



**Interim financial information  
As at September 30, 2023**



# Content

1. Management Report;
2. Independent auditor's report on the review of interim financial information;
3. Interim statements of financial position;
4. Interim statements of income;
5. Interim statements of comprehensive income;
6. Interim statements of changes in equity;
7. Interim statements of cash flows;
8. Interim statements of value added - supplementary information;
9. Notes to the interim financial information.



Management  
report  
3Q2023

# Summary

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# 3Q2023 Highlights

**+ R\$ 73 mi**



+ 9.89% increase in revenue in comparison to 3Q2022

**+ R\$ 35mi**



+ 25% increase in income in comparison to 3Q2022

**25.41%**



Loss index reduced by 1.28 percentual points in comparison to 3Q2022

**97.90%**



Service index - Water

**72.57%**



Service index - Sewage

**+ 5.49 pp**



Adjusted EBITDA reaching 38.98%

# Operational performance



ETA Mauro Borges no município de Goiânia

## 1. Operating performance

In 3Q2023, the Company expanded its water and sewage systems throughout the state, providing water to **97.90%** of the population, which represents an increase of **2.10%** in households in relation to the same period of 2022.

With this advance, the Company reaches a total population of **6,035 thousand** inhabitants with water supply.

As for the sewage system, the population served increased from **69.08%** to **72.57%** by the end of 3Q2023, which represents an increase of **6.09%** in households in relation to the same period of 2022.

Thus, **4,474 thousand** inhabitants have access to a sewage system in the municipalities served by the Company.

### General Service Data

Water - Operational indexes	Unit	9M2023	9M2022	Var.	Var. (%)
Population with access to service	Thousand	6,035	5,972	63	1.05%
Service index	%	97.90%	97.77%	0.13%	0.13%
Connections	Thousand	2,418	2,371	47	1.98%
Households	Thousand	2,623	2,569	54	2.10%
Expansion of pipeline network	Km	33,093	32,591	502	1.54%
Sewage - Operational indexes	Unit	9M2023	9M2022	Var.	Var. (%)
Population with access to service	Thousand	4,474	4,220	254	6.02%
Service index	%	72.57%	69.08%	3.49%	5.05%
Service index – Treated sewage	%	94,02%	93,87%	0,15%	0.16%
Connections	Thousand	1,473	1,389	84	6.05%
Households	Thousand	1,655	1,560	95	6.09%
Expansion of pipeline network	Km	16,363	15,936	427	2.68%

Table 1

### Volume produced/billed/treated

Water - Operational indexes		Unit	3Q2023	3Q2022	Var. %	9M2023	9M2022	Var. %
Water volume billed		Thousand m <sup>3</sup>	80,671	78,774	2.41%	227,801	222,245	2.50%
Water volume produced		Thousand m <sup>3</sup>	106,555	104,223	2.24%	304,423	300,123	1.43%
Sewage - Operational indexes		Unit	3Q2023	3Q2022	Var. %	9M2023	9M2022	Var. %
Sewage volume billed		Thousand m <sup>3</sup>	52,724	49,267	7.02%	150,211	140,894	6.61%
Sewage volume treated		Thousand m <sup>3</sup>	49,801	46,959	6.05%	141,229	132,262	6.78%

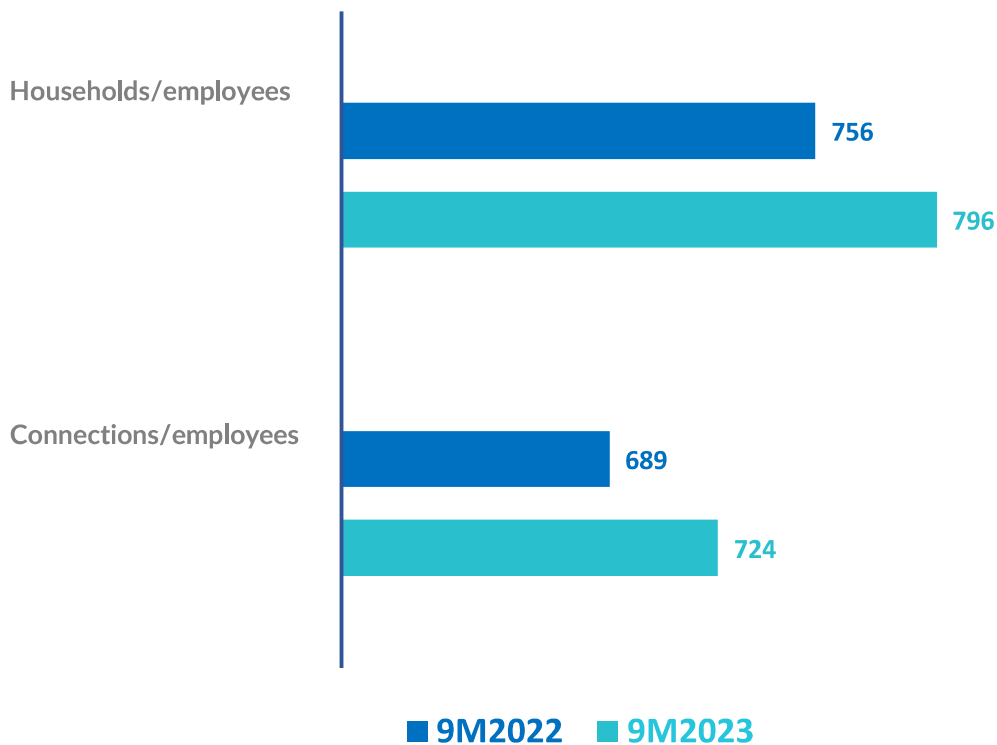
Table 2

### 1.1 Personnel performance

The Company currently has **5,371** employees throughout the state of Goiás, who are responsible for **4,278** 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 756 Households/Employees to **796** Households/Employees in 2023.

This increase shows an improvement in the efficiency of **5.30%**, caused primarily by the expansion of the customer portfolio in the period due to the increase in the number of households in **2.10%** - Water and **6.09%** - Sewage.



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 223 of the 246 municipalities in the state, of which 62 have Service Contracts and 161 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 2023, the Company terminated its operations in the municipality of Leopoldo de Bulhões in common agreement with the concession authority on September 01, 2023.

Table 4 shows that the 10 municipalities with the highest billing represent 61,68% of the Company's net revenue, among which Goiânia and Anápolis stand out, respectively representing 36.28%, to mature in December/2049, and 7.24%, to mature in February/2050, 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 18.3 years, weighted by % of net revenue in 3Q2023.

### Area of operation

Concession and Service Contracts	Unit	3Q2023	3Q2022	Portion of revenue (%)
Total municipalities served by Saneago	No.	223	225	100%
Total municipalities with service contracts	No.	62	62	71.53%
Total municipalities with active concession contracts	No.	80	83	12.59%
Total municipalities with expired concession contracts	No.	81	80	15.88%

