to assets are received, but not all condition have been fulfilled yet, they are recognized in the statement of financial position in a liability account, as per balance in Note 19. When the established condition of immobilization of the work is fulfilled, 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.

Additionally, the Company adopts impairment for works that have been paralyzed for more than a year and with no expectation of cash generation, with direct and indirect costs fully provisioned. If the works are resumed, the incurred losses are calculated and recognized in the statement of income for the year. The amount of the provision for impairment related to paralyzed works is R\$ 122,905 as at June 30, 2023 (RS 128,347 as at December 31, 2022).

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.

The Company recognizes a provision of 10% on income for the quarter (maximum amount to be distributed) in accordance with values disclosed in Note 33. Its effective realization depends on approval by the Governance Agencies and calculation of the goals realized.

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 (on leases, tax and accounting depreciation bases, allowance for doubtful accounts, provision for contingencies, discount to present value of receivables, 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 financial position.

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 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 for all municipalities in the state of Goiás, with which the Company has contract. 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 financial information, seeing that in analyzing performance, Management uses that criterion.

This information by segment may be changed due to the regionalization of the contracts as discussed in Note 1.

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 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 balances as at June 30, 2022, for comparison purposes

Pursuant to the technical guidelines of CPC 23 - Accounting Policies, Changes in Estimates and Correction of Errors, the Company restated the financial information for the second quarter of 2022 with the purpose of including service revenues and excluding from the financial income (loss) the effect of fines received from customers for late payment of invoices.

Said adjustments are as follows:

Statement of income as at June 30, 2022 (Restated)

	Stated		Adjustment		Restated	
	04/01/2022 to 06/30/2022	01/01/2022 to 06/30/2022	04/01/2022 to 06/30/2022	01/01/2022 to 06/30/2022	04/01/2022 to 06/30/2022	01/01/2022 to 06/30/2022
Net revenues	750,864	1,404,679	7,530	14,131	758,394	1,418,810
Operating costs	(382,317)	(768,170)	-	-	(382,317)	(768,170)
Gross profit	368,547	636,509	-	-	376,077	650,640
Operating expenses	(192,645)	(440,139)	-	-	(192,645)	(440,139)
Income before financial income (loss)	175,902	196,370	-	-	183,432	210,501
Net financial income (loss)	(4,209)	8,124	(7,530)	(14,131)	(11,739)	(6,007)
Income before taxes	171,693	204,494	-	-	171,693	204,494
Current Income and Social Contribution taxes	(36,748)	(36,748)	-	-	(36,748)	(36,748)
Deferred Income and Social Contribution taxes	(8,772)	(18,319)	-	-	(8,772)	(18,319)
Net income for the period	126,173	149,427	-	-	126,173	149,427
Earnings per share	0.05016	0.05940			0.05016	0.05940

Statement of Value Added as at June 30, 2022 (Restated)

	06/30/2022	Adjustment	Restated 06/30/2022
Revenues	1,528,380	14,131	1,542,511
Inputs acquired from third parties	(465,333)	-	(465,333)
Gross value added	1,063,047	-	1,077,178
Withholdings	(42,651)	-	(42,651)
Net value added	1,020,396	-	1,034,527
Value added received through transfer	78,608	(14,131)	64,477
Total value added to be distributed	1,099,004	-	1,099,004
Distribution of value added	1,099,004	-	1,099,004
Personnel and Charges	583,112	-	583,112
Taxes, fees and Contribution	290,829	-	290,829
Return on debt capital	75,636	-	75,636
Return on equity capital (Income for the period)	149,427	-	149,427

3. Risk management and financial instruments

3.1 Financial risk factors

The Company's businesses, financial standing and results 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 risk

Saneago is exposed to fluctuations in the interest rates of loans, financing, Debentures, and short-term financial investment. That could impact payments and receiving of amounts, as well as cash flows. Such rates are the Reference Rate (TR), Secured Overnight Financing Rate (SOFR), the rate of Certificates of Interbank Deposit (CDI) or inflation indexes, such as the Amplified Consumer Price Index (IPCA).

According to the financial risk management policy, 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 used to analyze the debt balance: CDI, SOFR and TR. Therefore, based on current values or market expectations for the end of the period for these index values as at June 2023, three scenarios were simulated. The probable scenario considers the maintenance of the current value or the expected evolution of the rates, whereas scenarios II and III consider appreciation of the rates by 25% and 50%, respectively.

Indexes	Exposure	Debt sensitivity - 06/30/2023					
		Probable scenario		Scenario II		Scenario III	
		Rate	Value	Rate	Value	Rate	Value
CDI (Banks + Debentures)	717,443	13.65%	815,374	17.06%	839,839	20.48%	864,375
USD SOFR 3M (BID)	56,312	6.13%	59,764	7.66%	60,625	9.20%	61,493
TR (Caixa Econômica Federal)	108,951	2.08%	111,216	2.60%	111,785	3.12%	112,351
Sub Total	882,706		986,354		1,012,249		1,038,219
Transaction costs	(2,560)						
	880,146						
Not subject to risk							
FCO - Cezarina (a)	3,168						
	<u>883,314</u>						

a) 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, currency forward contracts (NDF), or financial investments in exchange funds limited to the amount of the corresponding liability. The contracting of those instruments depends on the ratio of cost to expected benefit of the instrument used.

As in the debt sensitivity analysis above, the balance used was that of foreign debt, i.e., the financing agreement with IDB, denominated in US dollars. Based on market expectations for the end of the year of this currency value (Focus Report), in relation to June 2023, three scenarios were simulated. The probable scenario considers the expected evolution of the value of foreign currency, while the other scenarios assume appreciation or depreciation of exchange rates by 25% and 50%, respectively.

Sensitivity of debt in foreign currency - 06/30/2023						
Currency	Exposure	Probable scenario	-25%	25%	-50%	50%
Debt in R\$ (IDB)	56,312	R\$ 4.97	R\$ 3.73	R\$ 6.21	R\$ 2.49	R\$ 7.46
Exposure in US\$	11,599	-	-	-	-	-
Debt in R\$ in the scenarios	-	57,649	43,237	72,061	28,825	86,474
Effects on income before taxation		(1,377)	13,075	(15,749)	27,487	(30,162)

Sensitivity of the debt in foreign currency with IDB

In relation to contract No. 1414/OC-BR 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.

Regarding the reference interest rate for the IDB debt, the London Inter-bank Offered Rate (LIBOR) was discontinued and replaced by the Secured Overnight Financing Rate (SOFR) which will be used in the IDB contract as of 2023.

In the sensitivity analysis of foreign currency debt, the probable scenario indicates a Brazilian Real to US Dollar exchange rate of R\$ 4.97, slightly above the closing rate in June 2023 of R\$ 4.81, leading to an increase in the expected amount of future debt. We point out, however, factors that have been substantially affecting Brazilian and international economy, such as the high interest rate environment due to the acceleration of inflation in Brazil and in the world, in addition to the growth of defaults and the credit risk for companies. Additionally, the global economy has been slowing down and economic and geopolitical uncertainties exist, in particular some commercial disputes and the possible resurgence of the military conflict in Ukraine - 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 April 2023 was R\$ 5.06. The projection of exchange rate for 2023 is R\$ 4.97.

The dollar rates of the scenarios were based on data the Brazilian Central Bank published in the FOCUS Market Report (Market Expectations) on July 21, 2023.

(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. 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, something guaranteed by law, as discussed in Note 2.11 (a).

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 and financial investments of immediate liquidity. Total capital is determined through the sum of equity as demonstrated in the statement of financial position with net debt.

	06/30/2023	12/31/2022
Net Financial Position		
Total loans/Debentures/Leases	1,036,263	1,103,827
(-) Cash and cash equivalents.	(17,958)	(81,606)
(-) Financial Investment (a)	(540,782)	(615,746)
(=) Net debt	477,523	406,475
(+) Total equity	3,854,515	3,677,183
(=) Total capital	<u>4,332,038</u>	<u>4,083,658</u>
Financial Leverage Index	11.02%	9.95%

(a) Immediate liquidity financial investments as per Note 5.

4. Cash and cash equivalents

	06/30/2023	12/31/2022
Imprest fund	68	108
Bank checking accounts/billing	11,273	13,722
Banks - Accounts linked to construction work	405	1,926
Banks - Billing not yet released (a)	6,212	11,904
Financial investments (b)	-	53,946
	<u>17,958</u>	<u>81,606</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) The Company maintains in Cash and Cash Equivalents the investments expected to be used within six months.

As at June 30, 2023, there is no expectation of using the balance of financial investments within this period. The balance of financial investments as at December 31, 2022, includes the following amounts:

	06/30/2023	12/31/2022
Banco do Brasil	-	1,524
BBM	-	3,384
Bradesco	-	5,927
Itaú	-	40,533
Safra	-	11
Vortex	-	2,567
	<u>-</u>	<u>53,946</u>

The average return on these financial investments as at December 31, 2022, was 74.56% of CDI.

5. Financial investments

These refer to investments with immediate liquidity to meet short-term commitments. It differs from investments allocated to Cash and Cash Equivalents only in terms of their expected use by the Company, which is after six months, and breakdown as follows:

	06/30/2023	12/31/2022
B. Brasil	1,675	-
BBM	4,977	-
Bradesco	8,603	-
Itaú	39,429	45,550
Safra	11	-
Santander	483,543	570,196
Vortex	2,544	-
	<u>540,782</u>	<u>615,746</u>

The average return on the financial investments in the second quarter of 2023 was 92.03% of the Interbank Deposit Rate (CDI) (100.96% of CDI as at December 31, 2022).

The market value of short-term financial investment is close to the one recorded in the 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.

6. Marketable securities

	06/30/2023	12/31/2022
Current		
Caixa Econômica Federal	275	264
	<u>275</u>	<u>264</u>
Noncurrent		
Bradesco	-	1,153
Caixa Econômica Federal	5,828	12,645
Banco Inter	1,042	-
	<u>6,870</u>	<u>13,798</u>
	<u>7,145</u>	<u>14,062</u>

Such investments are 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.

The variation in the balance corresponds to the return of funds received by means of the Water Basins Depollution Program - PRODES due to the expiration of contract No. 068/ANA/2015. The contract expired on September 30, 2022, and, as there was no extension, the company returned the capital received and the corresponding income, which totaled R\$ 7,090.

The amount of R\$ 339 was recorded in marketable securities, with effective redemption in the net amount of R\$ 7,256.

The average returns on marketable securities in the second quarter of 2023 was 68.73% of the Interbank Deposit Rate (CDI) (79.33% of CDI as at December 31, 2022).

7. Receivables from consumers

	06/30/2023			12/31/2022		
	Private	Public	Total	Private	Public	Total
Amounts billed and not yet due	144,980	23,556	168,536	117,548	13,545	131,093
Becoming due in more than 30 days	33,126	4,448	37,574	34,540	4,404	38,944
Overdue for up to 30 days	110,000	718	110,718	104,733	3,763	108,496
From 31 to 60 days overdue	39,557	2,829	42,386	40,600	1,945	42,545
From 61 to 90 days overdue	16,592	1,585	18,177	17,348	2,135	19,483
From 91 to 120 days overdue	13,188	1,533	14,721	13,546	1,765	15,311
From 121 to 180 days overdue	23,156	2,882	26,038	21,967	2,739	24,706
From 181 to 360 days overdue	59,050	7,821	66,871	54,620	5,473	60,092
From 361 days to 5 years overdue	111,713	13,288	125,001	70,197	9,837	80,034
Overdue for more than 5 years	9,058	4,990	14,048	6,559	4,118	10,678
Collection to be identified	(313)	-	(313)	(133)	-	(133)
Estimate of amounts to be billed	104,388	8,192	112,580	101,762	7,380	109,142
(-) Discount to present value of receivables	(1,013)	(184)	(1,197)	(1,176)	(197)	(1,373)
(-) Allowance for doubtful accounts	(147,923)	(30,187)	(178,110)	(99,153)	(22,395)	(121,548)
Subtotal	<u>515,559</u>	<u>41,471</u>	<u>557,030</u>	<u>482,958</u>	<u>34,512</u>	<u>517,470</u>
Amounts receivable (noncurrent)	27,551	9,464	37,015	27,158	11,011	38,169
(-) Discount to present value of receivables	(3,639)	(1,755)	(5,394)	(3,831)	(2,161)	(5,992)
(-) Allowance for doubtful accounts	(864)	(596)	(1,460)	(796)	(682)	(1,478)
Subtotal	<u>23,048</u>	<u>7,113</u>	<u>30,161</u>	<u>22,531</u>	<u>8,168</u>	<u>30,699</u>
Total	538,607	48,584	587,191	505,489	42,680	548,169

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.

