



MANAGEMENT REPORT

4Q/2020

Management comments for the periods ended December 31, 2020 compared to the same period in 2019.
Amounts expressed in thousands of reais (unless otherwise stated)

General Customer Service Data

1. General Customer Service Data

The Company operates in Water Supply and Sewage Treatment Systems in the vast majority of the State of Goiás, operating in 226 of the 246 municipalities in the state in which 62 have Program Contract and 164 have Concession Contracts. It is noteworthy that between December 2019 and December 2020, four contracts were renewed, including Anápolis, Goiânia and Inhumas, which represent approximately 45.55% of the company's revenue

Program and Concession Contracts	12M2020	12M2019	Revenue sharing %
Municipalities served	226	226	100%
Municipalities with program contract	62	60	71.68%
Municipalities with concession contract	164	166	28.32%

Water - Operational Indicators	Unit	12M2020	12M2019	Variation (%)
Population served	Thousand.	5,829	5,738	1.59%
Customer Service Index	%	97.40%	97.10%	0.31%
Connections	Thousand.	2,269	2,209	2.72%
Measurements	Thousand.	2,470	2,408	2.57%
Network Extension	Km	33,016	30,557	8.05%

Sewage - Operational Indicators	Unit	12M2020	12M2019	Variation (%)
Population served	Thousand.	3,871	3,701	4.59%
Customer Service Index	%	64.70%	62.60%	3.35%
Sewage Treatment Index	%	60.30%	58.20%	3.61%
Connections	Thousand.	1,261	1,201	5.00%
Measurements	Thousand.	1,429	1,365	4.69%
Network Extension	Km	13,287	13,139	1.13%

Water - Operational Indicators	Unit	4T2020	Q4/2019	Variation %	12M2020	12M2019	Variation %
Billed Volume	thousand of m ³	75,004	69,900	7.30%	281,551	270,224	4.2%
Sewage - Operational Indicators	thousand of m ³	45,846	41,966	9.25%	172,183	161,783	6.4%
Billed Volume	thousand of m ³	45,846	41,966	9.25%	172,183	161,783	6.4%
Produced Volume	thousand of m ³	42,551	38,652	10.09%	159,757	149,690	6.7%

Table 21 - General Customer Service Data for the 4Q/2020
Provided.

General Customer Service Data

2.1 Water Supply System

In 12M2020, the company expanded its performance in the provision of water supply services in the state of Goiás in relation to the population served by 1.59%, with service index reaching 97.4% of the population. There was an increase in the number of billed water connections by the Company by 2.72% while the extension of the water distribution networks was increased by 8.05%.

2.2. Sewerage System

Regarding sewerage systems, there was also expansion, the population served increased, the population served went to 3,871 people, representing a growth of 4.59%. This number represents a Sewage Service Index of 64.70% of the total population served in the State (municipalities in which the Company holds a concession) in 12M2020. The number of billed sewage connections represented a growth of 5.00%. In relation to the billed volume of sewage, there was an increase of around 4.2%. The volume of treated sewage grew 6.7% also for 12M2020. These increases reflect the company's prioritization of works that aim at the universalization of the sewerage system.

3. Performance Indicators

In relation to the number of employees, there was a reduction in the total number, from 5,822 in 12M2019 to 5,791 in 12M2020, which represents a reduction of 0.10%. The staff productivity index, measured by the ratio of connections (water + sewage) by number of employees, exceeded 586 connections / employee for 607 connections / employee showing an improvement in efficiency of 3.58%, motivated by the reduction of the staff and the increase in the number of connections.

Indicators	12M2020	12M2019	Variation %
Number of employees	5,816	5,822	-0.10%
Connections / Employee	607	586	3.58%
Measurements /Employee	670	648	3.40%
Water Metering Index (%)	99.73%	99.73%	0.00%
Macro Measurement Index (%)	98.30%	98.05%	0.25%
Loss Index	26.90%	28.49%	-5.58%

Table 02 - Performance Indicators

Also noteworthy is the 5.58% reduction in the Loss of Treated Water index, reaching a percentage of 26.90% in 12M2020 compared to 28.49% in the same period of 2019, due to the reinforcement of the company's performance in combating losses across the state.