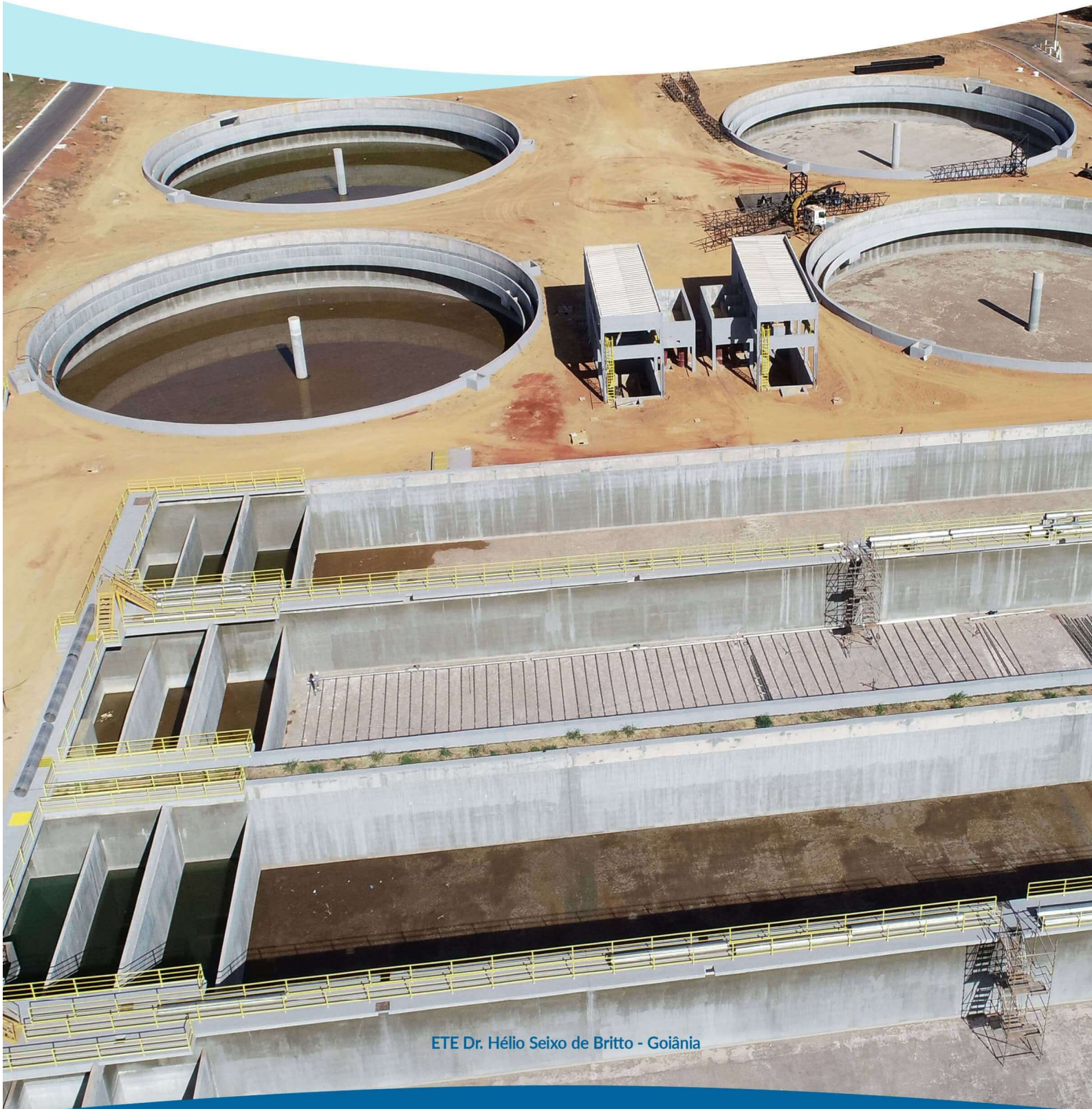
Table 3

## Top 10 Contracts – Higher Net Revenues

Ranking	Cities	Maturity	% Net revenue	Type of contract
1 <sup>st</sup>	Goiânia	12/2049	36.28%	Service
2 <sup>nd</sup>	Anápolis	02/2050	7.24%	Service
3 <sup>rd</sup>	Aparecida De Goiânia	11/2041	4.13%	Service
4 <sup>th</sup>	Valparaíso De Goiás	11/2048	2.73%	Service
5 <sup>th</sup>	Rio Verde	11/2041	2.46%	Service
6 <sup>th</sup>	Luziânia	12/2045	2.17%	Service
7 <sup>th</sup>	Formosa	03/2025	2.08%	Concession:
8 <sup>th</sup>	Itumbiara	02/2025	1.71%	Concession:
9 <sup>th</sup>	Planaltina	04/2030	1.49%	Concession:
10 <sup>th</sup>	Trindade	11/2041	1.39%	Service
<b>Total</b>			<b>61,68%</b>	-

Table 4

# Operational improvements



ETE Dr. Hélio Seixo de Britto - Goiânia

### 3. Operational improvements

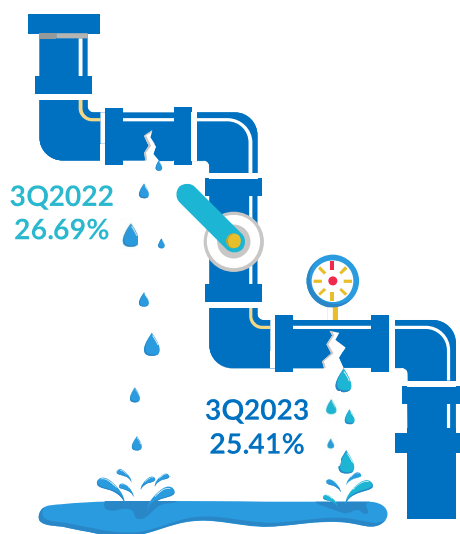
#### 3.1 Loss rate

The Company reported a loss rate of **25.41%** at the end of 3Q2022.

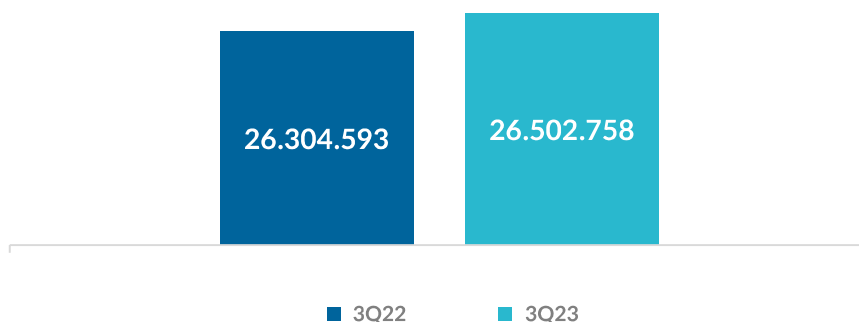
Thus, in addition to guarantee the optimization of produced water, the fight against losses is fundamental to the critical period of water shortage.

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%.

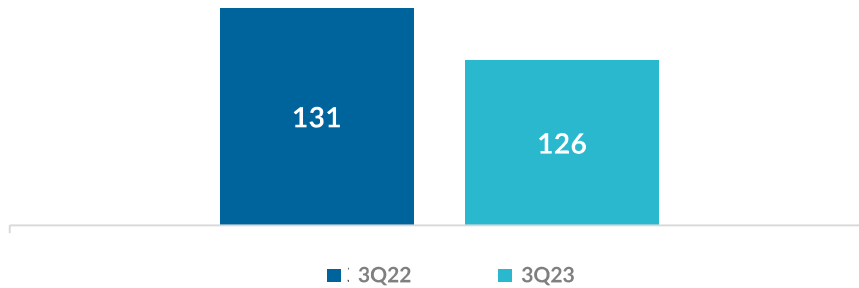


Loss of treated water per m<sup>3</sup>



Graph 2

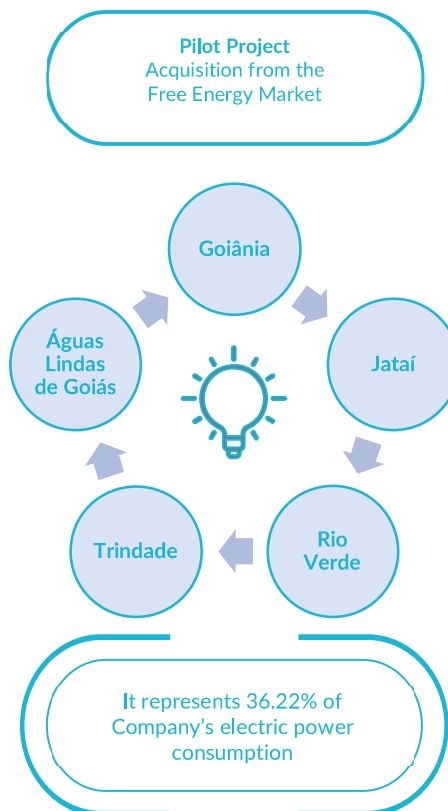
### Loss per connection (liters per connection per day)



Graph 3

### 3.2 Project of energy acquisition through the free energy market

Until March/2023, the Company operated with three units and, from this date, started to acquire electric power through the Free Energy Market for use in another 10 consumer units.

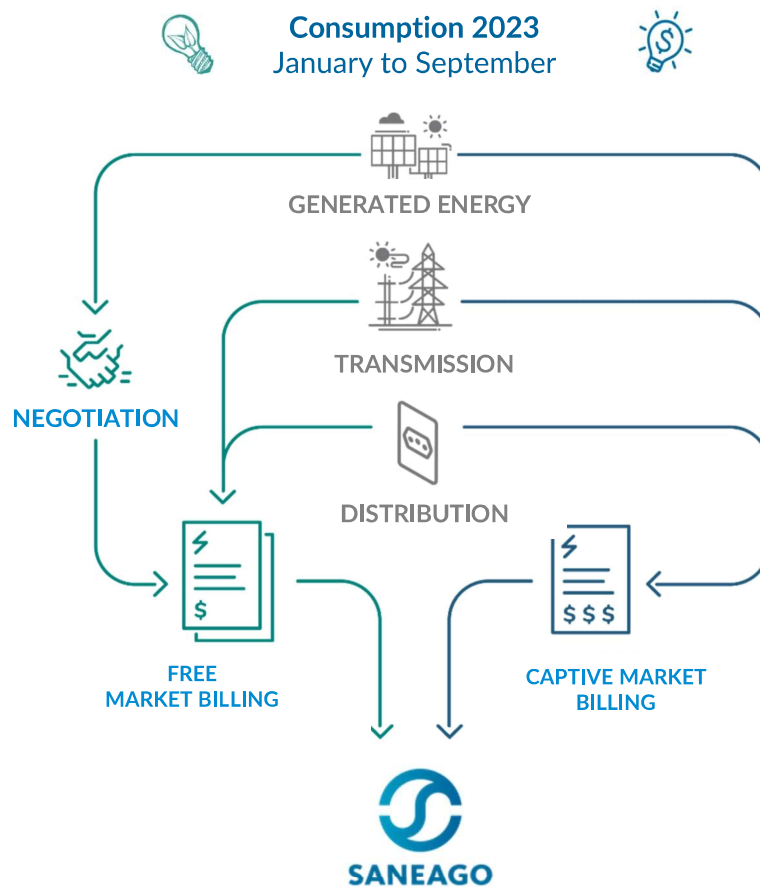


Five units are currently served by the contract in force, namely: Goiânia (Cascalho Water Lift Station (EAT), Mauro Borges Raw Water Station (EAB), João Leite EAT, Meia Ponte EAB, Ipiranga EAT, Vila Adélia EAT and Atlântico EAT), Rio Verde (Booster Abóbora), Jataí (Water collection, Water Treatment Station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

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

Between January and September 2023, the estimated savings with the new Consumer Units reached R\$ 12.8 million.