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

Balance as at 12/31/2022	(123,026)
Recognition of allowance for doubtful accounts (Note 33)	(56,544)
Balance as at 06/30/2023	<u>(179,570)</u>

The credits are written off according to the applicable statute of limitations (commercial criteria) and while outstanding are provisioned according to the increase in default term, therefore reflecting the loss estimate of the customer portfolio.

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 public customers, the cut does not occur, and only the debt notification step is applied. In addition, by means of Regulatory Resolution AGR/CR No. 9/2014 for activities considered essential, it is not possible to interrupt the water supply, and only the possibility of the flow reduction procedure is applicable.

8. Inventories

	06/30/2023	12/31/2022
Materials to be used in treatment stations	11,406	8,096
Materials to be used in pipelines	437	396
Electric materials and equipment	3,898	2,087
Tubes and connections for pipelines and water mains	45,426	44,117
Materials to be used in building pipelines	7,578	4,382
Water meters	18,466	10,460
Valves	10,640	11,173
Pumps	1,469	2,284
Sundry materials	6,704	4,378
(-) Provision for inventory losses	(4,032)	(6,378)
	<u>101,992</u>	<u>80,995</u>

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

Balance as at 12/31/2022	<u>(6,378)</u>
Reversal of net provision for inventory losses (Note 33)	<u>2,346</u>
Balance as at 06/30/2023	<u>(4,032)</u>

9. Recoverable taxes

	06/30/2023	12/31/2022
Current		
Withholding Income Tax (IRRF)	8,456	7,148
Estimate of IRRF on financial investments	12,788	9,990
PIS/COFINS on Leases	3,368	2,261
Brazilian Federal Revenue Service	2,733	2,733
	<u>27,345</u>	<u>22,132</u>
Noncurrent		
PIS/COFINS on Leases	10,041	7,697
	<u>10,041</u>	<u>7,697</u>

10. Prepaid expenses and advances

	06/30/2023	12/31/2022
Current amounts		
Advances for payment of graduate courses	27	27
Advances to suppliers	647	-
Advances for travel	871	738
Advances for vacations	5,177	6,572
Advances for year-end bonus	18,332	-
Contractual indemnities	9,938	9,938
	<u>34,992</u>	<u>17,275</u>
Noncurrent amounts		
Contractual indemnities	238,153	243,123
	<u>238,153</u>	<u>243,123</u>

11. 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, 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, with contract 1327/2013 being currently managed by BRK Ambiental Goiás S.A.

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. In Rio Verde, the contract-related regulatory matters will be under shared responsibility of AGR and Rio Verde AMAE;
- 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. The water supply universalization ratio must reach at least ninety percent (90%) of the population until December 31, 2023;
- 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. Current liabilities refer to matching of accounts between parties and mainly derives from subdelegate's revenues received by Saneago. Long term assets and liabilities represent investments made by the subdelegate entity not yet amortized.

	Current assets		Current liabilities	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Outsourcing				
Granting fees	3,887	11,334	565	349
	Noncurrent assets		Noncurrent liabilities	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Investments - Sewage system	1,693,730	1,547,015	1,693,730	1,547,015
(-) Accumulated amortization	(149,424)	(121,784)	(149,424)	(121,784)
Net investments	1,544,306	1,425,231	1,544,306	1,425,231
Total	1,548,193	1,436,565	1,544,871	1,425,580

12. Other accounts receivable

	06/30/2023	12/31/2022
Current portion		
Collateral deposits	8	18
Consortium-related amounts (a)	27,405	29,071
Sundry advances	333	6,399
(-) Provision for losses	(375)	(375)
	27,371	35,113
Noncurrent portion		
Other credits	2,393	-
Contracts under legal dispute (b)	38,403	38,355
(-) Estimated credit losses	(38,403)	(38,355)
	2,393	-

(a) This refers to the difference in interest held in jointly-controlled businesses (Note 25). The consortium members calculate the adjustment needed for balancing, either as payable or receivable, every six months, to be effectively settled in up to 45 days.

(b) Contracts under legal dispute

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

Caldas Novas

Due to the recovery of the systems by the municipal government on June 27, 1995, Saneago filed an indemnity action, Proceeding No. 0033803.68.1995.8.09.0051. The local judge accepted the request, sentencing the municipal government of Caldas Novas to pay R\$ 37,058. On June 05, 2019, the court of Goiás revoked the lower court decision and determined the proceeding to continue in its original court, with reversal of the burden of proof to Saneago, in order to verify the existence of the amounts to be amortized. In April/2020, the proceeding was sent to the Federal Court of Appeals (STJ), to judge the special appeal filed by Saneago, with conclusion for decision of its President on May 06, 2020. On October 02, 2020, the STJ acknowledged the Special Appeal, but dismissed it, thus maintaining the decision of the court of Goiás.

The proceeding returned to its court of origin, and was inadvertently dismissed without compliance with the decision of the court of Goiás. The Company filed a request for the proceeding to be reopened so that the decision of the court of Goiás could be enforced, consequently determining that the amounts to be amortized be presented for calculation of the balance effectively owed by the municipality.

On March 31, 2022, Saneago adjusted the values of indemnity for the assets not amortized, in the form suggested by the court of Goiás, for procedural purposes, with no effects on accounting records. The municipal government contested the calculation on May 04, 2022, and requested the dismissal of the proceeding. The proceeding was taken under advisement. On February 22, 2023, the parties were ordered to define the issues of fact and the issues of right in dispute.

On March 15, 2023, Saneago informed the lack of need to present new evidence, sentencing the defendant to pay R\$ 37,058 as indemnity for non-amortized assets due to the illegal expropriation of basic sanitation services. Failing that, the Company requested that the petition be granted, in compliance with the Author's undisputed right, as per Law No. 8.987/95, article 37.

On April 20, 2023, the municipality of Caldas Novas reinforced its previous appeals, requesting that the action be ruled groundless. The proceedings were taken under advisement on May 16, 2023.

Catalão

On June 28, 2002, by means of the Judgement of Compliance and Assumption on the records of Injunction No. 2001.017.607.73, the municipality of Catalão terminated the municipal basic sanitation system, with no possibility of resumption. Saneago had concession agreements with final maturity on July 27, 2019. An indemnity action was proposed by Saneago by means of proceeding No. 37532.36.2016.8.09.0029 which remained suspended by a long period of time, awaiting the progress of appendix No. 0174386-71/2015.8.09.0029, which was processed by the Federal Court of Appeals (STJ) for judgement of the Special Appeal (REsp.). On June 02, 2020, the proceedings were concluded, by order of the Judge, with a delay in the preparation of the analysis by withdrawal of the expert hired.

On October 04, 2021, a new expert was appointed. An analysis was carried out on April 25, 2023, and we await the expert's appraisal report.

Buriti Alegre

On January 17, 2022, the municipality of Buriti Alegre filed proceeding No. 5021253-07.2022.8.09.0019, with the main objective of resuming the water supply and sanitation services. Once the judge of the Municipal Finance Court granted it an injunction, Saneago, in compliance with the court decision, delivered the system on March 18, 2022. The Company presented objection, including a counterclaim for the municipality to pay Saneago the amount related to the investments linked to reversionary assets, not yet amortized or depreciated at the end of the contractual term. This proceeding is in the awareness phase. In spite of the provisions in the contract and in legislation regarding the right to indemnity, considering that the effective reimbursement depends on the progress of the proceeding, the net book value of these assets was provisioned as loss.

Ipameri

On November 25, 2022, the municipality of Ipameri resumed the concession in compliance with the action for repossession issued by the court of the municipal finance department of Ipameri in proceeding No. 5206168-26.2022.8.09.0074, filed by the municipality. Saneago, upon the answer, offered a counterclaim, indicating that the municipality pay compensation to Saneago for investments linked to reversible assets that were not amortized or depreciated at the end of the contractual term - a process that is in the cognizance phase. In spite of the provisions in the contract and in legislation regarding the right to indemnity, considering that the effective reimbursement depends on the progress of the proceeding, the net book value of said assets was provisioned as loss.

13. Court deposits

	06/30/2023		12/31/2022	
	Qty.	Value	Qty.	Value
Civil	103	4,596	141	5,083
Tax	3	6,229	2	5,474
Labor	105	4,663	77	4,348
Total	211	15,488	220	14,905

Of the outstanding balance as at June 30, 2023, around 92% 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\$ 5,444, and 0010242-85.2016.5.18.0016 filed by the STIUEG - *Sindicato dos Trabalhadores Urbanitários* of the State of Goiás, with balance of R\$ 3,500.

14. Taxes on income

14.1 Taxes on Income in the Statements of Income

	06/30/2023		06/30/2022	
	Income Tax	Social Contribution Tax	Income Tax	Social Contribution Tax
Income before Income and Social Contribution Taxes (IRPJ and CSLL)	324,827	324,827	204,494	204,494
IR and CSLL - Current Rates (25% e 9%)	(81,207)	(29,234)	(51,123)	(18,404)
Deductibility on Interest on Equity Capital	13,809	4,971	8,872	3,194
Nondeductible Fines	(14)	(5)	(1,147)	(413)
Workers' Meal Program - PAT	1,454	-	722	-
Loss/Recovery of nondeductible credits - Law nº 9.430/96	-	-	474	171
Management Bonus	(248)	-	(203)	-
Corporate Citizen Incentive - Law nº 11.770/08	180	(22)	116	(14)
Expenses on issue of shares	-	-	4	1
Others	(1,427)	(518)	1,976	707
IRPJ e CSLL - Effective Amounts	<u>(67,453)</u>	<u>(24,808)</u>	<u>(40,309)</u>	<u>(14,758)</u>
Total do IRPJ and CSLL	<u>(92,261)</u>		<u>(55,067)</u>	
Effective rate	<u>28.40%</u>		<u>26.93%</u>	

The breakdown of these items for the year is as follows:

	06/30/2023			06/30/2022		
	Current	Deferred	Total	Current	Deferred	Total
Income Tax	58,877	8,576	67,453	29,213	11,095	40,308
Social Contribution Tax	20,703	4,105	24,808	7,535	7,224	14,759
Total	<u>79,580</u>	<u>12,681</u>	<u>92,261</u>	<u>36,748</u>	<u>18,319</u>	<u>55,067</u>

14.2 Taxes on Income - Deferred in the Statement of financial position

	06/30/2023				12/31/2022			
	Tax base	IRPJ (25%)	CSLL (9%)	Total	Tax base	IRPJ (25%)	CSLL (9%)	Total
Deferred tax assets								
Allowance for Doubtful Accounts - Credits receivable	179,570	44,893	16,161	61,054	123,026	30,756	11,072	41,828
Discount to Present Value - Credit receivable	6,591	1,648	593	2,241	7,365	1,841	663	2,504
Provision for losses on Inventory	4,033	1,008	363	1,371	6,378	1,595	574	2,169
Provision for losses on investments	564	141	51	192	564	141	51	192
Provision for contingencies	222,246	55,562	20,002	75,564	219,998	54,999	19,800	74,799
Provision for losses on other credits	375	94	34	128	375	94	34	128
Provision for Contracts without Concession	38,403	9,601	3,456	13,057	38,355	9,589	3,452	13,041
Provision for Losses on Construction	122,905	30,726	11,061	41,787	128,347	32,087	11,550	43,637
Provision for profit sharing	23,257	5,814	2,093	7,907	39,324	9,831	3,539	13,370
Lease - Vehicles	(6,755)	(1,689)	(608)	(2,297)	(2,560)	(640)	(230)	(870)
CSLL Tax Losses (a)	73,071	-	6,576	6,576	84,372	-	7,593	7,593
Total	<u>664,260</u>	<u>147,798</u>	<u>59,782</u>	<u>207,580</u>	<u>645,544</u>	<u>140,293</u>	<u>58,098</u>	<u>198,391</u>
Deferred tax liabilities								
Tax Accounting Depreciation	570,134	142,534	51,312	193,846	505,813	126,453	45,523	171,976
Asset and liability valuation adjustment	50,473	12,617	4,543	17,160	50,473	12,617	4,543	17,160
	<u>620,607</u>	<u>155,151</u>	<u>55,855</u>	<u>211,006</u>	<u>556,286</u>	<u>139,070</u>	<u>50,066</u>	<u>189,136</u>
Total Deferred Taxes, net				<u>(3,426)</u>				<u>9,255</u>

With the reversal of the contingency related to the municipality of Minaçu, according to Note 28 and effect in deferred tax assets, the Company currently records deferred tax liabilities in net position.