Investments

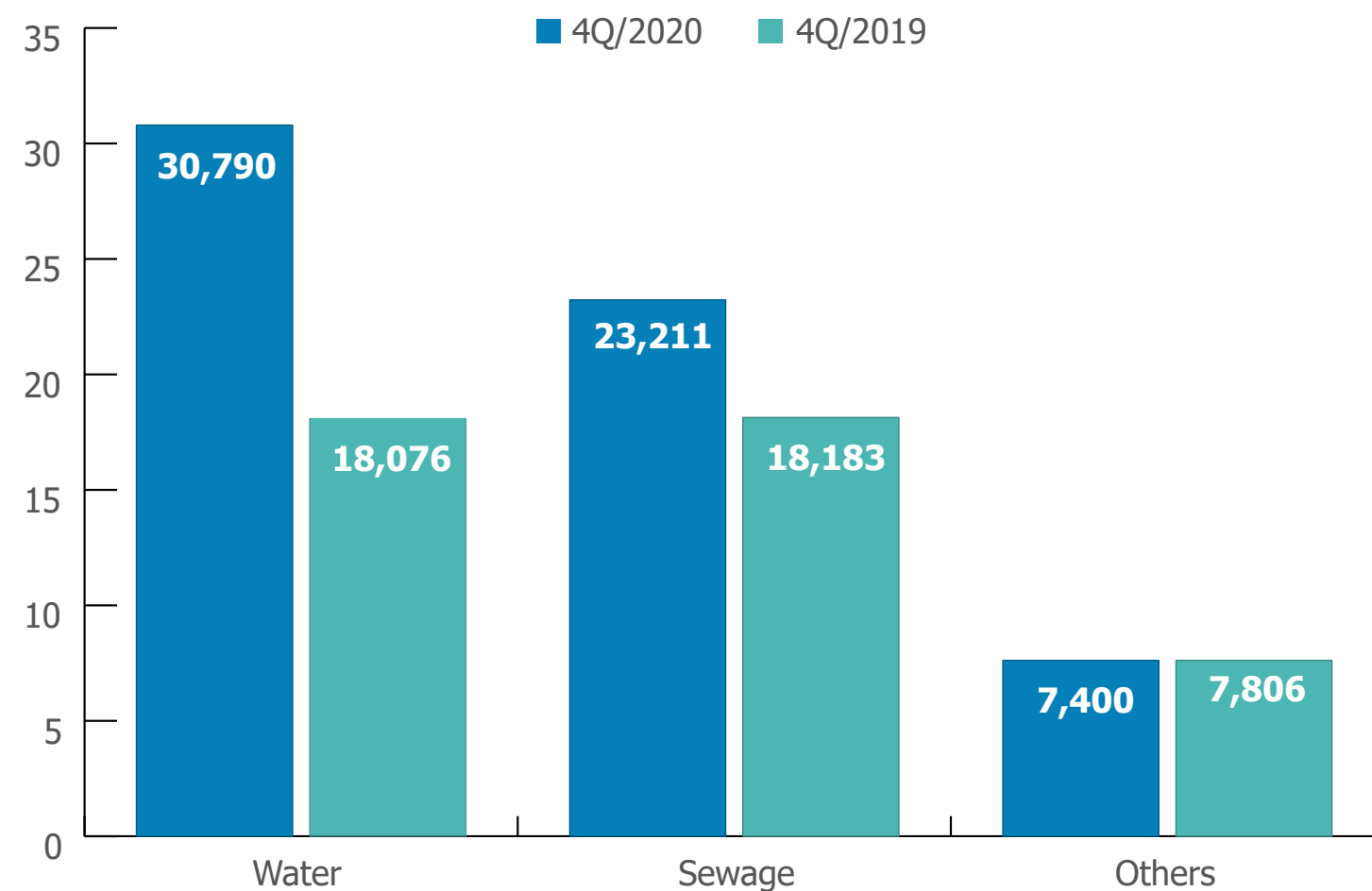


Chart 1 - Volume of Investments by System in 4T2020

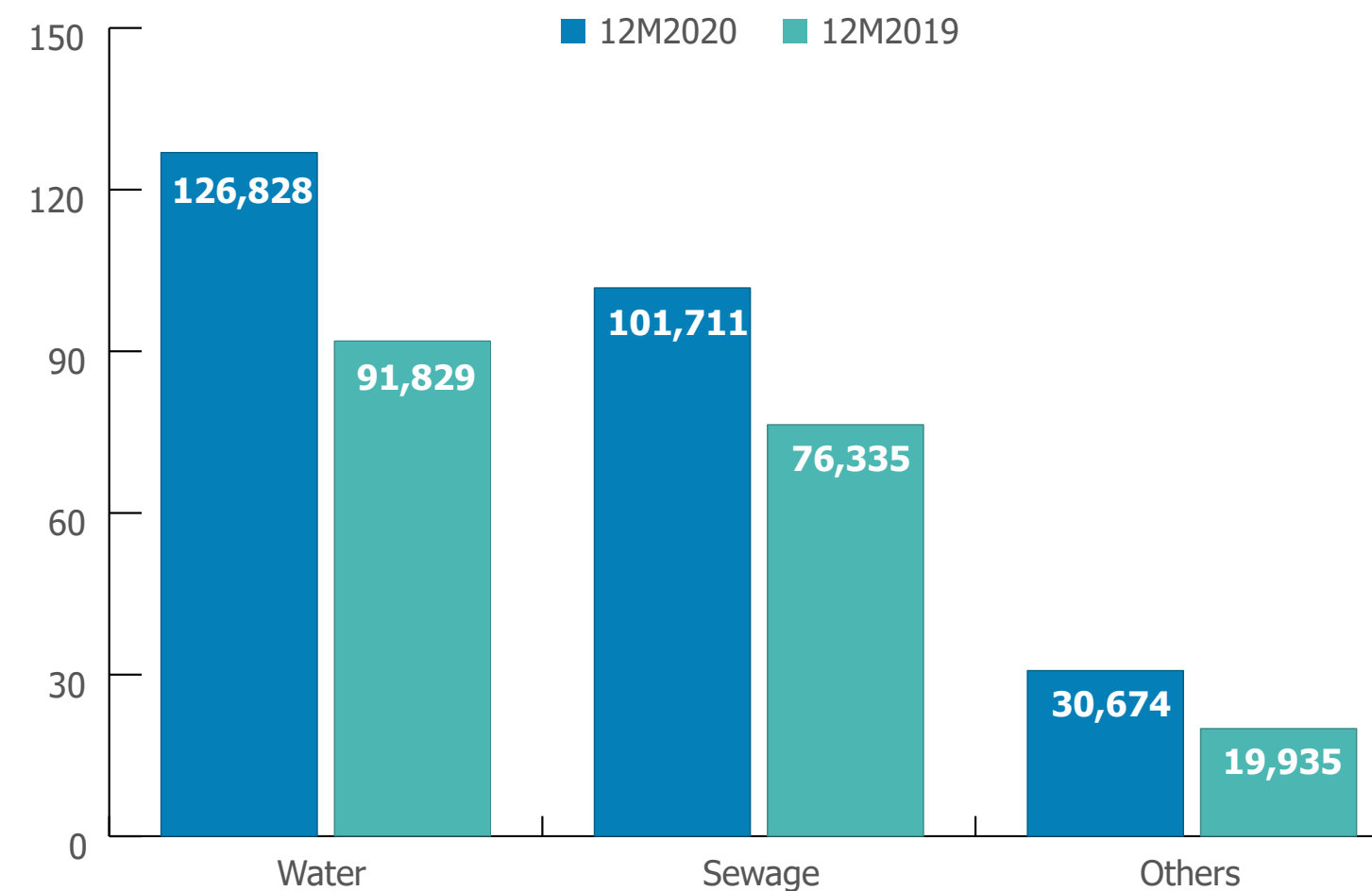


Chart 2 - Volume of Investments by System in 12M2020

4. Investments - Investments made in the fourth quarter of 2020 (12M2020) totaled R\$ 259,213, as shown in Chart 2, an increase of 37.8% compared to R\$ 188,099 in the same period of the previous year. From this amount, 48.93% was invested in water supply systems, while 39,24% was invested in sanitary sewage collection and treatment systems, the remaining 11.83% was invested in operational improvement programs, business development, general purpose goods and others. Within the 'Others' Group is the acquisition of goods not intended for Water and Sewerage Systems such as the acquisition of vehicles, computers, constructions of administrative areas, software, civil work stocks.

Financial Result Performance

Financial Indicators	4Q 2020	4Q 2019	Variation %	12M2020	12M2019	Variation %
Net Profit	616,178	569,031	8.29%	2,360,900	2,235,315	5.62%
Revenue from Technical Services	410	444	-7.66%	1,763	2,167	-18.64%
Sub-delegation Grant	2,274	2,274	0.00%	9,100	9,100	0.00%
Services Cost	(283,648)	(163,669)	73.31%	(1,058,642)	(1,051,762)	0.65%
Gross Financial Result	335,214	408,080	-17.86%	1,313,121	1,194,820	9.90%
Commercial Expenses	(72,642)	(89,362)	-18.71%	(269,063)	(256,971)	4.71%
Administrative Expenses	(103,669)	(76,595)	35.35%	(395,102)	(381,471)	3.57%
Other Revenues and Other Operating Expenses	(31,137)	(26,839)	16.01%	(38,189)	(25,280)	51.06%
Depreciation / Amortization	29,671	71,172	-58.31%	118,162	111,152	6.31%
Provisions / Reversals / Losses and Receivables Credits	4,571	83,818	-94.55%	(62,663)	(53,481)	17.17%
Tax Expenses	(1,744)	(1,714)	1.75%	(15,695)	(14,950)	4.98%
EBITDA	160,265	368,560	-56.52%	650,571	573,819	13.38%
EBITDA Margin	25.90%	64.46%	-59.83%	27.43%	25.54%	7.39%
Adjusted EBTIDA	189,328	284,742	-33.51%	746,869	627,300	19.06%
Adjusted EBTIDA Margin	30.59%	49.80%	-38.57%	31.49%	27.92%	12.78%
Depreciation / Amortization	(29,671)	(71,172)	-58.31%	(118,162)	(111,152)	6.31%
Financial Expenses	(2,606)	(6,726)	-61.25%	(63,980)	(52,525)	21.81%
Deferred IRPJ / CSLL	(44,723)	(36,492)	22.56%	(63,114)	(65,947)	-4.30%
RPJ/CSLL	(8,075)	(15,674)	-48.48%	(68,969)	(69,133)	-0.24%
Net Profit	75,190	238,496	-68.47%	336,346	275,062	22.28%

Financial Result Performance

5.1 Income

In relation to Net Revenue, the Company recorded an increase of 8.29% in Q4/2020. However, the gross income decreased by 17.86% due to the fact that in 2019 there was a change in the methodology for depreciation of the useful life of the assets, no longer using a tax rate for share participation, based on the opinion of a specialized company, which resulted in a reversal of approximately 120 million depreciation in December / 2019, impacting a lower Service Cost in that period. In the accumulated period (12M2020), net revenue increased by 5.62% and gross income increased by 9.90%.