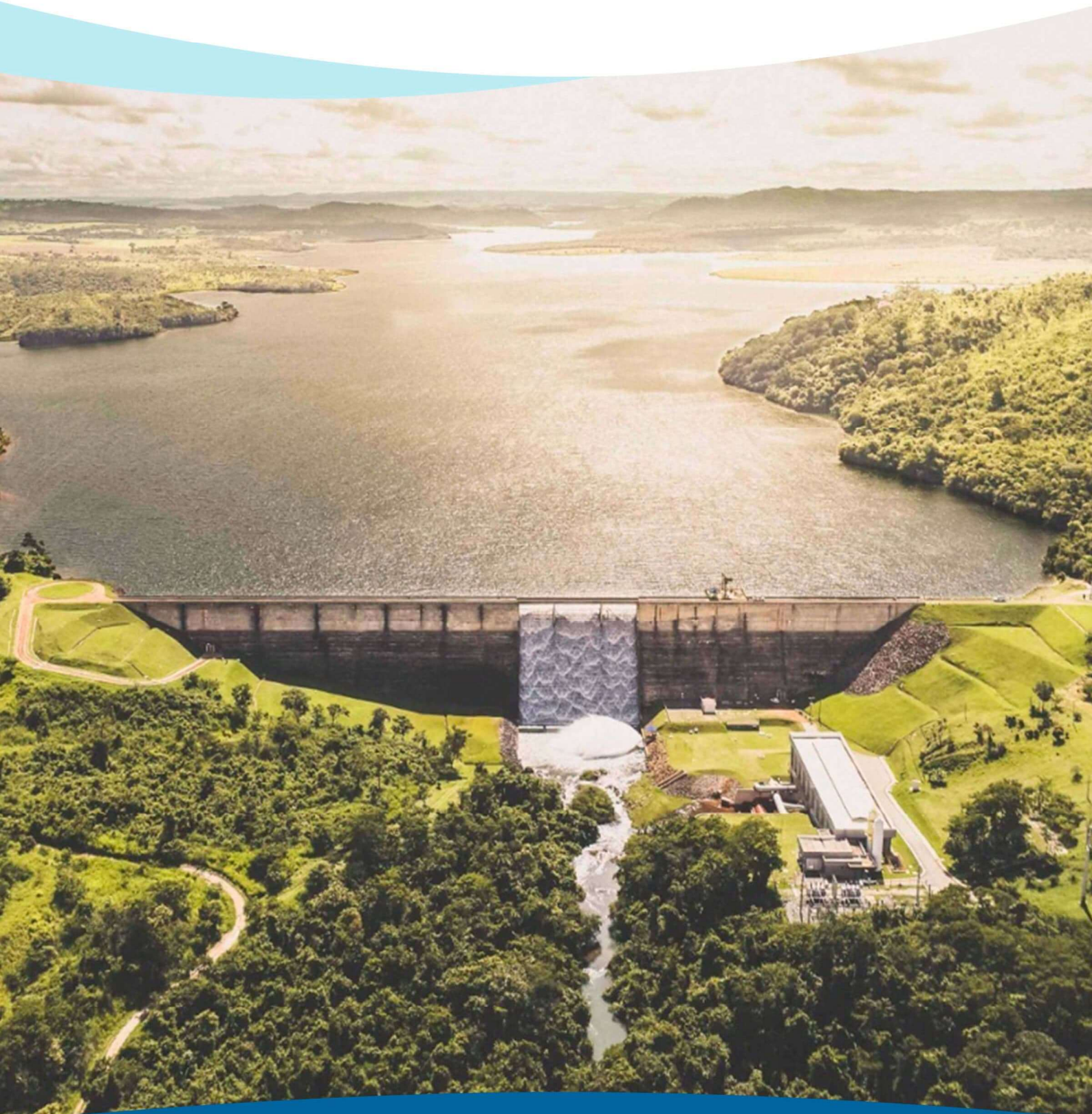
**Future actions:** The migration of another 42 UCs is included in the strategic energy management plan, to be annually migrated until 2025 and representing about 56.08% of all energy consumed by the Company.



Estimated savings

9M2023 | R\$ 12,805,669.16

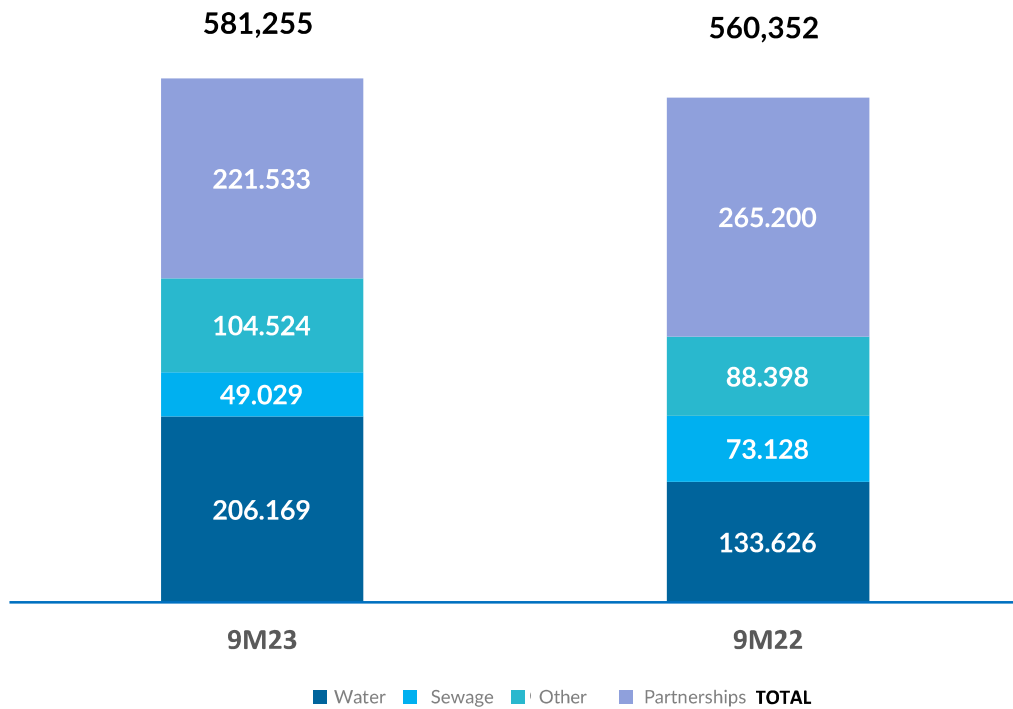
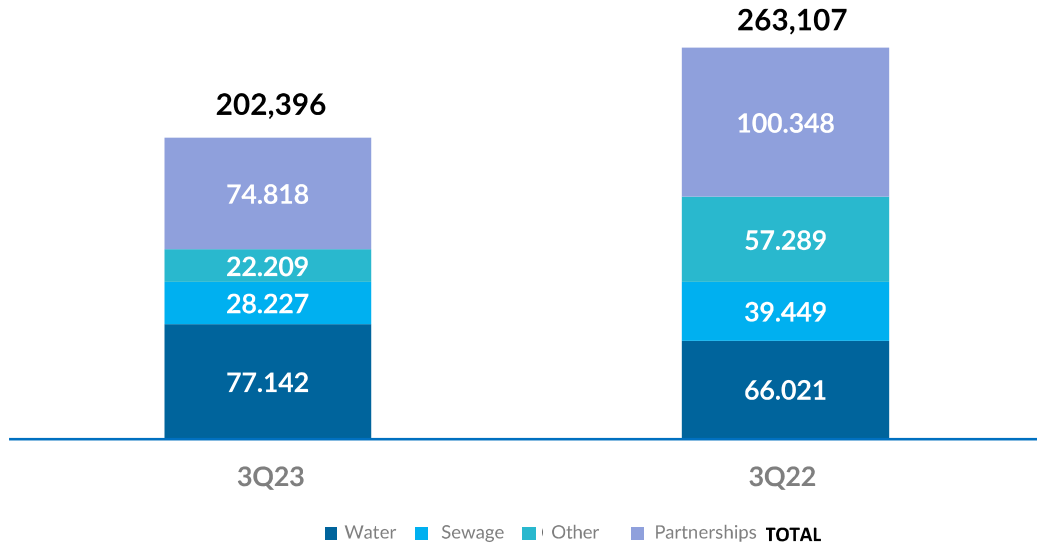
# Investments





## 4. Investments

Investments made in 3Q2023 totaled **R\$ 202,396 thousand**, as shown in Graph 4. Of this amount, 38% was invested in water supply systems, 14% was allocated to sewage collection and treatment systems, 11% was invested in operational improvement programs, general purpose goods and others, and 37% was invested through Partnerships. In 9M2023, this represented an accumulated total of **R\$ 581,255 thousand**.



Graphs 4 and 5

The main difference observed was the increase in Water Systems investments, from R\$ 133,626 thousand to R\$ 206,169 thousand in 2023, which is due to new construction work agreements entered into during this period. However, in relation to the group "Others", there was the record of Lease agreements on Vehicles, with no purchase option, in the amount of R\$46.002 thousand accounted for as per Technical Pronouncement (CPC) 06.

### Breakdown of investments

INVESTMENTS	1Q2023	2Q2023	3Q2023	9M2023
<b>WATER</b>	<b>61,360</b>	<b>67,666</b>	<b>77,142</b>	<b>206,169</b>
Water main - Untreated	2,036	1,312	274	3,622
Water main - Treated	11,608	11,210	11,666	34,485
Collection	1,174	1,519	4,219	6,911
Wastewater lift station	12,829	8,537	9,755	31,121
Water line	0	0	5,171	5,171
Water network	7,142	13,528	13,351	34,020
Reservoir	12,837	14,246	12,428	39,510
Wastewater treatment	4,969	11,183	11,584	27,736
<b>SEWAGE</b>	<b>10,640</b>	<b>10,162</b>	<b>28,227</b>	<b>23,593</b>
Sewage lift station	806	1,458	478	49,029
Interceptor/emissary	123	142	26	2,742
Sewer line	133	6	13	291
Sewer network	3,752	2,981	2,353	152
Sewage treatment	5,827	5,574	25,356	9,086
<b>OTHERS</b>	<b>49,248</b>	<b>33,067</b>	<b>22,209</b>	<b>104,524</b>
Right-of-use of vehicles	34,150	11,852	0	46,002
Software (licenses)	6,463	12,301	1,455	20,220
Machinery, tractors and similar	4,190	2,095	8,395	14,680
Equipment	2,394	2,518	11,391	16,303
Furniture and fixtures	1,554	2,430	444	4,428
Others	497	1,872	523	2,892
<b>Grand total</b>	<b>121,249</b>	<b>110,896</b>	<b>127,578</b>	<b>359,722</b>

Table 5

In addition to the lease, we highlight the acquisition, in 3Q2023, of trucks and backhoes for city operations, in the amount of R\$ 8,395 thousand. Another significant investment of the category "Other" refers to cyber security software for data protection in the Company in the amount of R\$ 1,455 thousand.