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

Year	Estimated Tax Income	Expected realization	CSLL	Sum
2023	519,949	IRPJ -	6,576	6,576

Change in deferred taxes

Balance kept in deferred tax assets as at 12/31/2022	9,255
(+)Recognition/Realization of deferred tax assets - Statement of income	9,189
(+)Recognition/Realization of deferred tax liabilities- Statement of income	(21,870)
Balance kept in deferred tax assets as at 06/30/2023	(3,426)

Reversal in the statement of income as at 06/30/2023

Income before taxes	324,827
Combined rate 34%	110,441
(+/-) IRPJ/CSLL on permanent/temporary additions and deductions and tax losses	(123,122)
Deferred taxes in the statement of income	(12,681)

	Effects on Income for the year - Deferred taxes			06/30/2022		
	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Allowance for Doubtful Accounts - Credits receivable	14,137	5,089	19,226	11,741	4,226	15,967
Discount to present value - Credits receivable	(193)	(70)	(263)	2,039	734	2,773
Provision for Losses on Inventory	(587)	(211)	(798)	(1,602)	(577)	(2,179)
Provision for contingencies	563	202	765	(6,453)	(2,323)	(8,776)
Provision for Contracts without Concession	12	4	16	-	-	-
Provision for Losses on Construction	(1,361)	(489)	(1,850)	-	-	-
Provision for profit sharing	(4,017)	(1,446)	(5,463)	53	19	72
Leases - Vehicles	(1,049)	(378)	(1,427)	(275)	(99)	(374)
Tax Losses - CSLL	-	(1,017)	(1,017)	-	(3,229)	(3,229)
Total	7,505	1,684	9,189	5,503	(1,249)	4,254

Deferred tax liabilities						
Tax x Accounting Depreciation	16,081	5,789	21,870	16,598	5,975	22,573
Total Deferred Taxes, net	16,081	5,789	21,870	16,598	5,975	22,573
			(12,681)			(18,319)

15. Investment

The Company has shares of investment in some companies where it does not hold significant control, corresponding to R\$ 564, 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.

On January 25, 2022, at the General Meeting No. 169, the dissolution of Saneago's ownership interest in the companies Comurg, Metrobus, Codego and Agehab in the total amount of R\$ 573 thousand was approved, followed by the notification of the companies involved to formalize the process. In June 2022, the Company received reimbursement for its shares in Codego, with a zero net balance at March 31, 2023.

Description	06/30/2023	12/31/2022
Comurg	515	515
Other	49	49
	564	564
Provision for losses	(564)	(564)
	-	-

16. Fixed assets

	06/30/2023	12/31/2022
General use assets	241,940	228,110
Production system - Corumbá	129,236	129,256
General use assets in construction	322	290
Deemed cost of assets	64,432	64,434
General use assets - Lease-purchase operations	7,212	7,213
Contributions - Corumbá Consortium (a)	957	(2,198)
Land-title regularization	61	246
Right-of-use - vehicles (Note 16.2)	160,080	155,494
Right-of-use - software (Note 16.2)	6,092	-
Accumulated depreciation - Right-of-use assets (Note 16.2)	(31,528)	(57,181)
Accumulated Depreciation - General	(125,088)	(118,959)
Accumulated depreciation - Corumbá system	(2,767)	(395)
Accumulated depreciation - Deemed cost	(14,029)	(14,031)
Accumulated Depreciation - Lease-purchase operations	(6,782)	(6,424)
	<u>430,138</u>	<u>385,855</u>

16.1 Technical assets

The change in assets is as follows:

	Balance 12/31/2022	Additions	Write-offs	Deprec. /Amort.	Fixed assets in construction	Transfer among accounts	Contributions	06/30/2023
Technical fixed assets								
General use assets	228,110	14,375	(34)	-	-	(511)	-	241,940
General use assets in construction	290	-	(2)	-	-	-	-	64,432
Deemed cost of assets	64,434	-	(1)	-	-	-	-	7,212
General use assets - Leases	7,213	32	-	-	(185)	-	-	322
Land title regularization	246	-	-	-	-	-	-	61
Accumulated depreciation - General	(118,959)	-	23	(6,643)	-	491	-	(125,088)
Accumulated depreciation - Deemed cost	(14,031)	-	3	(1)	-	-	-	(14,029)
Accumulated depreciation - Leases	(6,424)	-	1	(359)	-	-	-	(6,782)
Total	160,879	14,407	(10)	(7,003)	(185)	(20)	-	168,068
Production systems - Corumbá								
Corumbá production system - Water	129,256	(20)	-	-	-	-	-	129,236
(-) Accumulated depreciation - Corumbá system	(395)	-	-	-	-	-	-	79,249
Corumbá production system - Water - Not onerous	79,249	-	-	(1,004)	-	-	-	(1,171)
(-) Government subventions/aid	(79,082)	-	-	1,004	-	-	-	(78,078)
(-) Accumulated depreciation - Corumbá system - Not onerous	(167)	-	-	(2,372)	-	-	-	(2,767)
Unrealized contributions - Corumbá construction (a)	(2,198)	-	-	-	-	-	3,155	957
Total	126,663	(20)	-	(2,372)	-	-	3,155	127,426
Total fixed assets	287,542	14,387	(10)	(9,375)	(185)	(20)	3,155	295,494

(a) This refers to differences in interest in the investment of Consortium Corumbá, a business jointly controlled with Caesb as per Note 25. As at December 31, 2022, Saneago was a creditor with amounts receivable, and the balance refers to the amount invested corresponding to Caesb.

As at June 30, 2023, Saneago is a debtor with amounts payable to balance the invested amount. The consortium members calculate the adjustment needed for balancing, either as payable or receivable, every six months, to be effectively settled in up to 45 days.

16.2 Right-of-use assets - Leases

The requirements of standard CPC06 (R2)/IFRS16 have been applied as described in Note 20d, and the balances of right of use are as follows:

	06/30/2023	12/31/2022
Right-of-use assets - Vehicles	160,080	155,494
Right-of-use assets - Software	6,092	-
Accumulated depreciation- Right-of-use assets	(31,528)	(57,181)
	<u>134,644</u>	<u>98,313</u>

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

Right-of-use assets	Balance as at 12/31/2022	Additions	Write-offs	Deprec. /Amort.	Transfer between accounts	06/30/2023
Right-of-use assets - vehicles	155,494	46,002	(41,416)	-	-	160,080
Right-of-use assets - Software	-	6,091	-	-	1	6,092
Accumulated depreciation - right-of-use assets	(57,181)	-	41,416	(15,735)	(28)	(31,528)
Total	<u>98,313</u>	<u>52,093</u>	<u>-</u>	<u>(15,735)</u>	<u>(27)</u>	<u>134,644</u>

The Right of Use corresponds to the fixed total of future lease payments, discounted to present value, considering the cost of third-party capital (WACC) rate, which was 8.35% considering the calculation in the last Tariff Review cycle. The asset is depreciated monthly for the maximum contracted period (60 months).

17. Contractual assets

A Contractual 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 Contractual assets during the construction period and transferred to intangible assets only after the conclusion of the work.

Contractual 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.

Contractual assets	Water system	Sewage system	Work in progress	Advance to suppliers	Total
Balance as at 12/31/22	294,905	419,441	44,794	297	759,437
Additions	84,974	11,470	-	-	96,444
Inventory adjustment	-	-	(108)	-	(108)
Inventory return and purchases	(184)	(161)	1,967	(297)	1,325
Transfer to storeroom	-	-	(1,025)	-	(1,025)
Allocation of Inventories in Additions	-	-	(1,331)	-	(1,331)
Fixed assets in progress	(33,590)	(78,794)	-	-	(112,384)
Transfer to intangible assets	(115)	(3,824)	-	-	(3,939)
Balance as at 06/30/2023	<u>345,990</u>	<u>348,132</u>	<u>44,297</u>	<u>-</u>	<u>738,419</u>

18. Intangible assets

	06/30/2023	12/31/2022
Water systems	2,818,874	2,744,719
Sewage systems	3,020,651	2,932,241
General use assets	29,063	25,415
Software (licenses)	60,327	52,671
Accumulated amortization	(2,930,485)	(2,874,274)
Contributions to realize - Águas Lindas	29,089	29,771
Provision for impairment	(122,905)	(128,347)
"Operação Decantação" (Note 41)	(113,564)	(113,564)
Land-title regularization	52,867	53,764
Non onerous assets - water supply	71,711	67,994
Non-onerous assets - sewage	77,798	88,374
	<u>2,993,426</u>	<u>2,878,764</u>

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

	Balance as at 12/31/2022	Additions	Write-offs	Deprec. Amort.	Contribution	Fixed assets in progress	Fixed assets and subventions	Transf. between accounts	06/30/2023
Intangible assets in use									
Water system	2,744,719	39,611	(62)	-	-	34,443	-	164	2,818,874
Sewage system	2,932,241	8,772	(13)	-	-	79,550	-	101	3,020,651
General use assets	25,415	3,430	(27)	-	-	-	-	245	29,063
Accumulated amortization	(2,874,274)	-	62	(55,780)	-	-	-	(492)	(2,930,485)
Software (licenses)	70,611	12,674	-	-	-	-	-	-	83,286
Amortization of software (licenses)	(17,940)	-	-	(5,049)	-	-	-	29	(22,959)
Contributions to realize - Águas Lindas	29,771	-	-	-	(682)	-	-	-	29,089
Provision for losses (impairment) (a)	(128,347)	-	5,442	-	-	-	-	-	(122,905)
"Operação Decantação" (Note 41)	(113,564)	-	-	-	-	-	-	-	(113,564)
Land-title regularization	53,764	527	-	-	-	(1,424)	-	-	52,867
Non-onerous intangible assets - Water supply	10,699	-	-	-	-	-	-	-	10,699
Non-onerous intangible assets - Sewage	38,326	-	-	-	-	14,773	-	-	53,099
(-) Government subsidies/grants	(47,760)	-	-	775	-	-	(14,773)	-	(61,757)
Amortization of non-onerous assets	(1,265)	-	-	(775)	-	-	-	-	(2,041)
Total	2,722,396	65,014	5,402	(60,829)	(682)	127,342	(14,773)	47	2,843,917
Intangible assets in progress - Non-onerous									
Non onerous assets - water supply	67,994	3,717	-	-	-	-	-	-	71,711
Non-onerous assets - sewage	88,374	258	-	-	-	(14,773)	-	3,939	77,798
Total	156,368	3,975	-	-	-	(14,773)	-	3,939	149,509
Total intangible assets	2,878,764	68,989	5,402	(60,829)	(682)	112,569	(14,773)	3,986	2,993,426

(a) The reversal of the impairment allowance is related to the construction of the Sewage System of Inhumas/GO, whose contract was carried out between April 2014 and September 2016 and later interrupted. The Company made efforts to identify the functional segments of the construction work leading to its transfer to fixed assets and later reversal of the loss estimate.

19. Government subsidies

The balances of the Fixed 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), in addition to other considerations from the granting power in specific contracts.

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:

- a) When the purpose agreed upon in the contract has not been achieved;
- b) When a report on the rendering of accounts is not presented within the required time limit, whether a partial or final one;
- c) When the funds are used for other purposes and not the one established in the contract;
- d) 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.

The amounts recorded in liabilities refer to transfers received from work not yet concluded. Finished work, concluded with own funds and in process of receipt of the transfers are recorded in assets. One same contract of transfer may include amounts received from unfinished work (recorded in liabilities) and finished work with amounts still pending to be transferred (recorded in assets).