The evolution of the aforementioned results in the accrual period has as main premises the expansion of the customer base and increase in the billed volume of sewage.

5.2 Costs and Expenses

Regarding costs and expenses, we can subdivide them into 3 structures: Commercial, administrative and service expenses. Commercial expenses decreased by 18.71% in Q4/2020 compared to Q4/2019 while administrative expenses increased by 35.35% in Q4/2020 compared to Q4/2019. In the accrual period (12M2020) these variations were 4.71% for Commercial and 3.57% for Administrative, as detailed in items 5.6 and 5.7.

The increases in Q4/2020 reflect in Commercial expenses, reclassification of accounting accounts transferred from Costs.

Service costs were increased by 73.31% in Q4/2020 and 0.65% in 12M2020 in relation to the same period of the previous year, as detailed in the item 5.5.4 as well as by the change in the methodology of calculation of depreciation for useful life.

3. EBITDA

The company's EBITDA reached R\$ 160,265 in Q4/2020 compared to the R\$ 368,560 recorded in the same period of the previous year, making a decrease of 56.52% in relation to Q4/2019, this decrease reflects again the reversal of depreciation that in 2019 reduced the Service costs for the three month period. In 12M2020, EBITDA reached a total of R\$ 650,571, increasing by 13.38% compared to the previous year. This growth mainly refers to the 5.62% increase in net sales and the provision for the payment of Employee Profit Sharing, which was accounted for as a Provision in the "Other Receivables And Other Expenses" group.

Operat. "in the amount of R\$ 635. In 2019, the the PPR was not calculated as a provision and therefore was not deducted for the calculation of the Adjusted EBITDA.

1. EBITDA margin

The ratio between EBITDA on net sales in Q4/2020 was 25.9% compared to 64.46% recorded in the same period of the previous year, among the factors that originated the percentage of 64.46%,

Financial Result Performance

the credit balance of Provisions in that period is calculated due to the PCLD policy adopted by the Company in which there was a change in the terms for provisioning and a change in the base used in the Provision in 2019. In the accrual analysis, the margin was 27.43% in 12M2020 compared to 25.54% in the previous year.

5.4 Adjusted EBITDA

Adjusted EBITDA is calculated without considering Provisions / Reversals / Losses and Receivables. Accounting credits that are not proven to have a cash effect as described in table 3, in 2020 also considered the provision for the payment of the Employee's profit sharing, which was recorded as a provision in the "Other Operatinal Receivables and Expenses" group Operat. in the amount of R\$ 29,512. In Q4/2020, adjusted EBTIDA was R\$ 189,328, representing a reduction of 33.51% compared to the same period of the previous year. In the accrual period (12M2020), the value was R\$ 746,869, an increase of 19.06% compared to 2019.

5.4.1 Adjusted EBITDA Margin

The ratio between Adjusted EBITDA to net revenue (adjusted EBITDA margin) in Q4/2020 was 30.59% compared to 49.80% in the same period last year, which represents a reduction of 38.57 % when compared to the same period of the previous year. In the accrued analysis (12M2020), the percentage was 31.49%, showing a growth of 12.78%.

5.4.2 Sales Gross Revenue

Currently, about 67% of Saneago's Revenue comes from the exploitation of Water Systems and 33% from Sewerage Systems, as shown in the chart on the side:

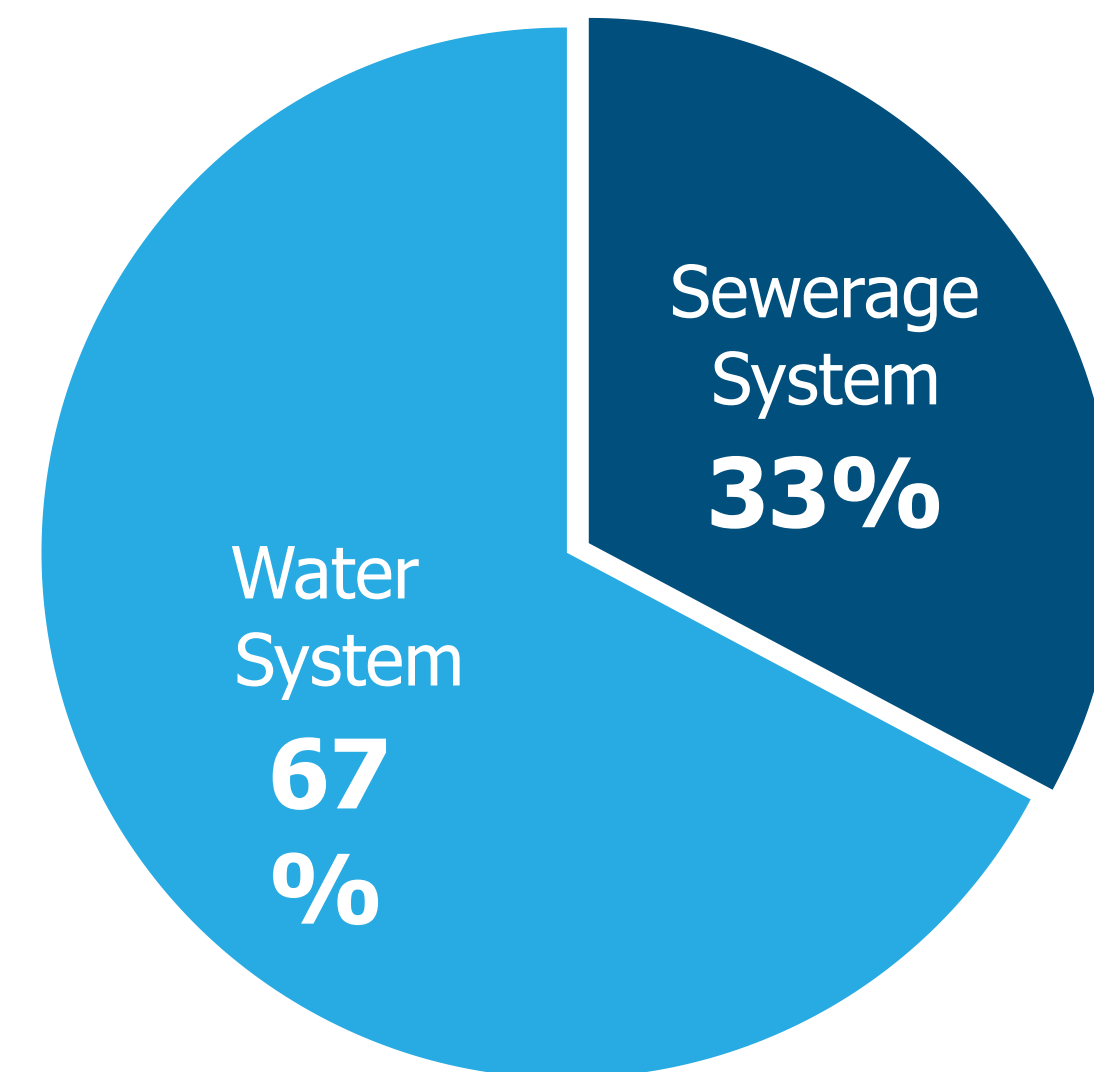


Chart 3 - Segmentation by Type of System

The increase in gross sales revenue in Q1/2020 was BRL 62,345, which represents an increase of 11.05% in relation to the same period of the previous year, representing a total gross revenue of BRL 626,744 in the period, against R\$ 564,399 earned in the same period of the previous year as can be seen in table 4 below.