We highlight the amount of R\$ 221.533 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 3Q2023

- **Expansion of the Sewage System of Goiânia** - Implementation of 73 km of collection networks in the Northwest region, making available **4,693 residential lines**. Investment: **R\$ 13.8 million**;
- **Expansion of the Sewage System of Goiatuba** - Implementation of 68 km of collection networks, making available **3,404 residential lines**. Investment: **R\$ 12.2 million**;
- **Expansion of the Sewage System of Cachoeira Dourada** - Implementation of 48 km of collection networks, making available **630 residential lines**. Investment: **R\$ 5.8 million**;
- **Expansion of the Water Supply System of Anápolis** - Implementation of the Airport Reservoir Center, distribution networks, electrical installations and system automation. Investment: **R\$ 5.6 million**;
- **Expansion of the Water Supply System of Cachoeira Dourada** - Expansion of the distribution network in 13.2 km, making available **1,152 residential lines**. Investment: **R\$ 1.7 million**.

# Financial Performance - Revenue



Sistema Produtor Corumba no município de Luziânia

## 5.1 Revenue

In 3Q2022, the Company reported an increase of **9.89%** in revenue from Water and Sewage services. This result mainly reflects the 7.02% tariff adjustment as of April 01, 2023.

Additionally, the **2.50%** 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 increase of **2.10%** in households for water services and of **6.09%** in households for sewage services.

### Revenue from Sewage and Water Supply Services

Revenue by type of service	3Q2023	3Q2022	Var. %	9M2023	9M2022	Var. %
Residential water services	395,299	358,971	10.12%	1,075,914	996,704	7.95%
Social tariff	56,017	50,198	11.59%	152,203	137,367	10.80%
Commercial	15,138	13,691	10.57%	38,845	35,654	8.95%
Industrial	30,981	28,230	9.74%	82,058	74,547	10.08%
Public	2,532	2,180	16.15%	7,100	4,529	56.77%
Indirect revenue from services	9,270	8,619	7.55%	26,992	24,379	10.72%
Minimum fixed rate	80,468	74,926	7.40%	234,669	222,281	5.57%
Social subvention	-	1,066	-100.00%	-	1,557	-100.00%
<b>Water total</b>	<b>589,707</b>	<b>537,881</b>	<b>9.64%</b>	<b>1,617,782</b>	<b>1,497,018</b>	<b>8.07%</b>
Residential sewage services	191,165	171,141	11.70%	530,520	481,300	10.23%
Social tariff	42,034	37,692	11.52%	116,327	105,486	10.28%
Commercial	5,507	5,484	0.42%	16,252	15,452	5.18%
Industrial	17,717	16,807	5.41%	50,512	45,634	10.69%
Public	999	804	24.25%	2,772	1,875	47.84%
Indirect revenue from services	16,044	15,284	4.97%	43,359	42,425	2.20%
Minimum fixed rate	29,556	26,293	12.41%	85,841	77,396	10.91%
Sub-delegation	2,275	2,275	0.00%	6,825	6,825	0.00%
<b>Sewage total</b>	<b>305,297</b>	<b>275,780</b>	<b>10.70%</b>	<b>852,408</b>	<b>776,393</b>	<b>9.79%</b>
Technical services	589	694	-15.13%	1,771	1,835	-3.49%
<b>Total gross revenue (water+sewage)</b>	<b>895,593</b>	<b>814,355</b>	<b>9.98%</b>	<b>2,471,960</b>	<b>2,275,246</b>	<b>8.65%</b>
Deductions	(83,418)	(75,291)	10.79%	(230,299)	(210,093)	9.62%
<b>Revenue from water and sewage</b>	<b>812,175</b>	<b>739,063</b>	<b>9.89%</b>	<b>2,241,662</b>	<b>2,065,153</b>	<b>8.55%</b>

Table 6

# Financial Performance - EBITDA



## 6.1 EBITDA

The Company's EBITDA reached **R\$ 284,130** in 3Q2023 in comparison to R\$ 233,384 recorded in the same period of the previous year, totaling an increase of 21.74% in relation to 3Q2022. In 9M23, the accumulated EBITDA reached R\$ 697,027, 38.95% higher than that recorded in 9M22.

In 3Q2023, the main impacts were:

- Increase in Net Revenue of 9.89% resulting from both the 7.02% tariff adjustment as of April 01, 2023, and the 2.10% increase in households benefiting from water supply services and 6.09% increase in households benefiting from sewage services.
- Reversal of Construction work Estimated Loss amounting to R\$ 6,087 thousand.

The EBITDA on net revenue in 3Q2023 was **34.98%** in comparison to 31.58% in the same period of the previous year.

## Performance of Financial Income (Loss)

Performance of Financial Income (Loss)	3Q2023	3Q2022	Var. %	9M2023	9M2022	Var. %
Total net revenue (+)	812,175	739,063	9.89%	2,241,662	2,065,153	8.55%
Personnel (-)	(303,333)	(283,712)	6.92%	(880,551)	(968,004)	-9.03%
Materials (-)	(30,946)	(26,545)	16.58%	(86,639)	(72,472)	19.55%
Third parties (-)	(58,503)	(65,137)	-10.18%	(177,216)	(166,614)	6.36%
Electricity (-)	(59,929)	(56,433)	6.19%	(175,270)	(202,365)	-13.39%
General (-)	(10,378)	(7,830)	32.54%	(27,493)	(46,836)	-41.30%
Concession-related compensation (-)	(26,588)	(23,302)	14.10%	(73,160)	(67,129)	8.98%
Tax expenses (-)	(4,687)	(3,359)	39.54%	(30,659)	(14,543)	110.82%
Provisions/Reversals (-)	(32,450)	(14,130)	129.65%	(54,358)	(1,428)	3706.58%
Other revenues/expenses (-)	(1,231)	(25,230)	-95.12%	(39,289)	(24,131)	62.82%
Amortization/depreciation (-)	(40,401)	(31,760)	27.21%	(115,481)	(89,506)	29.02%
Total costs and expenses (=)	(568,447)	(537,439)	5.77%	(1,660,116)	(1,653,028)	0.43%
Financial income (loss) (-)	(6,051)	(8,062)	-24.94%	(19,042)	(14,069)	35.35%
Current/Deferred Income and Social Contribution taxes (IRPJ and CSLL) (-)	(63,934)	(54,997)	16.25%	(156,195)	(110,063)	41.91%
Net income (=)	173,746	138,566	25.39%	406,310	287,993	41.08%
EBITDA	284,130	233,384	21.74%	697,027	501,631	38.95%
EBITDA margin	34.98%	31.58%	-21.47%	31.09%	24.29%	42.79%
Adjusted EBITDA	316,580	247,514	27.90%	755,519	634,625	19.05%
Adjusted EBITDA margin	38.98%	33.49%	16.39%	33.70%	30.73%	9.68%

Table 7

## EBITDA Reconciliation

EBITDA Reconciliation	3Q2023	3Q2022	Var. %	9M2023	9M2022	Var. %
Net income	173,746	138,566	25.39%	406,310	287,993	41.08%
(-) Amortization/depreciation	(40,401)	(31,760)	27.21%	(115,481)	(89,506)	29.02%
(-) Financial income (loss) (-)	(6,051)	(8,062)	-24.94%	(19,042)	(14,069)	35.35%
(-) Current/Deferred IRPJ and CSLL	(63,934)	(54,997)	16.25%	(156,195)	(110,063)	41.91%
(=) EBITDA	284,130	233,384	21.74%	697,027	501,631	38.95%

Table 8



### 6.1.1 Non-recurring items

In the months of February and March, 2022, the Company dismissed 433 employees through the 2022 Voluntary Redundancy Program (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 EBITDA, 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 for services rendered in the city by the subdelegate, BRK Ambiental, whom, in 2023, requested to Saneago that those values be reimbursed. 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 3Q2023, 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\$ 316,580 thousand**, representing an increase of **27,90%** in comparison to the same period of the previous year. In 9M2023, the accumulated Adjusted EBITDA was **R\$ 755,519 thousand**.

This raise was affected by the 9.89% increase in Net Revenue resulting from both the 7.02% tariff adjustment as of April 01, 2023, and the **2.10%** increase in households benefiting from water supply services and **6.09%** benefiting from sewage services. It is important to note that for the same period of 2022, the Company paid 2021 Profit Sharing Program (PPR) and that, in 2023, PPR 2022 was paid in June, reducing expenses on the comparative analysis of 3Q2023.

### EBITDA Reconciliation

EBITDA Reconciliation	3Q2023	3Q2022	Var. %	9M2023	9M2022	Var. %
EBITDA	284,130	233,384	21.74%	697,027	501,631	38.95%
Provisions/Reversals (+)	(32,450)	(14,130)	129.65%	(54,358)	(1,428)	3706.58%
PDV 2022 – Non-recurring	-	-	-	-	(131,566)	-100.00%
Regulatory and Inspection Agency of the City of Rio Verde (AMAE) – Non-recurring	-	-	-	(4,133)	-	-
Adjusted EBITDA	316,580	247,514	27.90%	755,519	634,625	19.05%

Table 9

The Adjusted EBITDA on net revenue (adjusted EBITDA margin) in 3Q2023 was **38.98%**, compared to 33.49% calculated in the same period of the previous year. In 9M2023, the accumulated percentage reached **33.70%**.

## 6.3 Costs and expenses

### 6.3.1 Personnel

Expenses on personnel measured in 3Q2023 amounted to R\$ 303,333 thousand, representing an increase of 6.92% in comparison with the same period of 2022. This increase is mainly due to the provisioning of 3.74% for the expected inflationary adjustment while the workers' Collective Bargaining Agreement (ACT) is in negotiation. In the 9M2023 accumulated analysis, the variation was -9.03% smaller. 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, and also for terminations due to mandatory retirements.