It can be observed that the subventions concluded with own resources and not yet reimbursed were recorded as intangible assets, and reclassified as non-onerous intangible assets once the rendering of accounts is concluded and the resources are received. As from 2022, aiming for better control of the ongoing processes of rendering of accounts, the Company started to record the onerous and non-onerous portions of the work in progress as per the proportion established in contract, while the amounts not yet transferred are recorded as Subventions Receivable.

a) The transfers recorded in liabilities are shown below:

City	Agreement	12/31/2022	Inflows	Work concluded/ Others	Transf. between accounts	06/30/2023
PAC						
Formosa	0218016-87	3	-	-	-	3
Sto. Antônio do Descoberto	0218331-07	389	-	-	-	389
Cristalina	0226017-65	309	-	-	-	309
Goiânia - Meia Ponte	0226025-62	6,110	12,576	-	-	18,686
Luziânia	0218328-52	-	4,233	-	(4,512)	(279)
Novo Gama	0226015-46	130	-	-	-	130
Novo Gama	0226018-79	972	-	-	-	972
Goiânia - Vila Adélia	0226024-57	7,294	-	-	-	7,294
Goiânia	0350788-10	40,423	-	-	-	40,423
Sto. Antônio do Descoberto	0350796-17	1,063	-	-	-	1,063
Pirenópolis	0350884-88	-	2,061	-	-	2,061
Aparecida de Goiânia	0351738-28	9,038	953	-	-	9,991
Goiânia Jd Petrópolis SES	0408678-27	58,770	3,258	-	(15,499)	46,529
Anápolis SES	0408691-99	17,672	1,232	(13,893)	-	5,011
Other Agreements	Sundry	36	(36)	-	-	-
Total PAC		142,209	24,277	(13,893)	(20,011)	132,582

Other Federal Programs						
Adutora João Leite	1524/01	773	-	-	-	773
Adutora 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
Total Other Federal Programs		9,453	(4,601)	-	-	4,852

Municipal subventions						
Itapirapuã	1283/2014	51	-	-	-	51
Itapuranga	1210/2014	53	-	-	-	53
Padre Bernardo	Sundry	-	179	-	-	179
Porangatu	1247/2014	-	46	-	-	46
Total Municipal Subventions		104	225	-	-	329
Grand Total		151,766	19,901	(13,893)	(20,011)	137,763

b) The transfers recorded in assets are shown below:

City	Agreement	12/31/2022	Concluded units	Transf. between accounts	06/30/2023
Anápolis SES	0408691-99	132	880	-	1,012
Goiânia Jd Petrópolis SES	0408678-27	15,696	-	(15,499)	197
Goiânia	0350788-10	5,307	-	-	5,307
Luziânia	0226026-76	4,512	-	(4,512)	-
Total PAC		25,647	880	(20,011)	6,516

20. 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 11, 2023, was calculated using SOFR rate at 6.13% p.a. Amortization is also half-yearly made. It began on October 11, 2008, and will end on October 11, 2027.

Debentures - 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 Debentures, 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 Debentures 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 for the 5th issuance is a ratio between net debt and adjusted EBITDA lower or equal to 3.0. As at December 31, 2021, that ratio had been achieved.

Debentures - 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 Debentures, 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 Debentures 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 a ratio of net debt to adjusted annual EBITDA lower or equal to 3.0. As at December 31, 2022, the ratio had been reached.

Debentures - 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 Debentures, 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 Debentures 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 established for the 8th Issuance is a ratio of net debt to adjusted annual EBITDA lower or equal to 3.0 and must be verified annually by the Issuer and monitored by the Trustee. As at December 31, 2022, the ratio had been reached.

Debentures 9th Issuance

In August 2021, in compliance with article 59 of Law 6404 of December 15, 1976, and CVM instruction 476 of January 16, 2009, there was the ninth (9th) issuance of simple, secured bonds, not convertible into shares in a single series to be distributed in a restricted manner.

This indenture of issuance and the trust assignment contract were entered into in accordance with the 443rd Meeting of Saneago's Board of Directors, held on June 02, 2021.

Number of Debentures Issued	Unit Value	Amount obtained (R\$)
250,000	1,000	250,000,000

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 9th Issuance is a ratio of net debt to adjusted annual EBITDA lower or equal to 3.0 to be annually checked by the Issuer and followed up by the Trustee. As at December 31, 2022, the ratio had been reached.

Debentures 10th Issuance

In June 2022, in compliance with article 59 of Law 6404 of December 15, 1976, and CVM instruction 476 of January 16, 2009, there was the tenth (10th) issuance of simple, secured debentures, 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 entered into in accordance with the 472nd Meeting of Saneago's Board of Directors, held on May 12, 2022, and ratified based on the decisions made at the 475th Meeting of Saneago's Board of Directors, held on June 09, 2022.

Number of Debentures Issued	Unit Value	Amount obtained (R\$)
200,000	1,000	200,000,000

As per clause 4.16.1 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 established for the 10th Issuance is a ratio of net debt to adjusted annual EBITDA lower or equal to 3.0 and must be verified annually by the Issuer and monitored by the Trustee. As at December 31, 2022, 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 December 31, 2022, the Company had satisfied the debt-service coverage ratio.

Rating

The rating agency Moody's Local BR Agência de Classificação de Risco Ltda. assigned the Company's corporate and 10th debenture issuance rating as 'AA+(bra)', with a stable outlook, according to notices to the market disclosed on November 23, 2023 and June 08, 2022, respectively.

Fitch Rating Brasil Ltda. assigned the Company's corporate and 5th, 6th, 8th, 9th, and 10th debenture issuances rating as 'AA-(bra)', with stable outlook, according to notice to the market disclosed on February 24, 2023.

20.a Loans and financing

Bank name	Type	Contract	Commencement date	Maturity	Annual rate	Transaction Costs	Transaction costs to be recognized	Amount borrowed	Collateral	06/30/2023	12/31/2022
CEF	Financing	Various		2024	5.73% + TR	-	-	-	h)	1,588	2,479
CEF	Financing	410461-57	31/12/2013	04/14/2037	8.5% + TR	-	-	132,760	c)	4,488	4,543
CEF	Financing	0410526-20	31/12/2013	04/14/2037	8.5% + TR	-	-	36,410	c)	24,467	24,769
CEF	Financing	0410517-19	02/14/2014	06/14/2036	8.5% + TR	-	-	18,265	c)	4,994	5,067
CEF	Financing	0410538-64	03/27/2015	06/14/2036	8.5% + TR	-	-	51,544	c)	37,589	38,152
CEF	Financing	26340190232-	06/29/2006	03/05/2028	12% + TR	-	-	3,185	b)	1,384	1,385
CEF	Financing	26340190233-	06/29/2006	05/05/2030	12% + TR	-	-	39,214	b)	21,281	20,819
CEF	Financing	2635248557-66	06/30/2008	11/12/2030	8.5% + TR	-	-	6,600	b)	3,369	3,250
CEF	Financing	2634248555-47	10/09/2009	06/14/2031	9% + TR	-	-	10,000	b)	5,087	5,353
CEF	Financing	2634248548-42	12/30/2009	06/14/2031	9% + TR	-	-	11,882	b)	4,704	4,874
IDB (Inter-American Development Bank)	Financing	1414/OC	12/11/2002	10/11/2027	6.13% + USD SOFR	-	-	47,000	g)	-	-
BRASIL	Financing	40/01033-3	12/27/2017	04/06/2023	3M + VC	940	-	30,000	a)	-	2,566
BRASIL	Financing	40/00984-x	12/20/2012	01/01/2028	2.94%	-	-	6,846	d)	3,168	3,511
						<u>940</u>	<u>-</u>	<u>393,706</u>		<u>168,431</u>	<u>184,516</u>
								Current		25,605	27,868
								Noncurrent		142,826	156,648

20.b Debentures

Debentures	Beginning	Maturity	Annual rate	Transaction costs	Transaction cost to be recognized	Amount obtained	Collateral	06/30/2023	12/31/2022
Debentures - 5th Issuance	11/15/2018	11/16/2023	2.5% pa + CDI	4,296	45	250,000	e)	29,280	64,419
Debentures - 6th Issuance	09/23/2019	09/23/2024	1.2% pa + CDI	3,226	229	140,000	f)	56,946	79,725
Debentures - 8th Issuance	11/27/2020	11/27/2025	2.45% pa + CDI	1,254	137	220,000	f)	177,651	214,407
Debentures - 9th Issuance	08/25/2021	08/11/2026	1.9% pa + CDI	-	770	250,000	f)	252,195	252,195
Debentures - 10th Issuance	06/15/2022	06/15/2027	1.55% pa + CDI	-	1,379	200,000	f)	201,371	201,370
Transaction costs of Debentures								(2,560)	(3,636)
				<u>8,776</u>	<u>2,560</u>	<u>1,060,000</u>		<u>714,883</u>	<u>808,480</u>
Current								220,324	213,499
Noncurrent								494,559	594,981

Description	Balance
Loans and financing	168,431
Debentures	714,883
	<u>883,314</u>

- 20% of the debt amount collected at the end of each month;
- Pledge of the assets to the Financial Agent;
- A reserve corresponding to 3 times the monthly debt-service coverage ratio;
- 10% of the debt amount collected at the end of each month;
- 120% of the amount collected of each installment not yet due;
- 110% of the amount collected of each installment not yet due;
- Suretyship of the state of Goiás;
- No collateral.

Statement of noncurrent amounts per maturity	Loans and financing	Debentures	06/30/2023
2024	10,419	123,018	133,437
2025	21,182	217,221	238,403
2026	21,737	122,222	143,959
2027 onwards	89,488	33,333	122,821
Transaction cost	-	(1,235)	(1,235)
	<u>142,826</u>	<u>494,559</u>	<u>637,385</u>

20.c Change in loans and financing

	01/01/2023 to 06/30/2023				01/01/2022 to 06/30/2022			
	Fundraising	Paid Amortization	Interest and Charges Paid	Charges for the Period (a)	Fundraising	Paid Amortization	Interest and Charges Paid	Charges for the Period
Internal Financing	-	(5,523)	(3,256)	3,985	-	(6,604)	(3,887)	4,324
Inter-American Development Bank - IDB	-	(6,527)	(2,055)	(2,854)	-	(6,145)	(707)	(5,290)
Receivables Investment Fund Saneago INFR. IV	-	-	-	-	-	(53,731)	(8,014)	7,500
Subordinate Shares FIDIC IV	-	-	-	-	44,999	-	-	(5,815)
Agreements	201	(1,049)	(1,146)	2,138	-	(609)	(633)	2,330
Debentures	-	(94,253)	(55,927)	55,508	-	(57,587)	(43,975)	44,032
Transaction cost	-	-	(203)	1,279	-	-	(64)	5,365
Total	<u>201</u>	<u>(107,352)</u>	<u>(62,587)</u>	<u>60,056</u>	<u>44,999</u>	<u>(124,676)</u>	<u>(57,280)</u>	<u>52,446</u>

(a) An amount of R\$ 5 was capitalized from charges in the period of 2023 and R\$ 70 in 2022.

20.d Lease

Total lease liabilities recognized in the financial information as at June 30, 2023, and December 31, 2022, pursuant to standard (CPC 06(R2)/IFRS 16 - Leases), can be reconciled as follows:

Balance as at 12/31/2022	Receipt	Advancements	Appropriation of interest	Payments	06/30/2023	Balance as at 12/31/2021	Receipt	Appropriation of interest	Payments	12/31/2022
110,831	59,260	(1,858)	7,048	(22,332)	152,949	19,735	114,148	1,566	(24,618)	110,831
				Current	32,522				Current	21,900
				Non-current	120,427				Non-current	88,931
					<u>152,949</u>					<u>110,831</u>

Statement of noncurrent amounts per maturity		06/30/2023
2024		18,252
2025		38,422
2026		40,035
2027 onwards		23,718
		<u>120,427</u>

As at June 30, 2023, the Company maintains two types of lease, vehicles and software, accounted for as from the moment these assets arrive at the Company and are available for use, moment in which the period of payment of the lease is started. For vehicles, the maximum term is 60 monthly installments (as legally provided for), with amounts periodically adjusted by the index established in contract, if any.

As instructed in Circular Letter No. CVM/SNC/SEP 02/19, we disclose the values of the leases with inclusion of future projected inflation, as follows:

	No future projected inflation (Accounting)	With future projected inflation
Historical entry in effective leases	171,549	187,291
Recognition of interest 2Q 2023	7,048	6,856
Balance current liabilities at 06/30/2023	32,522	32,920
Balance noncurrent liabilities at 06/30/2023	120,427	141,245

21. Employees' pay and related charges

	06/30/2023	12/31/2022
Current		
Alimony and contract termination amounts	54	70
Private pension plan (PREVSAN)	-	35
Health Assistance Program (CAESAN)	3,281	2,987
Payroll loans	5	-
SESI and SENAI	1,498	3,109
Vacations payable	71,009	65,033
Year-end bonus payable	25,481	-
FGTS on vacations and year-end bonus	10,936	11,641
Social Security Contribution (INSS) applicable to salaries	18,492	36,272
Provision for INSS on vacations and year-end bonus	27,789	18,730
Voluntary Redundancy Program	1,321	1,728
Profit sharing	598	469
	<u>160,464</u>	<u>140,074</u>
Noncurrent		
Voluntary Redundancy Program	-	426

22. Taxes payable

	06/30/2023	12/31/2022
Current		
Contribution for Social Security Funding (COFINS)	16,932	14,180
Social contribution tax	2,832	2,416
INSS on services payable	1,843	1,531
Corporate Income Tax (IRPJ)	6,848	7,209
Withholding Income Tax (IRRF) applicable to payroll and services	8,709	16,527
Tax on Services (ISS)	1,604	1,411
Federal tax debt to be paid in installments (a)	13,099	10,542
Contribution to the Social Integration Program (PIS)	3,651	3,048
Withholding of Federal Contributions	373	325
	<u>55,891</u>	<u>57,189</u>
Noncurrent		
Federal tax debt to be paid in installments (a)	<u>35,265</u>	<u>31,842</u>

(a) Debt payable to the Brazilian Federal Revenue Service

Description	Beginning	End	Number of installments	06/30/2023	12/31/2022
I INSS	09/2017	01/2030	149	7,130	7,325
II PIS/COFINS	08/2021	07/2026	60	25,414	27,997
III INSS 10120-18	03/2022	02/2027	60	6,571	7,062
IV INSS 3324-2023	03/2023	02/2028	60	9,249	-
				<u>48,364</u>	<u>42,384</u>
Current				13,099	10,542
Noncurrent				35,265	31,842

I) INSS - Social Security Debts

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).