Financial Result Performance

Revenue by Type of Service	4Q 2020	4Q 2019	Variation %	12M2020	12M2019	Variation %
Residential Water	318,224	291,844	9.04%	1,203,447	1,098,239	9.58%
Social Rate	1,084	1,094	-0.91%	4,331	4,561	-5.04%
Commercial	40,168	40,703	-1.31%	142,113	152,111	-6.57%
Industrial	10,596	9,716	9.06%	37,718	36,014	4.73%
Public	19,865	19,085	4.09%	78,723	84,410	-6.74%
Indirect Revenues of Services	2,992	4,713	-36.52%	11,214	13,118	-14.51%
Minimum Fixed Tariff	67,571	65,626	2.96%	269,490	256,557	5.04%
Total Water	460,500	432,781	6.40%	1,747,036	1,645,010	6.20%
Residential Sanitary Sewage	152,332	138,254	10.18%	567,889	517,019	9.84%
Social Housing	493	489	0.82%	1,935	2,011	-3.78%
Commercial	30,452	31,157	-2.26%	111,328	119,118	-6.54%
Industrial	4,543	4,402	3.20%	17,326	17,230	0.56%
Public	12,397	10,058	23.26%	49,638	47,784	3.88%
Indirect Revenues of Services	924	6,747	-86.31%	12,780	33,982	-62.39%
Minimum Fixed Tariff	22,878	21,933	4.31%	90,199	84,666	6.54%
Total Sewage	224,019	213,040	5.15%	851,095	821,810	3.56%
Revenue to be billed for water / sanitary sewage	(4,734)	-9,143	-48.22%	7,143	(719)	-1093.46%
Gross Revenue	679,785	636,678	6.77%	2,605,274	2,466,101	5.64%
Deductions	(63,607)	-67,647	-5.97%	(244,374)	(230,786)	5.89%
Net Revenue	616,178	569,031	8.29%	2,360,900	2,235,315	5.62%

Table 04 - Sales Gross Revenue

Financial Result Performance

As already mentioned in the text of Table 3 - Financial Result Performance, the increase in Revenues reflects the 2.57% increase in water measurements and 4.69% in sewage measurements. Regarding customer segmentation, we highlight that the residential category concentrates the largest share of the company's customers with a 79.73% share of total operating revenue from services provided. The commercial and public categories represent 11.97% and 5.47% respectively.

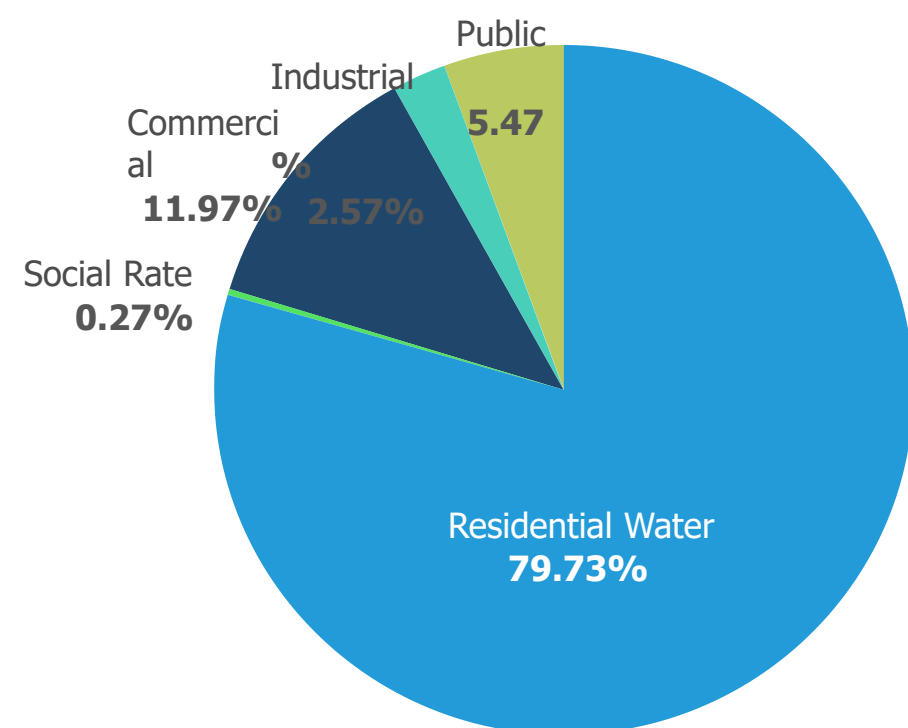


Chart 4 - Segmentation by Customer Category

Main variations and causes of the observations pointed out in Table 4 for 4Q/2020 / 12M2020

5.4.3 Water supply revenues

Total water supply revenue increased by 6.40% in Q4/2020. As shown in Table 4, there was an increase of 9.04% in Residential consumption in the Q4/2020 Period and 9.58% in the accumulated 12M2020. However, Commercial and Public consumption decreased by 1.31% and increased by 4.09%, respectively in 4Q/2020 and reduction of 6.57% and 6.74% in the accrual period of 12M2020. These variations partially reflect the transfer of commercial and public to residential consumption due to the social isolation adopted in the State of Goiás since the month of March and which directly affected commercial activities, public and private schools in the state.

5.4.4 Sewage Revenue

Revenue from sanitary sewage increased 5.15% for Q4/2020 and increased 3.56%

in 12M2020. As mentioned in item 5.4.3, in the Sewage Revenue there is a reflection of the Social Isolation adopted, with an increase in residential tariffs in the face of a reduction in public and commercial tariffs.

5.4.5 Deductions from Gross Operating Revenue

Deductions from gross operating revenue refer to As for PIS taxes, COFINS increased by 5.97% in 4Q/2020 and increased by 5.89% in the accrued analysis (12M2020). This increase reflects the proportional increase in taxes levied on revenue.

5.4.6 Net Operating Revenue

Net operating revenue reached R\$ 616,178 in 4Q/2020, against R\$ 569,031 in the same period of the previous year, an increase of 8.29%. In the accrual period, Net Revenue reached R\$ 2,360,900 in the accrual period of 2020.