When not considering PDV cost in 9M2022, Personnel costs totaled R\$ 825,404 thousand, and R\$ 880,551 thousand in 9M2023, an increase of 6.68%, 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 thousand. Not considering inflation adjustments, and even with the mentioned hires, the increase in the period would be less than 2%.

### 6.3.2 Electricity

Electric power cost totaled R\$ 59,929 in 3Q2023, presenting an increase of 6.20% compared to 2022. That change is lower than the electric power tariff adjustment of October 2022, which was 10.84%. Despite the increase in tariff, by the end of July, Statute 194/2022 was enacted limiting the charge of ICMS in electric power at 17%. The previous tax rate applied was 29%. In spite of that, in March 2023, the Company migrated more than ten (10) CUs to the Free Energy Market, resulting in estimated accumulated savings of R\$ 12,806 thousand by September.

For the 9M2023, this expense was reduced by 13.39%.

### 6.3.3 Materials

There was a 116.58% increase in expenses on materials in 3Q2023, reaching R\$ 30,946 thousand. In 9M2023, this represented an accumulated total of R\$ 86.639 thousand. The main factor for this elevation was the increase in costs of water treatment materials, as well as the increase in consumption from the 2.24% rise in the volume of water production in 3Q2023.

### 6.3.4 Third-party services

Expenses on third-party services decreased 10.19% in 3Q2023. The main reason was the reduction of expenses on marketing campaigns during this period, as well as decrease in expenses on cleaning and surveillance mainly from renegotiation of agreements being billed in 3Q2023, amounting R\$ 3,003 thousand.

In 9M2023 there was a 6.36% increase, mainly due to the adjustments applied to cleaning, surveillance and account reading agreements in 3Q2022.

### 6.3.5 General

The values of general expenses increased 32.53% in 3Q2023. The main reason for this increase was the sponsorships offered by the Company of R\$ 1,835 thousand, by means of the Law for Cultural Development. In 9M2023, there was a 41.30% decrease due to the payment, in 2022, of R\$ 15,942 thousand relative to a labor lawsuit that questioned compensations for interval between workdays.

### 6.3.6 Contractual/Concession-related compensation

Amounts paid to municipal governments arising from service and concession contracts increased by 14,10% in 3Q2023. In 9M2023, this represented an accumulated total of 8.98%. This is due to the return of compensation payments in several cities within the State of Goiás, such as the municipalities of Jaraguá, Porangatu and Caiapônia. Also, there was tariff adjustment of 7.02% from April 01 2023, the main basis of calculation for compensation.

### 6.3.7 Tax

Tax expenses in 3Q2023 increased by 39.55% in relation to 3Q2022. In 9M2023, this variation was 110,81%, reaching an accumulated total of R\$ 30,659 thousand, compared to R\$ 14,543 in 9M2022. Notably, the payment of the regulatory fee 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 2022, paid by the corresponding subdelegate, BRK Ambiental, whom, in 2023, requested to Saneago that those values be reimbursed.

## 6.4 - Provision for losses/recovery of barred credit

### Provisions/Reversals/Losses and Recovery of Credits

Reversals (-) Provisions, Net	3Q2023	3Q2022	Var. %	9M2023	9M2022	Var. %
Losses on barred credits	8,334	11,023	-24.39%	21,410	38,681	-44.65%
Provision for contingencies	(1,465)	(5,284)	-72.27%	(3,713)	20,527	-118.09%
Allowance for doubtful accounts	(28,836)	(23,417)	23.14%	(85,379)	(70,381)	21.31%
Inventory valuation allowance	804	(456)	-276.32%	3,150	5,952	-47.08%
Provision for profit sharing (PPR)	(17,374)	6,658	-360.95%	(1,307)	6,447	-120.27%
Estimated losses on concessions		(2,654)	-	(48)	(2,654)	-
Reversal of losses on construction	6,087	-	-	11,529	-	-
Provisions/ Losses and Recovery of credits	(32,450)	(14,130)	129.65%	(54,358)	(1,428)	3706.58%

Table 10

According to the table above, there was an increase of 129% in the debt balance between reversals and provisions in 3Q2023 and more than 3000% in 9M2023.

The main highlights were:

- The Company registered net credit balance of R\$ 6,558 thousand in 3Q2022 relative to PPR, since R\$ 39,324 thousand were paid during that period in July. In 2023, PPR was paid in June, thus, reversal of provision did not affect 3Q2023, hence the 360% variation.
- In 1Q2023, there was the reversal of R\$ 75,123 thousand referring to a legal proceeding from the municipality of Minaçu, which had been provisioned in 2021, and now considered ungrounded. In spite of that, new court provisions, mainly labor, caused a debt balance of R\$ 3,718 thousand.
- Reversal of Estimated losses from construction work due to the identification of feasibility and subsequent immobilization in an amount of R\$ 6,087 thousand in 3Q2023 and R\$ 11,529 thousand for 9M2023.

## 6.5 - Net Financial Income (Loss)

The results reported in 3Q2023 show a debt balance of R\$ 6,634 thousand. In 9M2023, this represented an accumulated total of R\$ 19.625 thousand. For this period, the main reasons for variation were the following:

- Reduction in earnings from monetary adjustment, given that in 2022, there were more client debt negotiations arising from the pandemic period;
- Increase of earnings from financial investments due to higher profitability of investments tied to Central Bank Overnight Rate (SELIC) index.

### Financial revenues and expenses, net

Financial income (loss)	3Q2023	3Q2022	Var. %	9M2023	9M2022	Var. %
Interest/fine	28,628	28,085	1.93%	81,942	72,294	13.35%
Monetary adjustment	7,167	8,819	-18.73%	19,625	27,766	-29.32%
Discount to present value	169	479	-64.72%	943	1,799	-47.58%
<b>Total financial revenues</b>	<b>35,964</b>	<b>37,384</b>	<b>-3.80%</b>	<b>102,510</b>	<b>101,859</b>	<b>0.64%</b>
Interest/Charges and Expenses	(39,390)	(43,086)	-8.58%	(121,301)	(115,979)	4.59%
Monetary adjustment	(1,023)	(777)	31.66%	(3,468)	(4,270)	-18.78%
Exchange rate gains (losses)	(2,185)	(2,390)	-8.58%	2,635	3,513	-24.99%
<b>Total financial expenses</b>	<b>(42,598)</b>	<b>(46,254)</b>	<b>-7.90%</b>	<b>(122,134)</b>	<b>(116,736)</b>	<b>4.62%</b>
<b>Financial income (loss)</b>	<b>(6,634)</b>	<b>(8,870)</b>	<b>-25.21%</b>	<b>(19,625)</b>	<b>(14,877)</b>	<b>31.92%</b>

Table 11

## 6.6 Net income

The Company's income for 3Q2023 amounted to R\$ 173,746 thousand. In 9M23, the accumulated total was **R\$ 406,310** thousand, compared to R\$ 287,993 in 9M22, which represents an increase of **41.08%**. 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\$ 27,095 thousand in 9M23.

However, the increase in net revenue by 8.55%, mainly due to the expansion in households for water services by 2.10 and households for sewage services by 6.09%, and to the 7.02% tariff adjustment as from April 01, 2023.

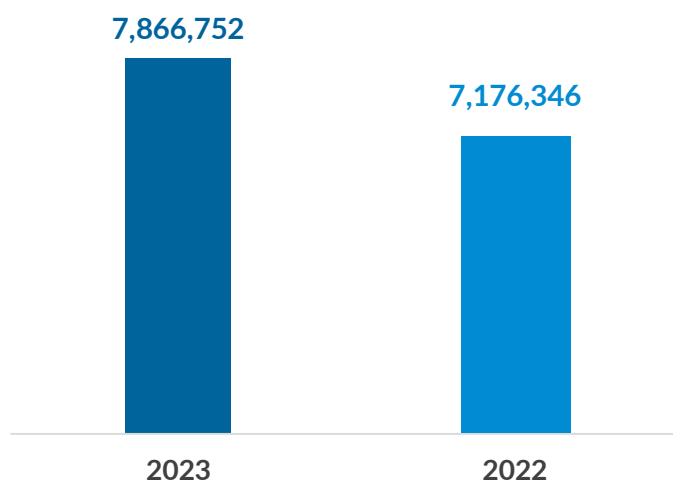
# Analysis and Discussion about the Structure of Assets



## 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 3Q2023 in comparison with that recorded at the end of the previous year.

### Progression of Total Assets



Graph 6

In 3Q2023, the main change in the structure of assets was in the group cash and cash equivalents and financial investments, with an increment of R\$ 236,328 thousand in the period.

This increase mainly arises from the Eleventh Issue of Debentures, whose gross amount is R\$ 300,000 thousand, in August. This cash increment caused the increase of the Company's current liquidity to 1.9786 from 1.7352 in the end of 2022.

As for the increase in total assets, it was also due to the increase in Intangible and Sub-delegation assets in view of investments made by the Company, of R\$ 209,499 thousand and R\$ 177,920 thousand, respectively.

Additionally, there was an increase in third-party capital (liabilities/equity) by 95.16% at the closing of 2022 in comparison with 97.31% at the closing 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 an increase of R\$ 236,328 thousand in cash and cash equivalents and financial investments, resulting in a balance of R\$ 697,352 thousand at the end of 2022, compared to R\$ 933,680 thousand at the end of 3Q2023.

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.
- Eleventh Issue of Debentures in the amount of R\$ 300,000 thousand, in August this year.



## 7.2 Liabilities

### 7.2.1 Current liabilities

#### 7.2.1.1 Trade accounts payable

There was a reduction of R\$ 23,434 thousand in trade accounts payable in the period from December 31, 2022, to the end of 3Q2023. 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.

#### Labor liabilities

This account increased 39.25% to R\$ 195,055 thousand, from R\$ 140,074 thousand in the end of 2022. This is mainly due to the provisioning of R\$ 25,063 thousand destined to inflationary adjustment and for the benefits agreed in the workers' ACT, not yet in effect.