II) Taxes on Sales (PIS and COFINS)

In August 2021, Saneago agreed to pay in installments PIS and COFINS referring to proceedings 10120-005929/2003-73 and 10120-005927/2003-84, respectively, to the Federal Revenue Service. Such lawsuits referred to contingencies assessed with a possible likelihood of an unfavorable outcome, arising from assessment of tax deficiency for non-recognition of realized tax offsets. The payment will be in 60 installments, plus interest equivalent to reference rate of SELIC (Central Bank Overnight Rate), for federal government bonds.

III) Social Security Tax - (INSS)

In March 2022, the Federal Revenue Service approved the installment payment plan of Saneago for settlement of the employer's portion of INSS and Insurance Against the Level of Disability Resulting from Occupational Environment Risks (GILRAT) charged on the 1/3 of monthly salary to be added to vacation pay, as discussed in proceeding 10120-734.564/2018-74. Payment will take place in 60 installments, plus interest equivalent to the reference SELIC rate for government bonds.

IV) INSS

In March 2022, the Federal Revenue Service approved the installment payment plan of Saneago for settlement of the employer's portion of INSS and GILRAT charged on the 1/3 of monthly salary to be added to vacation pay, as discussed in proceeding 10120.744616/2020-35. The obligation refers to the period from 2018 to 2020, and the events are since then considered in the regular payment of INSS. The payment will be in 60 installments, plus interest equivalent to reference rate of SELIC (Central Bank Overnight Rate), for federal government bonds.

23. Amounts to be paid in installments

Description	Beginning	End	Number of installments	Adjustment	06/30/2023	12/31/2022
AGR - Control and Inspection Council T.A.0255/15	12/2015	12/2030	180	a)	9,678	10,072
AGR - Control and Inspection Council T.A.054/18	05/2018	04/2033	180	a)	3,856	3,956
Public Prosecutor's Office - Labor	15/2022	03/2025	36	-	1,750	2,250
Municipal Government of Rio Verde - TRCF	01/2023	11/2024	23	-	1,973	-
					<u>17,257</u>	<u>16,278</u>
Current					3,464	2,018
Noncurrent					13,793	14,260

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.

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

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) Public Prosecutors' Office for Labor Issues

On March 04, 2022, an agreement was reached between Saneago and the Public Prosecutors' Office for Labor Issues regarding proceeding 0010469-20.2021.5.18.0010, as compensation for damages caused to the diffuse and collective rights of workers. Saneago will settle the balance of R\$ 3,000 in 36 monthly installments of R\$ 83.

IV) Municipal Government of Rio Verde - Control, Regulation and Surveillance Tax (TRCF)

On November 03, 2022, the Company signed up for the city of Rio Verde's Tax Credit Recovery Program (REFIS), and formalized the installment payment of TRCF, created by Rio Verde's Municipal Law No. 7,015/2019. This debt refers to the period between June 2021 and September 2022, as debts acquired later have been settled.

24. Contractual obligations

	Description	Beginning	End	Number of installments	06/30/2023	12/31/2022
I	Municipality of Águas Lindas	12/28/2018	10/11/2019	4	10,147	10,147
II	Municipality of Santo Antônio do Descoberto	11/23/2022	01/23/2023	2	-	4,349
					<u>10,147</u>	<u>14,496</u>
	Current				-	4,349
	Noncurrent				10,147	10,147

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, 2023, two installment payments were made. The outstanding balance payable is recorded in noncurrent, as there is no prospect of payment of the two remaining installments in the next 12 months.

II) Municipality of Santo Antônio do Descoberto

On March 31, 2022, Saneago executed a contract addendum with the Municipality of Santo Antônio do Descoberto, which established the advance of R\$ 8,697 of the contractual compensation of the municipality. The payment was made in two installments, one in 2022 and the other in January 2023.

25. Jointly controlled enterprises - Consortium

Current liabilities	06/30/2023	12/31/2022
Águas Lindas Consortium (a)	736	736
	<u>736</u>	<u>736</u>

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, 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, 2023, Caesb held 40.81% and Saneago 59.19%, (as at November 30, 2022, Caesb held 39.84% and Saneago 60.16%) and the difference is currently recognized in Saneago's current assets. The amount recognized in current liabilities according to the table above refers to the matching of accounts between the parties and arises mainly from consortium revenues received by Saneago.

The equity values of the consortium recognized by the Company in its financial statements as at May 31, 2023, are as follows:

Statement of financial position - Águas Lindas Consortium					
	05/31/2023	11/30/2022		05/31/2023	11/30/2022
Assets			Liabilities		
Current assets			Current liabilities		
Cash and cash equivalents	2,263	2,226	Contributions to be realized - Suppliers	5,586	3,598
Receivables from consumers	20,984	20,047	Employees' pay and related charges	876	1,054
Other receivables	-	186	Other payables	1,330	4,130
Prepaid expenses	1,894	1,894		7,792	8,782
Storeroom	431	513			
	<u>25,572</u>	<u>24,866</u>			
Noncurrent assets			Noncurrent liabilities		
Long-term realizable assets			Other payables	10,147	10,147
Receivables from consumers	1,571	1,302	Provision for lawsuits	-	48
Prepaid expenses	46,561	47,508		10,147	10,195
	<u>48,132</u>	<u>48,810</u>			
Fixed assets and intangible assets			Equity		
Fixed assets	718	100	Participation Fund - Saneago	134,415	121,242
Intangible assets	99,351	86,138	Participation Fund - Caesb	92,673	80,289
Contractual assets	83,775	87,249	Income reserve	12,521	26,655
	<u>183,844</u>	<u>173,487</u>		239,609	228,186
Total Assets	<u>257,548</u>	<u>247,163</u>	Total Liabilities	<u>257,548</u>	<u>247,163</u>

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, and it was set to run for a period of thirty (30) years, renewable for equal and successive periods.

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.

This consortium fits the definition of a joint operation. According to CPC 19 items 14 and 15, the parties that jointly control the business have rights over assets and obligation for liabilities. As per the bylaws, participation of the consortium members is equal in 50%, but it is disproportional. On May 31, 2023, Caesb held 50.06% and Saneago 49.94% interest in it, (as at November 30, 2022, Caesb held 49.89% and Saneago 50.11%). The difference was recognized in Saneago's current assets (Note 12), since there are still capital contributions to be realized relative to suppliers recognized in liabilities.

Below are the equity values of the consortium recognized by the Company in its financial statements as at May 31, 2023:

Statement of financial position - Corumbá Consortium					
	05/31/2023	11/30/2022		05/31/2023	11/30/2022
Assets			Liabilities		
Current assets			Current liabilities		
Storeroom	423	294	Contributions to be realized - Suppliers	1,750	1,542
	423	294	Labor liabilities	265	232
				2,015	1.781
Noncurrent assets					
Long-term assets					
Fixed assets			Equity		
General use assets	373,318	13,426	Participation Fund - SANEAGO	218,374	221,978
Construction in progress	52,651	420,357	Participation Fund - CAESB	218,900	220,963
	425,969	433,783	Loss for the period	(12,897)	(10,645)
				424,377	432,296
Total assets	426,392	434,077	Total liabilities	426,392	434,077

26. Contractual 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\$ 12,444 to Saneago for the assignment of the services, in one installment. The term of the contract is sixty (60) months starting June 1, 2022. The outstanding balance of R\$ 9,748 as at June 30, 2023 (R\$ 2,489 in current liabilities and R\$ 7.259 in noncurrent liabilities), refers to 47 installments in the amount of R\$ 207 thousand corresponding to the period from July/2023 to May/2027 (R\$ 10.992 as at December 31, 2022 corresponds to the period from January/2023 to May/2027).

27. Other payables

	06/30/2023	12/31/2022
Current		
Guarantees	579	604
Expropriation process (a)	-	2,100
Provision for contractual compensation (b)	7,819	6,744
Provision for suppliers	3,855	2,588
Provision for salary adjustment (c)	3,629	-
Contractual compensation (d)	1,752	1,752
Other payables	1	1
	<u>17,635</u>	<u>13,789</u>

- (a) This corresponds to an agreement entered into in an expropriation process. In June 2022, an indemnity amounting to R\$ 7,000 was agreed upon for the expropriation of the area of Águas Lindas sewage treatment station. Payment was made in 10 installments of R\$ 700, concluded in March 2023;
- (b) Provision for concession-related compensation owed to municipal governments mainly for the period of June 2023;
- (c) This refers to a provision for salary adjustments whose base date is June 2023;
- (d) This refers to the retroactive payment of contractual subvention provided for in the contract of the Municipality of Campos Belos.

28. Provision for 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, as follows:

	06/30/2023	12/31/2022
Civil proceedings	42,273	115,276
Tax proceedings	13,260	25,349
Labor claims	165,343	77,912
AGR - Agência Goiana de Regulação	1,370	1,461
	<u>222,246</u>	<u>219,998</u>

Changes to the provisions were as follows:

	Balance 12/31/2022	Payments of provisioned lawsuits	Recognized Provisions/ Reversals	Balance 06/30/2023
Civil proceedings (a)	115,276	(3,932)	(69,056)	42,273
Tax proceedings (a)	25,349	(11,024)	358	13,260
Labor claims	77,912	(1,306)	87,313	165,343
AGR - Agência Goiana de Regulação	1,461	-	(105)	1,370
Total	<u>219,998</u>	<u>(16,262)</u>	<u>18,510</u>	<u>222,246</u>

The main proceedings provided for as at June 30, 2023, are as follows:

Type	Proceeding	Description	Author	Estimate
Labor	0011614-8.2016.5.18.0004	Class action - Weekly paid rest time	STIUEG	44,800
Labor	0010243-24.2021.5.18.0007	Class action - Payment of rest time between working days	STIUEG	20,160
Labor	0010217-89.2022.5.18.0007	Class action - Payment of rest time between working days - Working hours 12x36	STIUEG	20,160
Labor	0010341-76.2021.5.18.0017	Class action - Payment of rest time between working days	STIUEG	17,250
Labor	0011388-6.2021.5.18.0011	Class action - Paid weekly rest	STIUEG	15,750
Tax	0026826-44.2018.4.01.3500	Assessment of Tax Deficiency	Regional Chemistry Committee	11,455
Labor	0010206-66.2022.5.18.0005	Class action - Mischaracterization of working hours 12x36	STIUEG	8,800
Labor	0010242-85.2016.5.18.0016	Class action - Payment of rest time between working days	STIUEG	8,703
Labor	0010287-3.2022.5.18.0009	Class action - Overtime	STIUEG	7,700
Civil	5027817-76.2017.8.09.0051	Monetary adjustment from overdue payments	EMPATE/CONVAP	5,107
				159,885

Causes rated as possible

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

	06/30/2023		12/31/2022	
	Estimated value	Qty	Estimated value	Qty
Environmental	66,593	25	132,669	29
Civil	62,366	540	68,820	696
Criminal	-	-	-	1
Regulatory	6,161	35	6,068	35
Labor	70,665	120	76,579	132
Tax	704,550	8	623,285	7
		910,335	907,421	900

The main proceedings with likelihood of loss considered possible are the following:

Proceeding	Author	Type	Amount
0057557-58.2003.8.09.0051	Municipality of Goiânia	Tax	367,300
0281694-13.2009.8.09.0051	Municipality of Goiânia	Tax	255,703
17095.720414/2023-44	Brazilian Federal Revenue Service	Tax	81,265
0011259-46.2022.5.18.0017	STIUEG	Labor	35,678
5182910-61.2019.8.09.0051	Prosecution Office of Goiás	Environmental	25,050
0350155-12.2008.8.09.0103	Minaçu Municipal Government	Environmental	22,122
0025114-40.2009.8.09.0117	Eco Engenharia Ltda.	Civil	14,194
0215530-65.2004.8.09.0011	Prosecution Office of Goiás	Environmental	12,247
0288088-98.2010.8.09.0116	Prosecution Office of Goiás	Civil	11,430
0010655-48.2023.5.18.0018	STIUEG	Labor	10,000
0400750-30.2015.8.09.0051	SAALVA - Assoc. Amigos do Res Aldeia do Vale	Civil	9,000
5645710-55.2022.8.09.0051	Constran S/A Construções e Comércio	Regulatory	5,646
0010092-88.2022.5.18.0018	STIUEG	Labor	5,000
0010639-31.2022.5.18.0018	Former employee - victim of COVID-19	Labor	4,455
0250140-93.2009.8.09.0137	Prosecution Office of Goiás	Environmental	4,000
			863,090

The main updates regarding possible contingencies are: i) addition of tax claim filed by the Brazilian Federal Revenue Service (R\$ 81,265) relative to the assessment of tax deficiency on tax loss carryforwards, against which the Company presented its defense in advance; and ii) write-off of the environmental proceeding referring to Minaçu (R\$ 65,966), whose likelihood of loss is now remote after the court issued its final decision.