5.5 Costs of Services Provided

The costs of services provided disregarding those of construction, formed by expenses with opera

Financial Result Performance

tion, conservation and maintenance of water and sewerage systems totaling in 4Q/2020, R\$ 283,648 and R\$ 1,058,642 in the 12M2020 showing an increase of 73.31% and 0.65%, respectively, due to the change in the useful life policy to determine the depreciation that

led to a reversal of R\$ 58 million, as shown in the table of cost composition of the services provided below:

Services Costs	4Q 2020	4Q 2019	Variation %	12M2020	12M2019	Variation %
Personnel	161,849	147,246	9.92%	591,611	574,942	2.90%
Material	19,254	17,025	13.09%	81,903	72,383	13.15%
Electricity	57,556	56,640	1.62%	212,816	221,339	-3.85%
Third Party Services	20,899	1,382	1412.23%	73,670	72,566	1.52%
General	1,060	98	981.63%	6,044	5,533	9.24%
Subtotal	260,618	222,391	17.19%	966,044	946,763	2.04%
Amortization	36,284	(58,722)	-161.79%	105,851	104,999	0.81%
PIS / COFINS Credit without Deprec./Amort.	(13,254)	-	-	(13,254)	-	-
Total General	283,648	163,669	73.31%	1,058,642	1,051,762	0.65%

Table 05 - Breakdown of Costs for Services Provided

Financial Result Performance

Main variations and causes of Service Costs in 4Q/2020 / 12M2020:

5.5.1 Personnel

Personnel expenses totaled R\$ 161,849 in Q4/2020 and R\$ 591,611 in 12M2020, an increase of 9.92% and 2.90% respectively. These variations reflect the wage adjustment of the category at 2.05% in September, a vegetative growth related to the Positions and Salaries Plan and changes in employee staffing that result in transfers of expenses between Commercial and Administrative Costs.

5.5.2 Material

Spending on materials increased by 13.09% in Q4/2020 and increased by 13.15% in 12M2020. The main factor of this increase in Q4/2020 / 12M2020 was the 13.24% increase in treatment materials, mainly caused by the increase in demand in the period from August to October and in the accumulated period of the year in which

there was an increase of 4.2% in the volume of water billed and 6.2% in the volume of sewage. In addition, due to the New Coronavirus Pandemic, PPE expenses were R\$ 2.4 million compared to R\$ 600,000 in 2019.

5.3.3 Electricity - Electricity costs totaled R\$ 57,556 in 4Q/2020 and a total of R\$ 213 million in 12M2020, showing a reduction of 1.62% and 3.85%, respectively, in relation to the previous period. This reduction is a reflection of the electricity tariff readjustment in 2019, with a negative average percentage of 5.08%, causing a lower average tariff price.

5.5.4 Third Party Services

Spending on third-party services increased by 1.52% in 12M2020 and 1412% in 4Q/2020, this variation reflects the reclassification of the nature of the expense with the Collection Fee that was included in the Service Cost and was reclassified as Commercial Expense. This reclassification was in the order of R\$ 25 million for 12M2020.

5.5.5 General

General expenses costs increased 9.24% in 12M2020. This variation reflects the increase in Legal and Judicial Expenses, from R\$ 33 thousand in 2019 to R\$ 1.1 million in 2020.

5.6 Administrative Expenses

Expenses with the Company's management structure increased by 35.35% in 4Q/2020 when compared to the same period in the previous year. In the accrued analysis (12M2020), this variation reached 3.57%, as shown in table 6.

Financial Result Performance

Administrative Expenses	4Q 2020	4Q 2019	Variation %	12M2020	12M2019	Variation %
Personnel	83,461	75,597	10.40%	315,558	315,546	0.00%
Material	713	1,829	-61.02%	4,149	5,583	-25.69%
Electricity	734	760	-3.42%	2,427	3,039	-20.14%
Third Party Services	7,974	7,434	7.26%	36,505	40,464	-9.78%
General	4,196	3,503	19.78%	11,129	10,979	1.37%
Subtotal	97,078	89,123	8.93%	369,768	375,611	-1.56%
Depreciations	7,151	(12,528)	-157.08%	25,895	5,860	341.89%
PIS / COFINS Credit without Deprec./Amort.	(561)	-	0.00%	(561)	-	0.00%
Total General	103,668	76,595	35.35%	395,102	381,471	3.57%

Table 6 - Breakdown of Administrative Expenses

Financial Result Performance

5.6.1 – Personnel

Personnel expenses totaled R\$ 83,461 in Q4/2020 and R\$ 315,558 in 12M2020, an increase of 10.4% in 4Q. These variations reflect the wage adjustment of the category by 2.05% in September, vegetative growth and transfers of employees between areas that result in the change in the rating of administrative and commercial in 2020

5.6.2 Materials

Spending on materials decreased by 61% in 4Q/2020 and decreased by 25.69% in 12M2020. This reduction is mainly due to the low use of administrative vehicles in the period, resulting in a reduction of R\$ 2.1 million in fuels.

5.6.3 - Third Party Services

Spending on third-party services increased by 7.26% in 4Q/2020 and decreased by 9.78% in 12M2020. The accrued reduction mainly refers to the decrease of R\$ 370 thousand in costs

maintenance costs with administrative vehicles, also referring to the reduction in the use of these vehicles during the pandemic. It was also identified a reduction in costs with Copies and Reproductions, reflecting in addition to the pandemic that caused teleworking for most of the employees, but also due to the digitalization process of all the company's processes in January 2020.

5.7 Commercial Expenses

Expenses with the Company's commercial system decreased by 18.71% in 4Q/2020 and an increase of 4.71% in 12M2020.

Commercial Expenses	4Q 2020	4Q 2019	Variation %	12M2020	12M2019	Variation %
Personnel	33,057	30,462	8.52%	117,876	112,368	4.90%
Material	104	1,883	-94.48%	544	2,383	-77.17%
Electricity	-	133	-100.00%	9	197	-95.43%
Third Party Services	17,290	40,772	-57.59%	71,788	79,185	-9.34%
Concession / Contractual Compensation	19,567	14,316	36.68%	73,757	55,022	34.05%
General	2,574	1,718	49.83%	4,860	7,523	-35.40%
Subtotal	72,592	89,284	-18.70%	268,834	256,678	4.74%
Amortization / Depreciation	56	78	-28.21%	235	293	-19.80%
PIS / COFINS Credit without Deprec./Amort.	(5)	-	0.00%	(5)	-	0.00%
Total General	72,643	89,362	-18.71%	269,063	256,971	4.71%

Financial Result Performance

Main variations are:

5.7.1 – Personnel

Personnel expenses totaled R\$ 33,057 in 4Q/2020 and R\$ 117,876 in 12M2020, an increase of 6.73% and 4.41% respectively. These variations reflect the wage adjustment of the category at 2.05% in September, vegetative growth and transfers of employees between areas that result in the alteration of the administrative and commercial classification in 2020.

5.7.2 - Third Party Services

Third-party services decreased by 57.59% in Q4/2020 and decreased by 9.34% in 12M2020. The reduction identified in 4Q/2020 occurred as mentioned in item 5.5.4 due to the allocation of expenses with Cost Collection Tariff to Commercial Expenses that occurred in 4Q/2019. In 2020, this expense was recorded with the Commercial Area throughout the year, not causing this peak in 4Q/2020. Regarding the cost reduction in the accrued analysis (12M2020) refers to the period of

March to November 2020 when no delinquent customer cuts were made. This period resulted in a reduction of R\$ 7 million with this service.

5.7.3 - General

Spending on general expenses increased by 49.83% in 4Q/2020 and decreased by 35.4% in 12M2020. This change occurred mainly due to the reduction in Indemnities paid to Third Parties, from R\$ 5.2 million in 12M2019 to R\$ 2.1 in 12M2020.

5.7.4 - Concession / Contractual Compensation

The amounts paid to city halls due to concession and program contracts were increased due to the new calculation methodology provided for in the Goiânia and Anápolis contracts signed in December / 2019 and February / 2020, respectively. In addition to the proportional increase due to the link between the calculation methodology and the Company's collection.