#### 7.2.1.3 Lease

There was an increase of R\$ 13,246 in leases, which corresponds to around 60.48%, resulting from new contracts entered into as per CPC 06.

### 7.2.2 Noncurrent liabilities

#### 7.2.2.1 Loans and financing

The account of loans and financing was reduced by 8.74% 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

Non-current debentures increased by R\$ 130,138 thousand up to R\$ 725,119 thousand in this 3Q2023. We highlight the Eleventh Issue of Debentures in August in the amount of R\$ 300,000 thousand, as well as the amortization of the sixth, eighth and ninth issues, and also the proximity of the grace period of the tenth issue, resulting in transfers of amounts from non-current to current.

#### 7.2.2.3 Lease

There was an increase of R\$ 21,271 in leases, which corresponds to around 23.92%, 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\$ 309,811 thousand, corresponding to a positive variation of 8.43%.

#### Breakdown of liabilities – Equity - 3Q2023



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.

Agreements that did not include these targets should have been amended until March 31, 2022. Moreover, the state service providers shall prove their economic and financial capacity to meet the contract obligations, according to the methodology defined in Decree No. 10.710, of May 31, 2021, ruling article 10-B of Law No. 11.445/2007. For the validation and certification of the 1<sup>st</sup> 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 <sup>1</sup>	> 0	0.15	0.21	0.15	0.16	0.17	0.16
Indebtedness Level Index <sup>2</sup>	< 1	0.51	0.44	0.45	0.49	0.47	0.47
Index of Return on Equity <sup>3</sup>	> 0	0.04	0.10	0.04	0.10	0.11	0.10
Cash Sufficiency Index <sup>4</sup>	> 1	1.04	1.09	1.06	1.06	1.07	1.06

Table 12

Net Margin without depreciation and amortization<sup>1</sup>: economic and financial index calculated by dividing net income without depreciation and amortization and operating income; debt and tax expenses; Indebtedness Level Index<sup>2</sup>: economic and financial index calculated from the sum of current liabilities and noncurrent liabilities, divided by total assets;

Return on Equity<sup>3</sup>: economic and financial index calculated by dividing net income by equity; and Cash Sufficiency<sup>4</sup>: economic and financial index calculated by dividing total amount 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 No. 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 the 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, being the first disbursed in this third quarter of 2023, and the others to be respectively disbursed in 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.

At last, we point out the Company is aware of Federal Decrees No. 11.598 and 11.599, issued on July 12, 2023, which change the rules established for proving economic and financial capacity, and dispose on regionalized rendering of public sanitation services, technical and financial support and the allocation of resources.

Decree No. 11.598/2023 determined the expansion of the proof for economic and financial capacity, contemplating municipalities with ongoing agreements or service rendering for the supply of clean water or sewage, as per Article 7, item II.

Additionally, there was the recent approval of Statute No. 182/2023, which institutes the regionalization of sanitation services rendered within Goiás State, even to reassure the possibility of new arrangements of service rendering by Saneago, , which could also be a scenario to be analyzed within the scope of the proof for economic and financial capacity.

Facing this new scenario, the Company has hired the advisory firm Consultoria EY (Ernst & Young), to perform new studies intended to prove Saneago's economic and financial capacity, considering the financial impacts from occasionally assumed new obligations and investment targets set forth by the new legal sanitation framework.

# 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, environmental, 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 main areas indicated in State Decree No. 9.406/2019, which are: Ethics, Risk Management, Transparency and Responsibility.

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, production, receiving, classification, use, access, reproduction, transmission, distribution, processing, 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) and Code of Conduct and Integrity (CO00.0007).

The Company has as main instrument a Code of Conduct and Integrity, duly implemented and revised twice a year. The last review occurred on July 20, de2023.

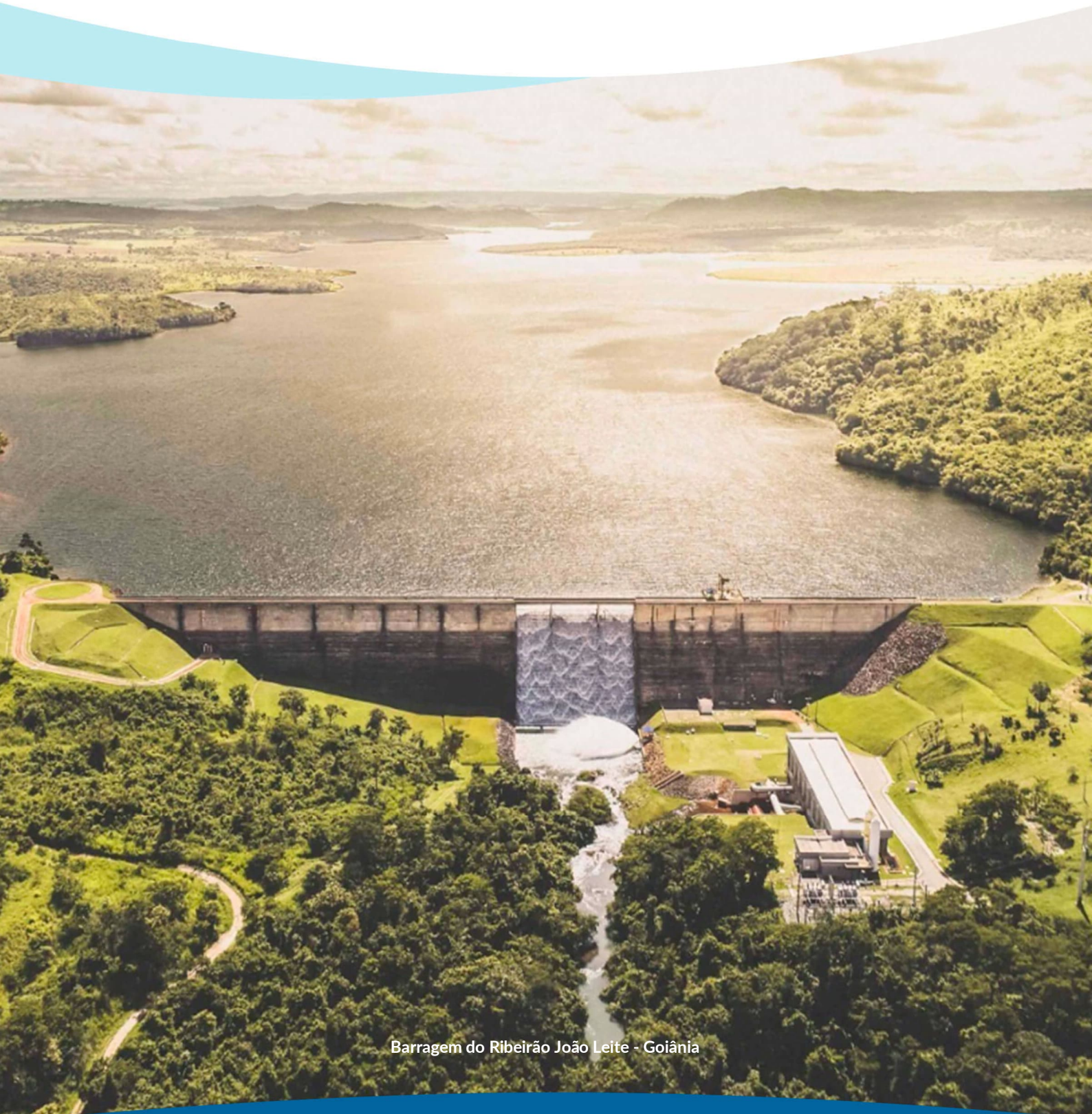
In addition to this Code of Conduct and Integrity, the Company established other mechanisms of integrity, approved by the Board of Directors.

- Policy on Approval Levels and Limits, updated on 09/14/2023;
- 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



Barragem do Ribeirão João Leite - Goiânia

## 10. Water Security

### 10.1 Water situation

Saneago's Hydrological Monitoring Network (RMHS), by means of hydrological stations installed in water sources of interest of Saneago in the state of Goiás, has identified that, from July to October, most rainfall measurement stations presented variation in relation to the average rainfall volume of the basins.

The monitoring stations installed accounted for 30mm of rain under the climatological average for the period from July to October of the current year in Goiânia.

Gathering data from the period, it was possible to identify that in the months of July, August, September and October, average rainfall was less than average volume (July/23 - 0mm, August/23 - 18.3mm, September/23 - 11.3mm, October/23 - 117.6mm), reaching a 30mm deficit in Goiânia.

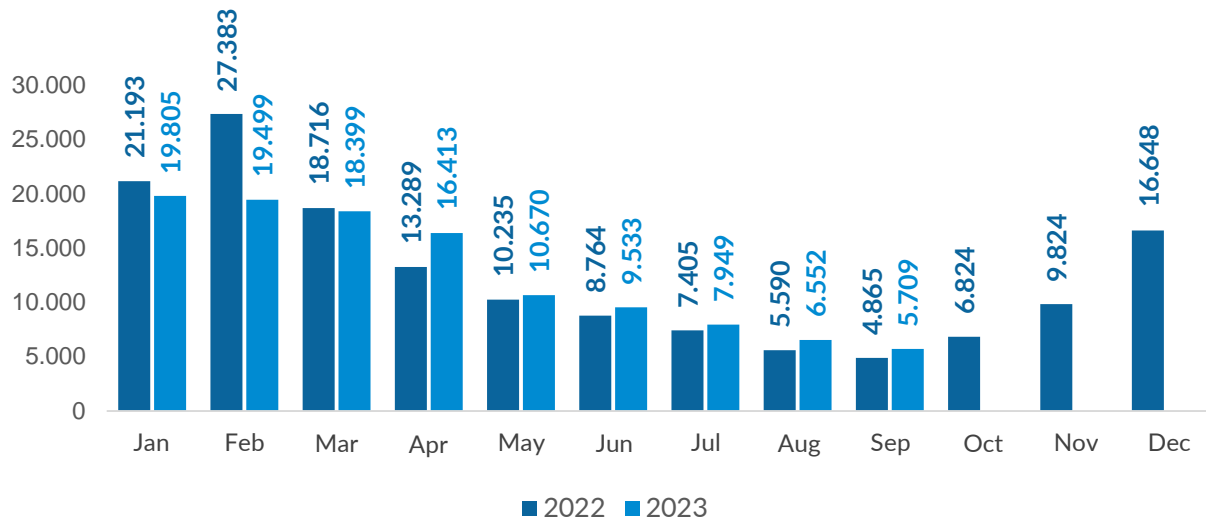
There was indication that the average is inching closer to the regular volumes. The data pointed to future improvement in the volume of our aquifers, indicating a probable resumption of normal storage levels. The scenario was typical of La Niña (colling down of the equatorial portion of the Pacific Ocean), 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. As foreseen in the previous report, Rio Grande do Sul, a State that had been suffering drought for several years, is going through a more intense rainfall season, while the Amazon is going through a dryer period, which favors the spreading of forest fires. 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.