The Supreme Court of Brazil and the revision of tax decisions

On February 08, 2023, the Supreme Court of Brazil (STF) ruled on Matters No. 881 - Extraordinary Appeal No. 949.297, and No. 885 - Extraordinary Appeal No. 955.227, determining that res judicata on continual paid taxes, will lose its effects at the moment the STF issues a different decision, in the concentrated control of constitutionality, or when judging an appeal of general repercussion. By majority of votes, it was established that the loss of effect is immediate with no need of action for reopening judgment.

Saneago's Management, together with its external legal and accounting advisors, evaluated the possible impacts of such decision from STF and concluded that, among those tax lawsuits which the Company is party to, active and finished ones alike, none were affected by the recent judgment on Matters Nos. 881 and 885.

In view of the aforementioned facts, the STF's decision does not result, in line with CPC 25/IAS 37 - Provisions, Contingent Liabilities and Contingent Assets, in significant impacts on its financial statements as at June 30, 2023.

29. Employee benefits

29.a - Defined benefit pension plan

The retirement pension plan 001 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 that choose Retirement Pension Plan 001 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.

The studies for actuarial evaluation are performed annually, the last one being for the reference date of October 31, 2022:

	In R\$
Total assets	1,247,804
(-) Operating liabilities	(17,814)
(-) Administrative funds	(38,444)
(-) Investment funds	(3,357)
(=) Assets with Plan Coverage	1,188,189
(+/-) Adjustment to market value (BD installment)	(30,910)
(=) Fair value of the plan's assets	1,157,279
Proportion of the company's obligations	100%
Fair value of the assets	1,157,279

Net Liabilities/Assets are as follows:

Determination of net liabilities (assets)		12/31/2022
1 Deficit/(Surplus) determined		
1 Actuarial obligations determined		1,150,761
2 Fair value of the assets of the plan		(1,157,278)
3 Deficit/(Surplus) determined		(6,517)
2 Asset ceiling effect and additional liabilities	-	
1 Asset ceiling effect		6,517
2 Additional liabilities		-
3 Asset ceiling effect and additional liabilities		6,517
3 Net liabilities/(assets) resulting from the provisions of CPC 33 (R1)	-	
1 Net liabilities/(assets) determined (A 1.3 + A 2.3)		-

As seen in the table above, the existing pool of funds of the plan on October 31, 2022, was sufficient to assure the pensions of the plan. Therefore, no actuarial liabilities were recognized in 2022.

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 2022, for calculation of the weighted average of future payments of benefit of the plan, the following hypotheses and actuarial assumptions were used:

Assumptions at	12/31/2022
Actual rate of actuarial discount	6.12%
Actual return expected from assets	6.12%
Actual rate of salary growth for active employees	3.20%
Actual rate of growth in benefits of the plan during receipt	0.00%
Benefit capacity factor	98.00%
Salary capacity factor	98.00%
Estimated inflation	5.31%
Nominal discount rate	11.75%
Nominal return expected from the assets of the plan	11.75%
Nominal rate of salary growth for active employees	8.68%
Nominal rate of growth in benefits of the plan during receipt	5.31%
General death rate	BR-EMSSb-2015, divided by gender
Death of disabled people	MI 85, divided by gender
People becoming disabled	TASA 27
Annual turnover rate	Linear 1.50% p.a.

29.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 must 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 8% at most.

29.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, 2023, they corresponded to R\$ 20,627 (R\$ 16,281 as at June 30, 2022), not being necessary to calculate actuarial liabilities.

30. Equity

a) Capital Stock

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.

Shareholder	06/30/2023					
	# 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%
Total	1,866,906,374	100.00 %	648,639,993	100.00%	2,515,546,367	100.00 %

The unit value of ordinary and preferred shares is R\$ 1,00 (one Brazilian real).

b) Payment of capital

Between December 31, 2022, and June 30, 2023, there was no increase in capital.

c) Statutory 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 must 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	06/30/2023	12/31/2022
Asset and liability valuation adjustment	50,472	50,473
Deferred taxes on deemed cost (Note 14.2)	(17,160)	(17,160)
	33,312	33,313

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, to be paid within 60 days as from the date in which it is declared in an Annual General Meeting. By deliberation of the Board of Directors, interest on equity capital may be attributed, which will be calculated on the Company's equity in accordance with TJLP as provided for in Regulatory Instruction RFB 1.700/2017, and will be mandatorily compensated in the distribution of mandatory dividends. Thus, the dividends are distributed in the form of interest on equity capital, within the established limit, as per the calculation described above, and in case the minimum mandatory dividend exceeds this amount, the difference is paid as dividends.

The dividends referring to 2022, presented in the following table, were distributed as Interest on equity capital and paid on May 29, 2023, as decided in the General Meeting held on April 28, 2023:

Calculation of dividends and interest on equity capital payable	
Statement of income - 2022	401,636
Recognition of legal reserve (5%)	(20,082)
Adjusted profit distributable	<u>381,554</u>
Mandatory dividends (25%)	<u>95,388</u>
Interest on capital added to dividends	<u>95,388</u>
Total proceeds distributed to shareholders as at 12/31/2022	<u><u>95,388</u></u>

In 2023, dividends are provided for as Interest on equity capital, according to the following estimate:

Calculation of dividends and interest on equity capital payable	
Income (loss) for 1st half of 2023	232,566
Recognition of statutory reserve (5%)	(11,628)
Adjusted profit distributable	<u>220,938</u>
Mandatory dividends (25%)	<u>55,234</u>
Interest on capital added to dividends	<u>55,234</u>
Total proceeds distributed to shareholders as at June 30, 2023	<u><u>55,234</u></u>

Type of share	Quantity	Percentage	Total compensation	Earnings per share
Ordinary shares	1,866,906,374	74.21%	39,961	0.02141
Preferred shares	<u>648,639,993</u>	25.79%	<u>15,273</u>	0.02355
	2,515,546,367		55,234	

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%	172,598	0.0925
Preferred shares	<u>648,639,993</u>	25.79%	<u>59,968</u>	0.0925
	2,515,546,367		232,566	

31. Net operating revenue (expenses)

	04/01/2023 to 06/30/2023	01/01/2023 to 06/30/2023	04/01/2022 to 06/30/2022 (Restated)	01/01/2022 to 06/30/2022 (Restated)
Gross revenue				
Water supply and sewage services	836,120	1,570,636	756,820	1,454,709
Technical services	591	1,182	568	1,141
Subsidy - Social Tariff	-	-	391	491
Outsourcing	2,275	4,550	2,275	4,550
Revenue from construction work	77,636	148,802	68,484	92,721
Total	916,622	1,725,170	828,538	1,553,612
Taxes and returns				
Contribution to the Social Integration Program (PIS)	(13,851)	(26,028)	(12,427)	(23,885)
Contribution for Social Security Funding (COFINS)	(63,798)	(119,888)	(57,243)	(110,018)
Returns and rebates	(519)	(964)	(474)	(899)
	(78,168)	(146,880)	(70,144)	(134,802)
Net operating revenue	838,454	1,578,290	758,394	1,418,810

32. Costs and expenses by type

	04/01/2023 to 06/30/2023	01/01/2023 to 06/30/2023	04/01/2022 to 06/30/2022	01/01/2022 to 06/30/2022
Cost of services				
Personnel (a)	(164,875)	(329,968)	(174,057)	(385,243)
Materials	(26,534)	(51,188)	(23,068)	(43,399)
Electric power (b)	(55,546)	(114,081)	(70,009)	(144,302)
Third-party services	(28,034)	(57,716)	(22,065)	(42,756)
General expenses	(2,087)	(3,593)	(2,610)	(16,083)
Amortization	(28,244)	(55,714)	(26,307)	(52,259)
Depreciation	(2,324)	(4,575)	(951)	(1,849)
Depreciation of lease	(26)	(51)	(26)	(51)
Tax credits from PIS and COFINS on depreciation and amortization	5,282	10,831	5,260	10,493
	(302,388)	(606,055)	(313,833)	(675,449)
Construction costs	(77,636)	(148,802)	(68,484)	(92,721)
	(380,024)	(754,857)	(382,317)	(768,170)

	04/01/2023 to 06/30/2023	01/01/2023 to 06/30/2023	04/01/2022 to 06/30/2022	01/01/2022 to 06/30/2022
Administrative expenses				
Personnel (a)	(91,337)	(185,804)	(73,708)	(217,324)
Materials	(2,350)	(4,146)	(1,223)	(2,130)
Electric power (b)	(641)	(1,261)	(738)	(1,631)
Third-party services	(9,185)	(19,381)	(8,117)	(19,434)
General expenses	(3,909)	(7,874)	(4,297)	(14,980)
Amortization	(2,671)	(5,091)	(1,699)	(3,292)
Depreciation	(2,148)	(4,281)	(5,283)	(10,383)
Depreciation of lease	(8,466)	(15,996)	(133)	(266)
	(120,707)	(243,834)	(95,198)	(269,440)

	04/01/2023 to 06/30/2023	01/01/2023 to 06/30/2023	04/01/2022 to 06/30/2022	01/01/2022 to 06/30/2022
Commercial expenses				
Personnel (a)	(30,867)	(61,446)	(32,325)	(81,725)
Materials	(196)	(359)	(276)	(398)
Third-party services	(21,700)	(41,615)	(19,404)	(39,287)
Concession-related compensation	(24,832)	(46,572)	(24,575)	(43,827)
General expenses	(2,874)	(5,648)	(2,357)	(7,942)
Amortization	(12)	(25)	(11)	(20)
Depreciation	(86)	(160)	(44)	(86)
Depreciation of lease	(23)	(46)	(23)	(44)
Tax credits from PIS and COFINS on depreciation and amortization	14	28	7	13
	(80,576)	(155,843)	(79,008)	(173,316)

	04/01/2023 to 06/30/2023	01/01/2023 to 06/30/2023	04/01/2022 to 06/30/2022	01/01/2022 to 06/30/2022
Total costs and expenses				
Personnel (a)	(28,079)	(577,218)	(280,090)	(684,292)
Materials	(29,080)	(55,693)	(24,567)	(45,927)
Electric power (b)	(56,187)	(115,342)	(70,747)	(145,933)
Third-party services	(58,919)	(118,712)	(49,586)	(101,477)
Concession-related compensation	(24,832)	(46,572)	(24,575)	(43,827)
General expenses	(8,870)	(17,115)	(9,264)	(39,005)
Amortization	(30,927)	(60,830)	(28,017)	(55,571)
Depreciation	(4,558)	(9,016)	(6,278)	(12,318)
Depreciation of lease	(8,515)	(16,093)	(182)	(361)
Tax credits from PIS and COFINS on depreciation and amortization	5,296	10,859	5,267	10,506
	<u>(503,671)</u>	<u>(1,005,732)</u>	<u>(488,039)</u>	<u>(1,118,205)</u>

- (a) In 2022, caption "Personnel" was affected by expenditures amounting to R\$ 142,215 with the Company's PDV.
- (b) This reduction is due to the migration of consumer units to the Free Energy Market and the decrease in State VAT (ICMS) charged on the item, from 29% to 17%. Both circumstances were responsible for the savings being higher than the 10.49% increase in rates in October 2022.