5.8 - Provision / Reversal / Losses / Recovery of Prescribed Credits:

Reversals (-) Net provisions	4Q 2020	4Q 2019	Variation %	12M2020	12M2019	Variation %
Prescribed Credits Losses	(25,874)	(12,251)	94.85%	(95,020)	(55,540)	71.08%
Provision for Contingencies	(3,962)	2,921	-1191.46%	(3,387)	(40,728)	-91.68%
Allowance for Doubtful Accounts	35,149	93,147	-40.33%	21,791	32,657	-33.27%
Provision for Loss / Stock	(743)	-	-111.43%	10,203	(9,257)	-210.22%
Provision for Voluntary Termination Program (PDV)	-	-	0.00%	-	-	-
Estimated losses on works	-	-	-100.00%	3,750	19,377	-80.65%
Provision for estimated losses from other credits	-	-	-100.00%	-	10	-
Provisions / Reversals / Losses and Receivables Credits	4,570	83,818	-94.55%	(62,663)	(53,481)	17.17%

Receivables, Credits

Financial Result Performance

According to the aforementioned Table, a 94.55% decrease in the balance between reversals and provisions in 4Q/2020 is identified. In the accrued analysis (12M2020), this variation was 17.17%. Regarding the Losses of Prescribed Credits in 12M2020, there was an increase of 71.08%, while the Estimated Losses on Doubtful Accounts had a reduction in the credit balance in the order of 40.33%, going from R\$ 93,147 in 2019 to R\$ 35,149 in the Q4/2020. The reduction is a reflection of the payment of part of its public category debts. In the accrued analysis, 12M2020, there was an increase of 71.08% in Prescribed Credits and a reduction of 33.27% in Estimated Allowance for Doubtful Accounts.

They reflect the results related to the revenues from financial investments, income from monetary variations and other amounts receivable, expenses with interest on loans and financing operations, as well as expenses with fines and arrears and discounts granted. The income presented in 12M2020 presented an increase of 21.80%, going

Description	4Q 2020	4Q 2019	Variation %	12M2020	12M2019	Variation %
Interests / Fines	12,770	28,624	-55.4%	47,366	45,136	4.9%
Monetary Correction	6,195	5,498	12.7%	22,518	20,174	11.6%
Adjustment to Current Value	(590)	-	-	484	2,100	-
Total financial revenues	18,375	34,122	-46.1%	70,368	67,410	4.4%
Interests / Charges and Other Expenses	(18,488)	(54,194)	-65.9%	(97,324)	(111,733)	-12.9%
Monetary Correction	(7,041)	17,882	-139.4%	(9,009)	(858)	950.0%
Exchange Variation	8,070	2,725	196.1%	(24,743)	(4,208)	488.0%
Adjustment to Current Value	-	213	-	-	(1)	-
PIS/COFINS without Financial Revenue	(855)	-	-	(3,272)	(3,135)	-
Total Financial Expenses	(18,314)	(33,374)	-45.1%	(134,348)	(119,935)	12.0%
Financial Result	61	748	-91.8%	(63,980)	(52,525)	21.8%

Table 09 - Net Revenues and Expenses

from R\$ 52,525 to R\$ 63,980. In spite of the reduction of 12.9% in interest and loan charges, there was an increase of 169% in the result of the exchange variation

and consequently, adjustment in the amount of recording for loans quoted in dollars.

Result

6.1 Net Profit / Loss

The Company recorded a profit of R\$ 75,190 in this 4Q/2020 and, analyzing the accrual period of 12M2020, this profit reached R\$ 336,346. This positive result mainly refers to the 5.62% increase in Net Revenues, due to the expansion of the systems, as shown in Table 1 of Item 2, with an increase of 2.57% in water measurements and 4.69% in sewage measurements. compared to the accrual period in 2019, the profit in the 12M2020 was 22.28% higher, in which the profit had been R\$ 275,062.

7. Analysis and Discussion of the Equity Structure

In the following analysis and discussion of the Company's equity structure, we seek to discuss the line items that are considered to be materially relevant to adequately justify changes in its equity situation in the period corresponding to the year 2020 compared to the end of the previous year.

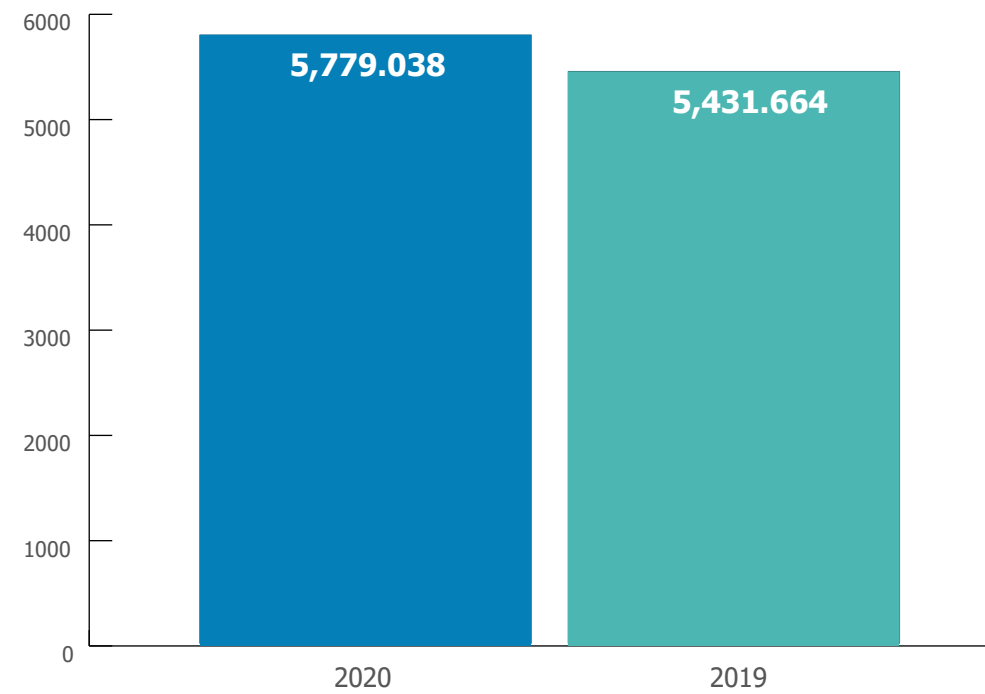


Chart 5 - Evolution of Total Assets

In 2020, the main changes in the equity structure occurred in the items of current assets and current liabilities, which were increased by 17.55% and 4.51%, respectively. Thus, there was an increase in current liquidity, which went from 0.894 at the end of the year for 2019 to 1.101 at the end of the year of 2020. In addition, there was also a reduction in third party capital from 96.75% at the end of the year for 2019 to 87.77% at the end of 2020. This increase occurred mainly due to the increase in shareholders' equity due to the profit recorded in this accrual period.