10.2 Situation of the Main Systems in the Metropolitan Area

**System "Meia Ponte"**

System's Meia Ponte waterflow graph stresses an improvement of the water supply situation for the metropolitan region in 2023, as shown, with the flow for the months from July to September superior to that of 2022.

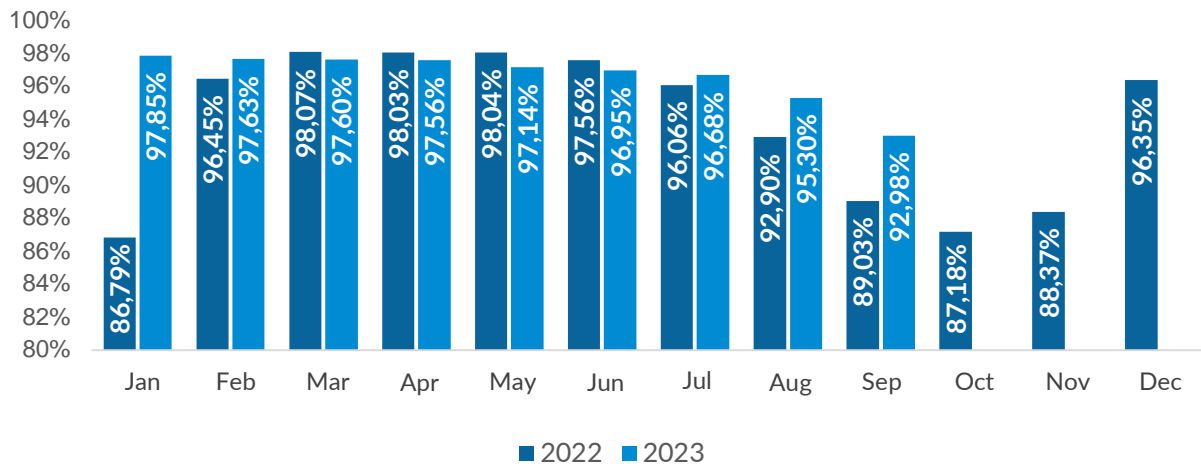


Graph 8

- Treatment capacity of 2.5 m<sup>3</sup>/s water/sec;
- Concession 2.0 m<sup>3</sup>/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.

The graph representing System “Mauro Borges” Dam water level stresses how safe is the water supply system in the metropolitan region. The levels from July to September can be verified to be above the levels measured in 2022, e. g. for September, 2023, at 92.98% against 89.03% in 2022.

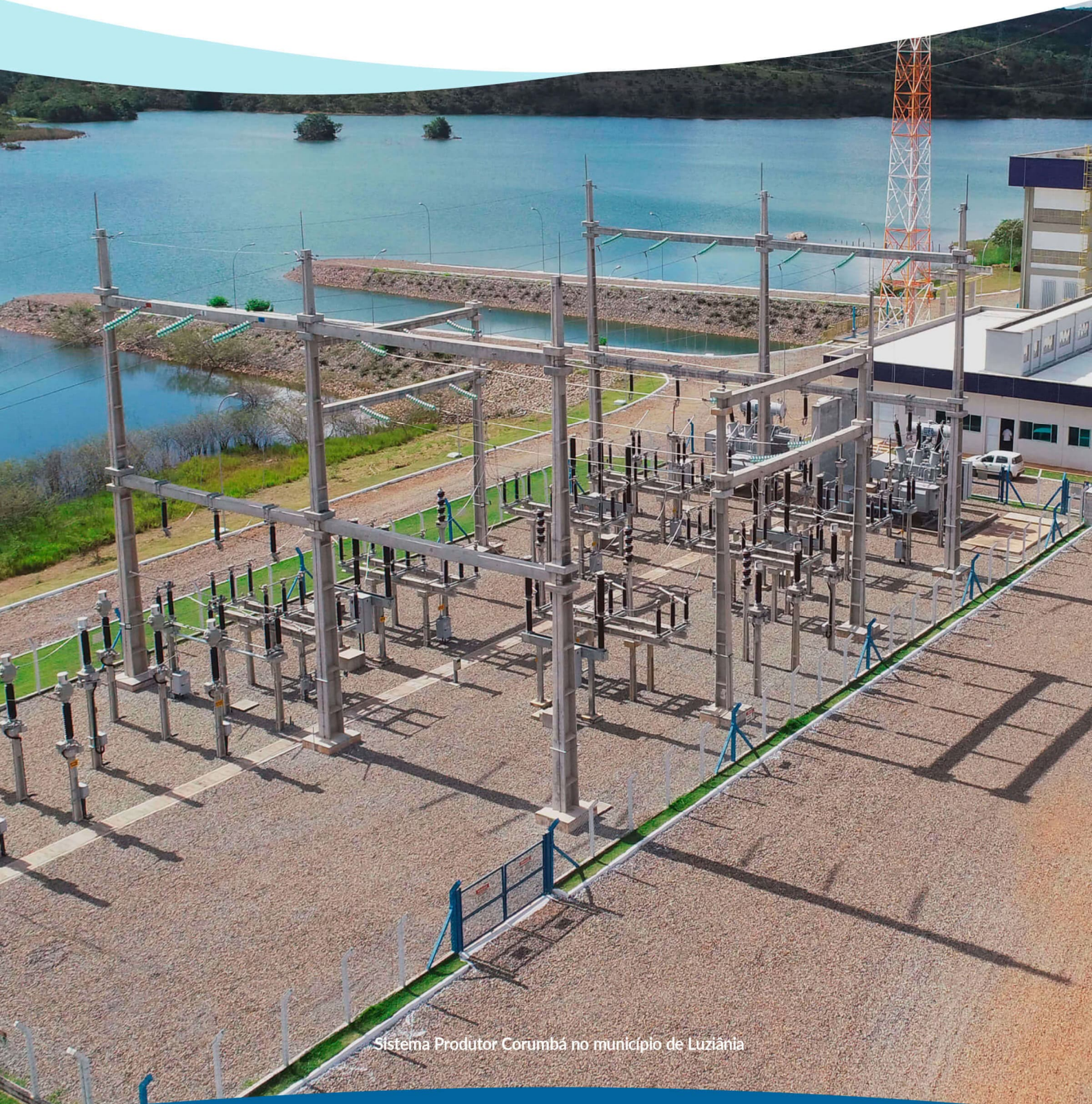
### System "Mauro Borges"



Graph 9

- Storage capacity of 129 million m<sup>3</sup> of water;
- Concession 6.6 m<sup>3</sup> water/sec;
- Treatment capacity of 4.0 m<sup>3</sup> water/sec;
- Little variation in reservoir levels;
- 1,040 hectares of area;

# Regulatory Environment



Sistema Produtor Corumbá no município de Luziânia

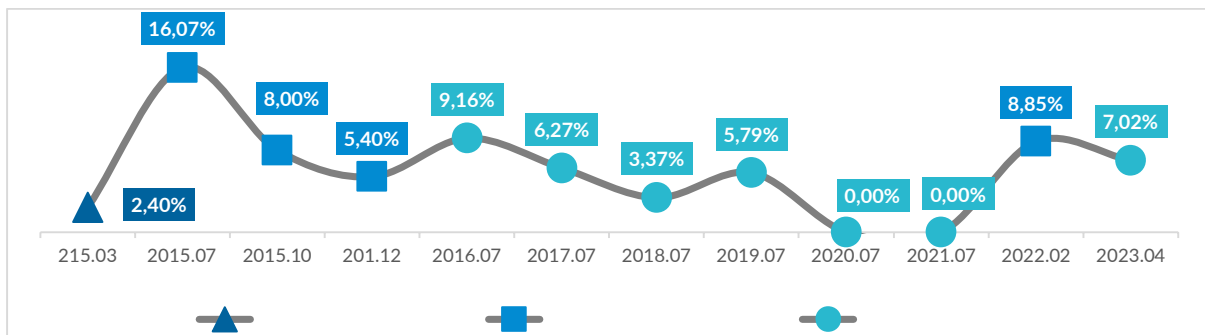
## 11. Regulatory Environment

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 3Q2023, 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 3Q2023, in view of the reported income of R\$ 406,310 thousand, the Company maintains R\$ 96,498 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%
State of Goiás	1,336,135,806	71.56%	354,992,364	54.72%	1,691,128,166	67.22%
Others	4,000	0.00%	11,396	0.00%	15,401	0.00%
<b>Total</b>	<b>1,866,906</b>	<b>100%</b>	<b>648,639</b>	<b>100%</b>	<b>2,515,546</b>	<b>100%</b>

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 August 23, 2023, 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.

### Company's Ratings and Issues - Saneago S.A.



Agency	Rating	Classification	Outlook	Latest report
	Corporate and 11th issue of debentures	AA+ .br	Stable	08/22/2023
	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 Initiatives (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*;
- 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*. organization of 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 Entrepreneurial Sector and other sectors in fulfilling Sustainable Development Goal No. in Goiás), in partnership with UN Global Compact, as part of the celebration of World Environment Day.