33. Recognition/Reversals of provisions and Credit Losses/Recovery

	04/01/2023 to 06/30/2023	01/01/2023 to 06/30/2023	04/01/2022 to 06/30/2022	01/01/2022 to 06/30/2022
Recognition/reversal of provision for contingencies (e)	(60,823)	(2,248)	7,248	25,812
Net recognition/reversal of allowance for doubtful accounts (b)	(27,857)	(56,544)	(21,190)	(46,964)
Recognition/reversal of provision for profit sharing for employees (c)	29,043	16,068	(12,617)	(211)
Recognition/reversal of provision for inventory losses	2,465	2,346	(587)	6,407
Provisions/ Reversals of losses on construction	454	5,442	-	-
Losses/Reversals of Concessions (d)	-	(48)	-	-
Net recognition/reversal of provisions	<u>(56,718)</u>	<u>(34,984)</u>	<u>(27,146)</u>	<u>(14,956)</u>
Losses/recovery of barred credits (a)	6,000	13,076	11,853	27,658
Net recognition/reversal of provisions	<u>(50,718)</u>	<u>(21,908)</u>	<u>(15,293)</u>	<u>12,702</u>

- (a) This refers to the recovery of credits written off for reaching the statute of limitations and payment from the customer. The reduction is due to the changes in the write-off criterion, which used to consider the tax criterion (basically in six months), but started considering the effective statute of limitations criterion as of 2022. Therefore, the volume of recovery registered in 2022 was higher, since it still reflected credits written off by the end of 2021 to which the statute of limitations did not apply.
- (b) These refer to estimates used for recognition of the allowance for doubtful accounts according to the criteria of expected losses. The increase was due to the tariff adjustment occurred in February 2022, given that credits not received in one year have a higher percentage of provision, which is connected to the increase in revenue from the previous year. The default profile of the Company had no significant changes.
- (c) The total of R\$ 14,943 refers to Profit sharing for 2022, R\$ 2,326 in the 1st quarter and R\$ 12,617 in the 2nd quarter. Additionally, in the 1st quarter, there was reversal of the provision for profit sharing recognized in 2021, in the amount of R\$ 14,732, according to goals achieved, as it was not effectively realized. We point out that profit sharing goals achieved in 2022 were registered in that same year, therefore this effect is not identified in the comparative period.

In 2023, a total of R\$ 23,257 was recognized as provisions for profit sharing within the current year, R\$ 12,975 in the 1st quarter and R\$ 10,282 in the 2nd quarter. Additionally, in the 2nd quarter, there was reversal of the provision for profit sharing recognized in 2022, in the amount of R\$ 39,325, due to payment in June 2023, registered as an expense under "Other operating revenues/expenses". In 2022, profit sharing was paid only in the 3rd quarter.

- (d) It refers to the write-off of residual assets from districts in the municipality of Ipameri transferred to Other accounts receivable, as detailed in Note 12.

- (e) In the 1st quarter of 2023, there was a reversal referring to a proceeding from the Municipal Government of Minaçu related to the execution of a tax debt in the amount of R\$ 75,123. The proceeding provided for in 2021, was considered ungrounded in court. The other party may still appeal to the Appeal Court (STJ), however, considering the favorable decision so far to Saneago's defense, the likelihood of loss was reviewed from probable to remote.

In the 2nd quarter of 2023, there was recognition of provisions for labor class actions related to paid weekly rest and suppression of intervals between working days, following court proceedings (unfavorable court decision and approval of court costs). Considering the reversal registered in the 1st quarter of 2023, the impact on accumulated income (loss) was reduced.

The income (loss) observed in 2022 is due to the reversal of provision in the amount of R\$ 22,347 referring to the 2016 proceeding regarding intervals between working days, with payment in the amount of R\$ 15,942.

34. Other operating revenues and expenses

	04/01/2023 to 06/30/2023	01/01/2023 to 06/30/2023	04/01/2022 to 06/30/2022	01/01/2022 to 06/30/2022
Reimbursement and indemnities	331	647	874	1,125
Disposal and Write-off of Fixed Assets	-	-	-	(946)
Adjustments to Inventories	112	(797)	(19)	5
Employee Profit Sharing (a)	(39,323)	(39,323)	-	-
Other Operating Revenues/Expenses	678	1,415	366	915
	<u>(38,202)</u>	<u>(38,058)</u>	<u>1,221</u>	<u>1,099</u>

- (a) The General Meeting of April 28, 2023, approved the payment of dividends/interest on equity capital in up to sixty days, until May 29, 2023. Considering Employee Profit Sharing already takes into account the date on which the dividends are paid, it was realized in June, earlier than usual. In 2022, Employee Profit Sharing was paid in the 3rd quarter.

35. Net financial income (loss)

	04/01/2023 to 06/30/2023	01/01/2023 to 06/30/2023	04/01/2022 to 06/30/2022 (Restated)	01/01/2022 to 06/30/2022 (Restated)
Financial revenues				
Interest/fines/income (a)	28,496	53,314	23,298	44,209
Monetary adjustment	5,779	12,457	9,357	18,947
Discount to present value	483	774	759	1,321
	<u>34,758</u>	<u>66,545</u>	<u>33,414</u>	<u>64,477</u>
Financial expenses				
Interest/fine/charges and other expenses (b)	(38,669)	(81,911)	(35,740)	(72,894)
Monetary adjustment	(1,342)	(2,445)	(2,283)	(3,493)
Exchange rate losses (c)	3,050	4,820	(7,130)	5,903
	<u>(36,961)</u>	<u>(79,536)</u>	<u>(45,153)</u>	<u>(70,484)</u>
Net financial income (loss)	<u>(2,203)</u>	<u>(12,991)</u>	<u>(11,739)</u>	<u>(6,007)</u>

- (a) It basically refers to return on financial investment and the change is due to the increase in the amount invested;
- (b) Increase mainly due to the finance charges related to the new lease contracts in effect as from July 2022 (see Note 20.d) and increase in interest paid in debentures issued (including the 10th issuance in June 2022, Note 20), indexed at DI rate, linked to Selic);
- (c) The variation seen in Group Exchange rate gains (losses) refer to Agreement BID 1414/OC of 2002 and reflects the current scenario of foreign exchange rate. In the second quarter of 2022, we had a decrease in US dollar in relation in Real of 6.98%, from R\$ 5.63 to R\$ 5.24, and in the second quarter of 2023, a decrease of 9.81%, from R\$ 5.34 to R\$ 4.82.

36. Obligations undertaken

Currently, 62 of the contracts with municipalities of the state of Goiás are Program Contracts, 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 06/30/2023 - SANEAGO	Amount invested until 06/30/2023 - BRK Ambiental	Total amount invested
Adelândia	01/16/2048	525	131	-	131
Águas Lindas de Goiás	12/28/2048	309,022	18,617	-	18,617
Anápolis	02/27/2050	525,925	106,797	-	106,797
Anicuns	04/10/2048	42,785	7,250	-	7,250
Aparecida de Goiânia	11/01/2041	988,848	209,388	887,462	1,096,850
Aporé	04/06/2048	7,682	343	-	343
Aragoiânia	12/26/2042	27,926	1,670	-	1,670
Araguapaz	03/16/2048	5,210	1,029	-	1,029
Avelinópolis	01/22/2046	1,724	287	-	287
Barro Alto	12/26/2042	32,703	2,153	-	2,153
Brazabrantes	02/06/2044	8,056	1,544	-	1,544
Cachoeira Alta	07/27/2045	26,167	1,058	-	1,058
Caldazinha	08/02/2048	1,070	399	-	399
Campestre de Goiás	01/06/2046	645	366	-	366
Campinaçu	08/12/2045	13,146	9,863	-	9,863
Cavalcante	12/28/2048	1,612	2,266	-	2,266
Cezarina	12/17/2042	23,352	15,190	-	15,190
Cidade Ocidental	11/01/2041	243,394	18,714	-	18,714
Cristalina	02/07/2044	58,952	25,324	-	25,324
Davinópolis	05/04/2048	506	172	-	172
Diorama	07/24/2047	1,091	102	-	102
Divinópolis	10/05/2047	675	363	-	363
Flores de Goiás	08/14/2044	4,221	468	-	468
Goianira	10/03/2048	1,457	213	-	213
Goiânia	12/17/2049	3,419,897	678,817	-	678,817
Guarani de Goiás	09/15/2040	962	635	-	635
Guarinos	02/16/2048	1,383	322	-	322
Hidrolândia	08/03/2046	9,737	3,367	-	3,367
Indiara	04/30/2044	32,180	1,968	-	1,968
Inhumas	06/17/2050	79,176	6,084	-	6,084
Israelândia	11/24/2039	3,300	140	-	140
Itajá	12/19/2042	2,328	400	-	400
Itapaci	12/28/2048	56,172	1,176	-	1,176
Itapuranga	12/28/2048	8,063	8,714	-	8,714
Jataí	11/01/2041	114,116	35,627	168,016	203,643
Jussara	12/26/2046	5,759	1,024	-	1,024
Luziânia	12/01/2045	366,853	33,807	-	33,807
Mambaí	03/07/2046	1,689	543	-	543
Minaci	02/06/2044	57,857	10,695	-	10,695
Morrinhos	11/30/2040	46,917	20,579	-	20,579
Morro Agudo de Goiás	05/02/2046	1,198	445	-	445
Mozarlândia	12/28/2046	1,894	1,340	-	1,340
Nazário	05/04/2048	2,280	600	-	600
Novo Gama	11/16/2048	253,055	16,561	-	16,561
Palmelo	10/29/2042	1,039	197	-	197
Perolândia	12/21/2048	499	276	-	276
Petrolina de Goiás	10/20/2041	6,797	7,822	-	7,822
Pires do Rio	11/03/2038	10,529	24,396	-	24,396
Posse	06/12/2047	19,945	10,107	-	10,107
Rio Verde	11/01/2041	249,889	61,290	224,378	285,668
Santa Cruz de Goiás	06/28/2043	1,497	372	-	372
Santo Antônio da Barra	12/29/2045	3,977	480	-	480
Santo Antônio de Goiás	12/02/2045	15,868	1,204	-	1,204
Santo Antônio do Descoberto	06/10/2046	55,686	23,988	-	23,988
São Domingos	12/28/2048	1,334	355	-	355
São João D'aliança	05/31/2049	3,033	2,093	-	2,093
São Luís de Montes Belos	12/19/2042	41,928	24,903	-	24,903
São Miguel do Passa Quatro	12/18/2049	8,686	338	-	338
Trindade	11/01/2041	169,222	23,680	264,449	288,129
Uirapuru	12/28/2048	699	148	-	148
Uruaçu	12/28/2048	44,341	5,657	-	5,657
Valparaíso de Goiás	11/16/2048	389,652	11,401	-	11,401
		7,816,131	1,445,258	1,544,305	2,989,563

37. Insurance

The Civil Liability Insurance for Managers and Advisors (D&O Insurance) expired on July 05, 2023, and the bidding process through which a new insurance company will be hired is currently underway.

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.

38. 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.

38.1 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 a financing contract executed with Caixa Econômica Federal.

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 second quarter of 2023, the net revenue the Company received from that State was R\$ 73,538 (R\$ 66,414 in the second quarter of 2022).

The balances of debt due and falling due of those agencies are the following:

	06/30/2023	12/31/2022
Amounts billed not yet due	9,898	6,201
Falling due in more than 30 days	483	549
Overdue for up to 30 days	3	673
Overdue from 31 to 60 days	524	449
Overdue from 61 to 90 days	488	492
Overdue from 91 to 120 days	514	443
Overdue from 121 to 180 days	838	410
Overdue from 181 to 360 days	1,876	1,287
Overdue from 361 days to 5 years	4,840	4,476
Overdue for more than 5 years	4,953	4,100
Estimate of amounts to be billed	3,687	3,458
(-) Discount to present value of receivables	(10)	(18)
(-) Allowance for doubtful accounts	(12,156)	(9,988)
Subtotal	15,938	12,532
Amounts receivable (noncurrent)	1,625	1,685
(-) Discount to present value of receivables	(192)	(207)
(-) Allowance for doubtful accounts	(102)	(104)
Subtotal	1,331	1,374
Total	17,269	13,906

The allowance for doubtful accounts referring to accounts receivable from State Agencies considers the calculation method detailed in Note 2.3 a), with the application of the provision matrix referring to public agencies.

38.2 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 June 30, 2023, gross revenue in the municipality of Goiânia corresponded to R\$ 587,047 and an amount of R\$ 29.352 was deposited into the Fund.

b) 36 among the 224 contracts, as at June 30, 2023, have expected remuneration between 2% and 5% of the municipality revenue. However, 4 municipalities are still organizing the specific fund for receipt of the amounts and, therefore, are still not being remunerated.

c) Rendering of accounts have been prepared and debt settled through services provided by local governments to the Company. As at June 30, 2023, the balance of accounts receivable, overdue and falling due, referring to debts from the municipalities which the Company renders services, is R\$ 99,747 and 4 matching of accounts was realized with an adjustment of R\$ 641 (R\$ 91,769 as at December 31, 2022, with 17 matching of accounts and adjustment of R\$ 2,406).