7.1 Assets

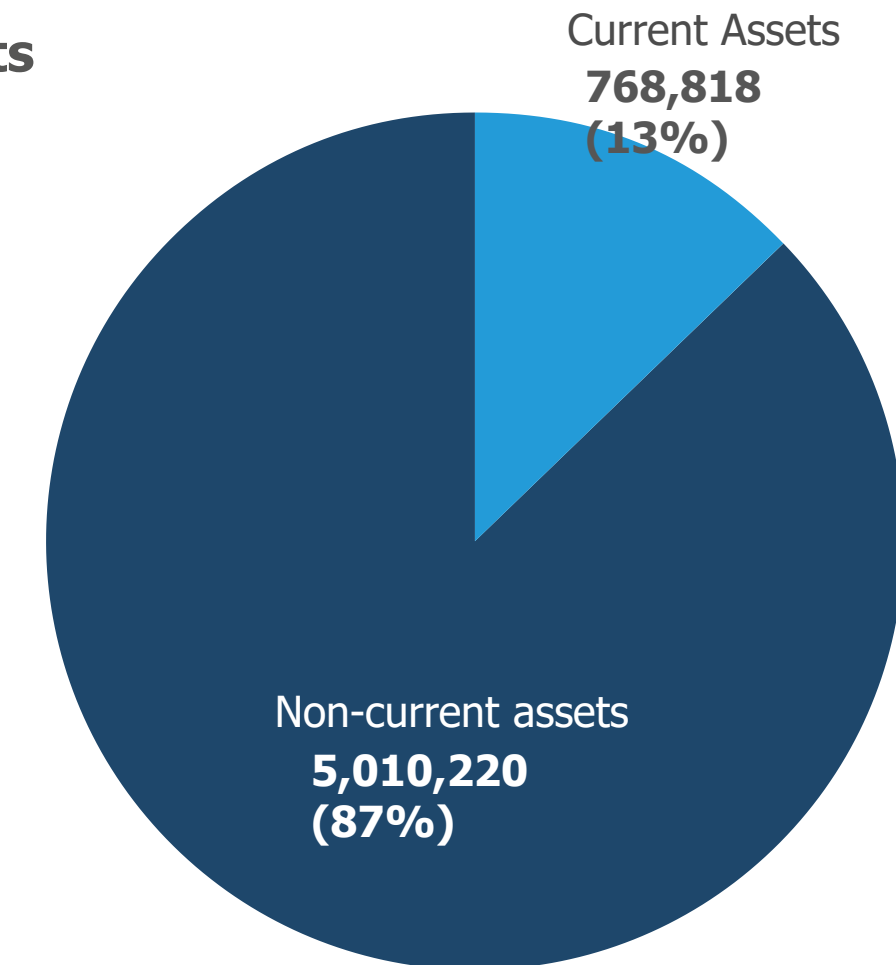


Chart 6 - Asset Structure - 2020

1. Current Assets

2. Cash and Cash Equivalents - Cash and cash equivalents showed a constant behavior between 2019 and 2020 with a variation of 0.86%, despite the impacts caused by the Pandemic in 2020. Among the factors that enabled this maintenance of Cash, the Contingency Plan adopted by the company stands out, in addition to the 8th Issue of Debentures.

Analysis and Discussion of the Equity Structure

7.1.3 Credits receivable from Users - The line item credits receivable from Users increased by R\$ 98,055, representing an increase of 24.99%. This increase in the default scenario is a direct reflection of the current pandemic of the Novel Coronavirus, which impacted the debt settlement capacity of part of the population. In addition to the Company having suspended the interruption of water supply to defaulters in the period of 03/19/2020 expected until 1/3/2021.

7.1.4 Recoverable taxes - The recoverable taxes account increased 185%, equivalent to R\$ 12,060. This variation is a reflection of the adoption of payment of Interest on Equity, causing an IRPJ balance to be recovered due to an overpayment due to an estimate throughout the year;

7.2 Non-Current Assets

7.2.1 Advanced expenses - This line item increased by R\$ 50,589 in 2020, from R\$ 142,214 to R\$ 192,803. This variation refers to the anticipated Concession Compensation of the Municipality of Anápolis due to the early termination of the Concession Contract and the signing of a new Program Contract for a period of 30 years.

7.2.2. Intangible assets - In accordance with ICPC 01 (R1) - Concession Contracts, the line item Intangible assets was divided into: Intangible and Contract Assets. Intangible assets, basically composed of goods used in water and sewerage systems linked to municipal concessions, increased by R\$ 26,481, which represents a variation of 0.98%.

7.2.3 Contract Assets - Contract Assets (works in progress) are the right to consideration in exchange for goods or services transferred to the customer. This line item presented a variation of 15.80% at the close of 2020, reaching a balance of R\$ 730,152.

7.3 Liabilities

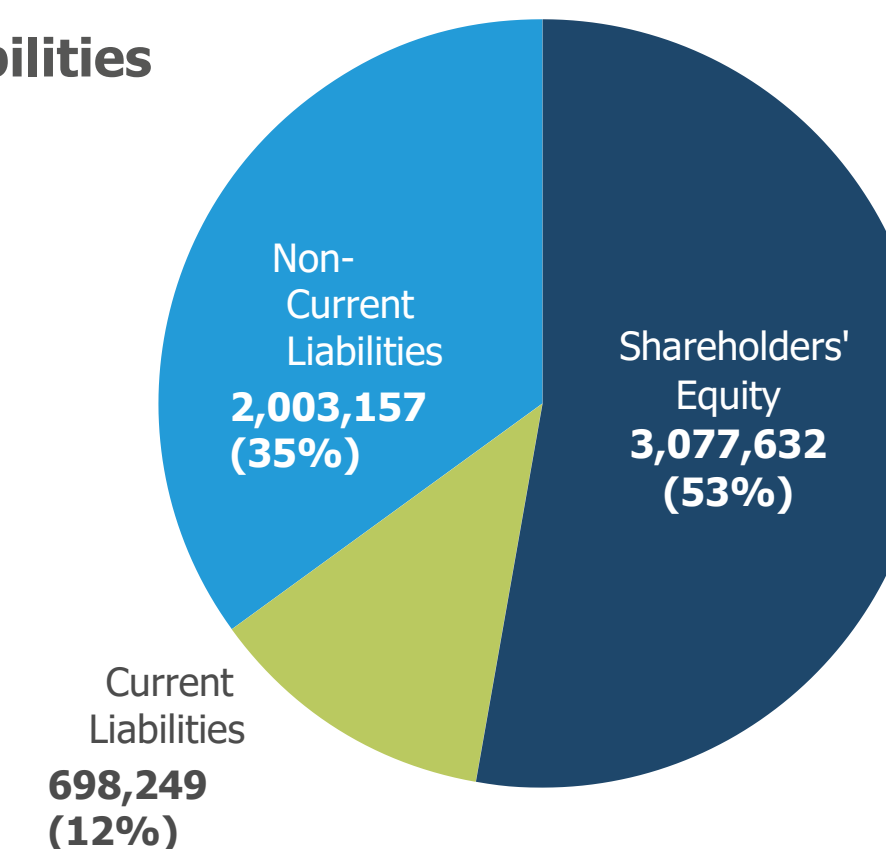


Chart 7 - Breakdown of Liabilities + PL - 2020

7.3.1 Suppliers

The line item presented a balance of R\$ 118,057 at the close of 2020, against R\$ 129,678 at the close of the financial year 2019, a variation of 8.96%.

7.3.2 Debentures

Debentures rated as Current recorded an increase of R\$ 37,885, which reflects the end of the grace period for the 5th issue of debentures and the settlement of the 7th issue.

Analysis and Discussion of the Equity Structure

7.3.3 Dividends and interest on equity (JCP) payable - the line item Dividends increased by 4,892 in 2020, representing a variation of 6.52%, reflecting the increase in profit in the period, in addition to the adoption of payment of interest on equity (JCP).

7.3.4 Tax Liabilities

The tax liabilities item presented a variation of 72% in current assets, with an increase of R\$ 14,165 in 2020. The total increase in tax obligations is due to the IRRF on payroll amounts, which in 2019 are reflected in the suppliers account.