39. Compensation of Management, Tax Board and Statutory Committee

As at June 30, 2023, the expenses related to the compensation of members of the Board of Directors, Executive Board, Internal Audit Committee and Statutory Audit Committee was R\$ 4,554 (R\$ 3,556 as at June 30, 2022).

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 to its members, 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.

40. Supplementary cash flow information

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

ASSETS	Note	06/30/2023
Receivables from consumers	7	(39,022)
Allowance for doubtful accounts/reversals/discount to present value	7	(55,770)
		<u>(94,792)</u>
Other accounts receivable	12	5,349
Transfers of intangible assets - Contributions Consortium Águas Lindas	18	682
Transfers of fixed assets - Contributions Consortium Corumbá	16	(3,155)
		<u>2,876</u>
Recoverable taxes	9	(7,557)
Taxes and contributions to offset - Lease		7,167
		<u>(390)</u>
Inventories	8	(20,997)
Transfers of contract assets	17	1,025
Estimated inventory losses/Reversal	33	(2,346)
		<u>(17,626)</u>
Contract assets	17	(96,444)
Allocation of inventories in addition	17	1,331
Capitalized interest	20.c	5
		<u>(95,108)</u>

41. Operação Decantação

Current situation:

The complaint brought by the Public Prosecution Office was rejected by the Federal Judge of the 11th Federal Court of Goiás (proceeding No. 0020618-15.2016.4.01.3500), 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, until June 30, 2023, the court has issued no decision contrary to the prior one.

We point out that the Internal Audit proceeded with the identification of possible losses for the Company, as well as the possible liability, whether of employees or companies, regarding the findings pointed out by EY. This calculation is in the final stage for proceedings, so that in case the quantification of the damage to the government's treasury is substantiated, compensation to Saneago may be provided.

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 at the time of the investigation, all executive officers of the Company were dismissed. On August 24, 2016, Saneago's Board of Directors quickly adopted measures for the permanent restructuring of the Company's Executive Management, which provided legal and administrative security to the shareholders, the market and the population.

The members of the Permanent Bidding Committee mentioned in the official investigation were removed from their positions according to Decision # 123/2016 of September 06, 2016, and new members were appointed.

An external audit company was hired to assess occasional irregularities appointed by *Operação Decantação*, which concluded for the legality of the bidding procedures object of the engagement, with no prejudice that would discredit the respective processes.

On the other hand, as per the report, noncompliance regarding the execution of construction work was found, which elicited the adoption of several measures to treat the nonconformity verified.

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
Sample (Period from 2007 to 2017)	
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 6.38%
Extrapolation of the sample to the universe of the construction work contracts (Period 2007 - 2017)	
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
Subtotal (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
Subtotal (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
Total provided for (H + K)	L 118,494,484
Reversal - Construction of Production System Corumbá as at December 31, 2022	M 4,929,677
Current balance provided for (L - M)	N 113,564,807

Besides, considering the facts occurred on March 28, 2019 (“*Operação Decantação 2*”) and April 04, 2019 (“*Operação Decantação 3*”), where the Federal Police executed the first investigation actions, the Company released an official letter to the market stating that:

- i. 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;
- ii. 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.

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 the governance measures adopted after 2016, mainly through the preparation of risk matrices for contracts with companies mentioned in “*Operação Decantação*” 1, 2 and 3, for the diagnosis of inherent risk, according to the perception of the manager, as well as their awareness of risk events in the execution of such contracts, resulting in medium and high risk for Saneago, which is establishing mitigating measures capable of reducing risk. For more information, access Item 4.7 (Other Significant Contingencies) of Saneago’s Reference Form.

42. Virtual storeroom

After news published in January 2022 regarding the existence of accusations related to the Virtual Storeroom contract, the Board of Directors requested the Internal Audit Committee for the conclusion of the audit procedure that had already been initiated by determination of the Executive Board, and for the preliminary report to be delivered to the Statutory Audit Committee, for deliberation and measures by the Board of Directors.

Similarly, the CGE-GO had already been engaged by the Executive Board to perform the analysis on the execution of the contract. That caused the suspension of the requests through the Virtual Storeroom platform since August 2021, and the procedure for suspension of the contract was effectively concluded in December 2021.

With the delivery of the preliminary Internal Audit report to the Economic Affairs Commission (CAE), and the conclusion of the work by CGE-GO, Saneago’s Executive Board collectively deliberated on the necessary corrective actions, deciding to withhold the last contractual payment and also to file a proceeding for calculation of liability, aiming to terminate the contract, with due respect to the right to adversary system and full defense of the company hired, a proceeding which is currently in progress. It was also decided to inform the CGE-GO regarding the acceptance of the request for corrective actions recommended by the agency and forwarding of the matter to the CAE.

The contract, amounting to R\$ 86 million for a period of 30 months, had total revenue of R\$ 20 million. The Company adopted all governance practices regarding the matter, the contract is suspended and the services halted until the termination is formalized.

It is also important to point out that, regarding the bidding process for the Virtual Storeroom, all the observations and technical recommendations of the CGE and other regulatory agencies regarding the first hiring initiative, which was unsuccessful, were complied with, and that there was a legal opinion and monitoring of the bidding process with no irregularity found, and that the phase of contractual execution lasted only 8 months, and was then suspended to avoid losses to the Company.

At first, the Statutory Audit Committee, urged to give a definitive opinion on the matter, even in view of the conclusions of the Internal Audit, submitted to the Board of Directors the need for an independent external audit that could verify any findings in the mentioned contract. Throughout 2022, along with the preparation of the term of reference and the start of the bidding process, there was also an internal investigation, by a team led by the Corporate Management Board, as well as by the Public Prosecutor's Office of the State of Goiás (CGE - GO), in addition to proceedings with the Court of Auditors of the State of Goiás (TCE-GO).

Both the internal investigation and the one conducted by CGE referred to errors in the contract wording, as well as in the contractual execution, which did not result in actual damages to the Company, as the disallowance of the amounts on which there could be losses is greater. In the case of the TCE, although a definitive pronouncement on the procedure has not yet been issued, the Finance Department of Public Prosecution's Office has already given its opinion indicating that there is no loss to the Company.

Subsequently, the Liability Assessment Process (PAAR) was started, authorized by the Board of Directors, leading to the contract termination, with its amounts retained and the provision of a contractual guarantee, in case the PAAR concludes that the payments are not necessary.

There is no indictment and judgment controlled externally or any definition of the involvement of Saneago, as a legal entity, or of any managers or directors. Saneago is a potential victim in the case. As well explained, there is still no external consequences involving Saneago or its directors.

On March 14, 2023, according to the notice to the market disclosed by the Company, the Corruption Fighting State Department (Deccor) initiated the operation "Custo Máximo", related to the contract. Once again, we highlight that neither Saneago nor its directors are defendants in this action and that since the beginning of the accusation related to the Virtual Storeroom, Saneago has suspended the service and taken measures for a strict and immediate verification of facts, as described above.

As at July 2023, the Company has paid the remaining balance established by the extinct contract, as authorized by TCEGO.

43. Operação Collusion

On April 13, 2023, the general media and the Civil Police of the State of Goiás announced news on operation Collusion. The Company has not received further information on the investigation. However, we point out that the investigation was initiated from results identified by Saneago itself, by means of assessments of its internal audit submitted to the Office of the Goiás State Police for investigation.

The operation investigates former partnerships and contracts (from 2010 to 2017) entered into with municipal governments for the construction, renovation, and expansion of water and sewage systems by means of a construction company, then winner of the bidding processes. We highlight that Saneago no longer has any contract with the construction company under investigation, and that possible losses incurred are already properly provided for by the Company.

There was no search, seize or pledge of assets in any unit of the Company, and neither the Company nor its current directors were notified about the mentioned investigation so far. Additionally, Saneago has already filed actions claiming financial compensation for damages caused by the construction company.

In relation to involved employees, Saneago informs that accepts the determination of the law and that, additionally, in view of the result of internal audits conducted and according to the Company's internal regulations, started Disciplinary Verification Proceedings to analyze the conduct of the involved parties.

44. Subsequent events

The Company reports that the ongoing proceedings for amicable municipalization of the sanitation services of Leopoldo de Bulhões are undergoing the due formal procedures, and a settlement has been reached for indemnity of the non-amortized assets, whose net balance is R\$ 1,171 as at June 30, 2023. The date expected for complete transfer of the system is August 10, 2023.

Ricardo José Soavinski
Chairman

Hugo Cunha Goldfeld
Sales Officer

Silvio Antônio Fernandes Filho
Corporate Management Officer

Diego Augusto Ribeiro Silva
Financial and Investor Relation Officer

Marco Túlio de Moura Faria
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 REVIEW OF INTERIM FINANCIAL INFORMATION

To the
Shareholders, Board Members and Management of
Saneamento de Goiás S.A - Saneago
Goiânia - GO

Introduction

We have reviewed the interim financial information of Saneamento de Goiás S.A. ("Company"), included in the Quarterly Information, for the quarter ended June 30, 2023, which comprise the interim statements of financial position as at June 30, 2023, and the respective interim statements of income and comprehensive income for the three- and six-month periods then ended, and the interim statements of changes in equity and cash flows for the six-month period then ended, as well as the corresponding notes.

The Company's Management is responsible for the preparation of this interim financial information in accordance with NBC TG 21 (R4) and International Accounting Standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and for its presentation in accordance with 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 conducted our review in accordance with Brazilian and international standards for reviewing interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity). A review of interim financial information consists principally of applying analytical and other review procedures and making enquiries of and having discussions with persons responsible for financial and accounting matters. An interim review is substantially less in scope than an audit conducted in accordance with auditing standards, and has not provided us 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 on the interim financial information

Based on our review, we are not aware of any fact that would lead us to believe that the interim financial information included in the accompanying Quarterly Information referred to above has not been prepared, in all material respects, in accordance with NBC TG 21 (R4) and IAS 34, applicable to the preparation of Quarterly Information, and presented in accordance with the standards issued by CVM.

Other Matters

Interim statements of value added – supplementary information

The interim financial information referred to above includes the interim statements of value added for the six-month period ended June 30, 2023, 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 performed alongside the review of the interim financial information, for the purpose of concluding on whether they are reconciled with the interim financial information and accounting records, as applicable, and if their 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 this standard and consistently with the interim financial information taken as a whole.

Corresponding comparative balances

The interim financial information for the period ended June 30, 2022, presented for comparison purposes, was reviewed by us, and our report thereon, dated August 11, 2022, had an emphasis on disclosure of events, measures and internal procedures performed by the Company's Management due to the news article published in January 2022, regarding the contract "Virtual Storeroom", whose related uncertainties are being followed up and were resolved based on information provided by the Company as necessary.

The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

Goiânia, August 10, 2023.

BDO RCS Auditores Independentes SS Ltda.
CRC 2 GO 001837/F-4

Eduardo Affonso de Vasconcelos
Contador CRC 1 SP 166001/O-3 – S - GO

Opinions and Statements / Opinions of the Fiscal Council

OPINION OF THE FISCAL COUNCIL

The people who sign below, effective members of the Fiscal Council of Saneamento de Goiás S.A. - Saneago, in executing their legal and statutory duties, after analyzing the documentary material, declare that the Financial statements of the 2st Quarter of 2023 are in perfect order and are ready to be approved by the Board of Directors, for this purpose, called.

Goiânia, August 09, 2023.

César Augusto Sotkeviciene Moura
Chairman of the Fiscal Council

Cristiane Alkmin Junqueira Schmidt
Council Member

Adriano da Rocha Lima
Council Member

Daniel Elias Carvalho Vilela
Council Member

José Alves Firmino
Council Member

Opinions and Statements / Management Statement on the Financial Statements

Management Statement on the Quarterly Financial Statements - 2st Quarter of 2023

We have reviewed the Quarterly Financial Statements – ITR for the period ended June 30, 2023, 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 10, 2023.

Ricardo José Soavinski
Chairman

Hugo Cunha Goldfeld
Sales Officer

Silvio Antônio Fernandes Filho
Corporate Management Officer

Marco Tulio de Moura Faria
Production Officer

Diego Augusto Ribeiro Silva
Financial and Investor Relation Officer

Fernando Cozzetti Bertoldi de Souza
Expansion Officer

Ariana Garcia do Nascimento Teles
Legal Officer

Opinions and Statements / Management Statement on the Independent Auditor's

Report Management Statement on the Independent Auditor's Report referring to Quarterly Financial Statements of June 30, 2023.

Based on our knowledge, the planning presented by the auditors and on the discussions on the audit results for the period ended June 30, 2023, 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 10, 2023.

Ricardo José Soavinski
Chairman

Hugo Cunha Goldfeld
Sales Officer

Silvio Antônio Fernandes Filho
Corporate Management Officer

Marco Tulio de Moura Faria
Production Officer

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