7.3.5 Contractual Obligations

This line item was created in 2019 with a balance closing at R\$ 100,236, which represents the counterpart of the prepaid expense recorded in Noncurrent Assets related to the anticipation of the termination of the Concession Contract with the Municipality of Goiânia and its conversion into a Program. At the end of 2020, the balance of this line item

was R\$ 15,220 after the payment of all installments of the values of the Municipality of Goiânia and Anápolis, the remaining balance refers to the Program Contract of the Municipality of Águas Lindas de Goiás which provides for a consideration from the municipality, in investments, for subsequent payment of the installment.

7.4.1 Long-Term Loans and Financing. This long-term loans and financing account decreased 32.98% in relation to the balance presented at the end of December 31, 2019. The reduction in the account is due to the amortization of debts during 2020.

7.4.2 Debentures - Debentures rated as Non-Current presented a reduction of R\$ 86,871, reflecting the end of the grace period 5th issue of debentures and the 8th issue in December 2020, with one of the objectives being the settlement of the 7th issue.

7.4.3 Leasing - This line item refers to the compatibility of the Company's records with CPC 06, which deals with the recording of Leasing which, in the case of leasing contracts with a term longer than 12 months, must recognize the lease as a Right of Use Asset having a Leasing Liability as a consideration.

In 2020, a total of R\$ 17,524 was recorded over the long term.

7.5 Shareholders' Equity.

Shareholders' equity, due to the profit recorded in this period, increased by R\$ 316,972, that is, a positive variation of 11.48%.

Risk Rating

On April 22, 2020, Fitch Rating affirmed the National Long-Term Rating of Saneamento de Goiás S.A (“Corporative”) and its debenture issues to ‘A- (bra)’, with a stable outlook.

Regarding the Credit Rights Investment Fund of Saneamento de Goiás S.A. - Saneago Infraestrutura IV (“FIDC IV”), on July 3, 2020, Fitch affirmed its ‘AA + sf (bra)’ rating, with a stable outlook. The FIDC rating reflects the outlook of the corporate rating and takes into account the performance of the operation.

According to Fitch, the rating statement reflects the view that “Saneago will be able to preserve its credit profile, even in the face of the negative impacts of the coronavirus pandemic on its billed volumes and defaults in 2020”.

The complete list of ratings is described in Table 11 on the side.

Rating	Fitch Rating	Outlook
Corporate	A-(bra)	Stable
Debentures, 4 th Issue		
Debentures, 5 th Issuance		
Debentures, 6 th Issuance		
Debentures, 8 th Issue		
FIDC IV	AA+sf(bra)	Stable

Table 11 - Ratings Saneago S.A.

Environmental, Social and Governance Initiatives (ESG)

Considering the growing market concern for best corporate practices in relation to environmental, social and governance issues (also known as Environmental, Social and Governance - ESG), an executive committee responsible for the strategy, guidelines and other sustainability agendas of the Company was created on November 27, 2020.

The adoption of ESG practices is guided by the Sustainable Development Goals - SDGs, defined by the United Nations - UN, and demonstrates the Company's concern to promote the generation of value combined with sustainable development. Thus, the Company has acted in the reduction of environmental impacts generated by its core activity, in the development of socio-environmental and governance projects, in the promotion of public health and social well-being, among other actions aimed at keeping its processes, aspects and impacts under control, characterizing it as a sustainable company.

Seeking to reinforce its commitment to the theme, which is an organizational value, the Company continues to implement and improve several actions in order to strengthen its communication and ensure the evolution of ESG both inside and outside Saneago.

Among the actions and initiatives adopted, the following stand out:

- Creation of the Sustainability Committee;
- Creation of the Committee on Women's Issues and Diversity;
- Inclusion of environmental and social clauses in contracts with suppliers;
- Preparation of the Sustainability Policy;
- Intensification of protection, safety and health measures in the face of the pandemic;
- Review of bottlenecks in the Company that lead to recidivism of lawsuits due to the lack of attention to ESG factors;
- Updating of the Company's normative documents in compliance with best ESG practices;

- Hiring a company specialized in consultancy to prepare the Sustainability Report;
- Survey and Identification of ESG Risks in the Company, in line with Strategic Planning;
- Incorporation of indicators for the Company's impact measures and analyze its performance in relation to the SDGs;
- In order to confirm its performance in favor of a sustainable world and the conduct of its daily activities in compliance with the 2030 Agenda (ODS), the Company became a participant in the UN Global Compact

Saneago enters the year 2021 even more prepared to meet the demands of the market, confirming its purpose of contributing to the construction of a sustainable economy, prioritizing the prosperity of the environment and the creation of shared value for investors, employees, business partners and society.

Effects of the pandemic caused by the new Coronavirus (COVID-19)

Due to the world pandemic declared by the World Health Organization ("WHO"), related to the new Coronavirus ("COVID-19") that has been affecting Brazil and several countries in the world, bringing risks to public health and impacts on the economy worldwide, the Company informs that it has been taking preventive and risk mitigation measures in line with the guidelines established by national and international health authorities, aiming at minimizing any impacts with regard to the health and safety of employees, family members, partners and communities, in addition to focusing the management of its businesses on the preservation of financial liquidity and the continuity of operations necessary to face the crisis.

In this sense, with the objective of guaranteeing the best provision of the service and minimizing the impacts to the population caused by the coronavirus pandemic (COVID 19), the company suspended the water cuts for defaulting customers during the period from 19/03/2020 to 01/03/2021, which increased the risk of rising default and liquidity in the short

term. The resumption of the cuts was carried out from 04/01/2021.

Therefore, in order to mitigate the liquidity risk caused by the increase in defaults, the company implemented a financial management plan addressing strategic actions aimed at ensuring the company's financial and economic balance in the short and medium term. Among the main actions, we highlight the following:

Installment payment for the 2019 Dividends, as approved at the Extraordinary General Meeting No. 160/2020 of June 16, 2020 and Notice to Shareholders of June 29, 2020, to be carried out in 04 (four) equal monthly installments, being the first on July 1, 2020 and the last in October 2020;

ii) Postponement of Taxes and Contributions (PIS, COFINS and Employer's Contribution to Social Security [INSS]), as permitted by Ordinance No. 139 of Apr 3, 2020;

iii) FGTS suspension and installment referring to the competences of March, April and May 2020, according to Provisional Measure no. 927/2020;

iv) Containment of costs and expenses;

v) Renegotiation with extension of the installment payments related to early renewal of the contracts with the municipalities of Goiânia and Anápolis;

Differentiated policy for the discharge or negotiation of users' tariff debts with Saneago - Sanear Credit Recovery Program, except for customers in the public category with a grouping agency. The program was valid from 09/2020 to 11/2020.

With the implementation of contingency measures, on September 30, 2020, the Company reached a total liquidity position in cash and cash equivalent of R\$ 194,480 million, lower than the amount indicated on June 30, 2020 due to

Effects of the pandemic caused by the new Coronavirus (COVID-19)

payments of taxes and other postponed amounts.

Finally, until now, the Company understands that the implemented coping measures have shown themselves to be adherent to mitigating the increase in defaults as well as to the short-term liquidity risk, thus guaranteeing the liquidity required to cover contractual obligations, in addition to protecting the company's cash flow and economic and financial balance.

Management



Saneamento de Goiás S. A
March / 2021