In 2023, the Sustainability Committee is carrying out a project named "Sustainable Saneago", whose purpose is to decentralize attributions by means of a framework that correlates the several areas of the Company with ESG and SDG themes, in order to establish an effective sustainability culture at the Company. As part of the project, for this three-month period, the Company's ESG Index diagnose was concluded, a project responsible to gather information on organizational practices regarding ODS.

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.

## 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 September 30, 2023, which comprise the interim statements of financial position as at September 30, 2023, and the respective interim statements of income and comprehensive income for the three- and nine-month periods then ended, and the interim statements of changes in equity and cash flows for the nine-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 does not provide 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 statements of value added for the nine-month period ended September 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 executed with the review of the interim financial information, with the purpose of concluding whether they are reconciled with the interim financial information and accounting records, as applicable, and if its form and contents meet the criteria defined in NBC TG 09 - Statement of Value Added. Based on our review, we are not aware of any fact that would lead us to believe that these interim statements of value added were not prepared, in all material respects, in accordance with the criteria established in this standard and consistently with the interim financial information taken as a whole.

### Corresponding comparative balances

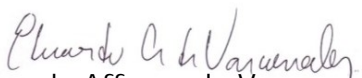
The interim financial information for the period ended September 30, 2022, presented for comparison purposes, was reviewed by us, and our report thereon, dated November 10, 2022, had an emphasis on disclosure of events, measures and internal procedures performed by the Company's Management due to the news article published in January 2022, regarding the contract "Virtual Storeroom", whose relevant conditions were resolved and necessary information disclosed by the Company in this interim financial information.

The accompanying financial information has been translated into English for the convenience of readers outside Brazil.

Goiânia, November 09, 2023.



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

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

STATEMENTS OF FINANCIAL POSITION  
(Values in thousands of Brazilian Reais)

	Note	09/30/2023	12/31/2022		Note	09/30/2023	12/31/2022
<b>Assets</b>				<b>Liabilities</b>			
<b>Current</b>				<b>Current</b>			
Cash and cash equivalents	4	134,618	81,606	Trade accounts payable	-	154,023	177,458
Financial investments	5	799,062	615,746	Loans and financing	19.a	27,142	27,868
Marketable securities	6	281	264	Debentures	19.b	232,723	213,499
Credits receivable from customers	7	591,751	517,470	Leases	19.d	35,146	21,900
Inventories	8	106,775	80,995	Labor liabilities	20	195,055	140,074
Taxes recoverable	9	16,911	22,132	Provision for profit sharing - employees		40,631	39,324
Prepaid expenses and advances	10	36,387	17,275	Tax liabilities	21	66,321	57,189
Outsourcing	11	7,821	11,334	Installment payments	22	3,536	2,018
Other accounts receivable	12	27,823	35,113	Contract liabilities	23	-	4,349
		<u>1,721,429</u>	<u>1,381,935</u>	Consortiums	24	2,928	736
				Contract-related advances	25	2,489	2,489
				Other accounts payable	26	13,289	13,789
				Outsourcing	11	246	349
				Dividends and interest on equity capital payable	29.f	96,498	95,388
						<u>870,027</u>	<u>796,430</u>
<b>Noncurrent</b>				<b>Noncurrent</b>			
Marketable securities	6	7,071	13,798	Loans and financing	19.a	142,953	156,648
Credits receivable from customers	7	31,642	30,699	Debentures	19.b	725,119	594,981
Taxes recoverable	9	9,199	7,697	Leases	19.d	110,202	88,931
Prepaid expenses	10	235,669	243,123	Labor liabilities	20	-	426
Outsourcing	11	1,603,151	1,425,231	Tax liabilities	21	32,842	31,842
Other accounts receivable	12	2,393	-	Installment payments	22	12,913	14,260
Court deposits	13	15,597	14,905	Contract liabilities	23	10,147	10,147
Deferred taxes	14.2	530	9,255	Contract-related advances	25	6,637	8,503
Subventions receivable	18.b	6,516	25,647	Provision for legal claims	27	223,711	219,998
		<u>1,911,768</u>	<u>1,770,355</u>	Outsourcing	11	1,603,151	1,425,231
				Subventions	18.a	142,055	151,766
						<u>3,009,730</u>	<u>2,702,733</u>
<b>Fixed assets</b>				<b>Equity</b>			
Fixed assets	15	429,463	385,855	Capital stock	29.a	2,515,546	2,515,546
Contract assets	16	722,130	759,437	Statutory reserve	29.c	78,543	78,543
Intangible assets	17	3,081,962	2,878,764	Reserve for investments	29.d	1,049,781	1,049,781
		<u>4,233,555</u>	<u>4,024,056</u>	Asset and liability valuation adjustment	29.e	33,312	33,313
				Retained earnings for the period		309,813	-
						<u>3,986,995</u>	<u>3,677,183</u>
<b>Total assets</b>		<u><u>7,866,752</u></u>	<u><u>7,176,346</u></u>	<b>Total liabilities</b>		<u><u>7,866,752</u></u>	<u><u>7,176,346</u></u>

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

STATEMENTS OF INCOME  
(Values in thousands of Brazilian Reais)

	Note	07/01/2023 to 09/30/2023	01/01/2023 to 09/30/2023	Restated 07/01/2022 to 09/30/2022	Restated 01/01/2022 to 09/30/2022
Net revenue					
Sewer and water services revenue		809,311	2,233,066	736,094	2,056,493
Construction work revenues		93,083	241,884	96,393	189,115
Technical services revenues		589	1,771	694	1,835
Approval of outsourcing		2,275	6,825	2,275	6,825
	30	<u>905,258</u>	<u>2,483,546</u>	<u>835,456</u>	<u>2,254,268</u>
Cost					
Cost of services	31	(318,253)	(924,308)	(303,849)	(979,299)
Cost of construction work	31	<u>(93,083)</u>	<u>(241,884)</u>	<u>(96,393)</u>	<u>(189,115)</u>
	31	<u>(411,336)</u>	<u>(1,166,192)</u>	<u>(400,242)</u>	<u>(1,168,414)</u>
Gross profit		493,922	1,317,354	435,214	1,085,854
Selling expenses					
Selling expenses	31	(79,983)	(235,826)	(80,297)	(253,613)
Administrative expenses					
Administrative expenses	31	(131,841)	(375,675)	(110,574)	(380,014)
Tax expenses					
Tax expenses		(4,687)	(30,659)	(3,359)	(14,543)
Provisions/reversals - Credit losses/recovery					
Provisions/reversals - Credit losses/recovery	32	(32,450)	(54,358)	(14,130)	(1,428)
Other operating revenues (expenses)					
Other operating revenues (expenses)	33	<u>(1,231)</u>	<u>(39,289)</u>	<u>(25,230)</u>	<u>(24,131)</u>
		<u>(250,192)</u>	<u>(735,807)</u>	<u>(233,590)</u>	<u>(673,729)</u>
Income before financial income (loss)		<u>243,730</u>	<u>581,547</u>	<u>201,624</u>	<u>412,125</u>
Net financial income (loss)	34	<u>(6,051)</u>	<u>(19,042)</u>	<u>(8,062)</u>	<u>(14,069)</u>
Income before taxes on income		<u>237,679</u>	<u>562,505</u>	<u>193,562</u>	<u>398,056</u>
Current Income and Social Contribution taxes					
Current Income and Social Contribution taxes		(67,890)	(147,469)	(47,425)	(84,174)
Deferred Income and Social Contribution taxes					
Deferred Income and Social Contribution taxes	14.2	3,957	(8,726)	(7,571)	(25,889)
Net income for the period		<u>173,746</u>	<u>406,310</u>	<u>138,566</u>	<u>287,993</u>
Earnings per share	29.g	0.06907	0.16152	0.05508	0.11449

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

STATEMENTS OF COMPREHENSIVE INCOME  
(Values in thousands of Brazilian Reais)

	07/01/2023 to 09/30/2023	01/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022	01/01/2022 to 09/30/2022
Net income for the period				
Net income for the period	173,746	406,310	138,566	287,993
Other comprehensive income				
Realization of Deemed Cost, net of deferred taxes	-	1	-	1
Comprehensive income for the period	<u>173,746</u>	<u>406,311</u>	<u>138,566</u>	<u>287,994</u>

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

STATEMENTS OF CHANGES IN EQUITY  
(Values 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	2,515,546	58,460	763,613	33,315	(14,116)	-	3,356,818
Net income for the period	-	-	-	-	-	287,993	287,993
Interest on equity capital	-	-	-	-	-	(68,398)	(68,398)
Realization of deemed cost	-	-	-	(1)	-	1	-
Balances as at September 30, 2022	2,515,546	58,460	763,613	33,314	(14,116)	219,596	3,576,413
Balances as at January 01, 2023	2,515,546	78,543	1,049,781	33,313	-	-	3,677,183
Net income for the period	-	-	-	-	-	406,310	406,310
Interest on equity capital	-	-	-	-	-	(96,498)	(96,498)
Realization of deemed cost	-	-	-	(1)	-	1	-
Balances as at September 30, 2023	2,515,546	78,543	1,049,781	33,312	-	309,813	3,986,995

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

STATEMENTS OF CASH FLOWS  
(Values in thousands of Brazilian Reais)

	Note	09/30/2023	09/30/2022
Net cash from operating activities		<u>586,934</u>	<u>434,344</u>
Cash from operations		<u>726,550</u>	<u>548,315</u>
Net income for the period		<u>406,310</u>	<u>287,993</u>
Adjustments to reconcile with net income			
Depreciation and amortization		131,704	105,325
Write-off of fixed and intangible assets investments/adjustments to inventories		1,305	1,283
State subventions		-	(1,557)
Discount to present value - Receivable credits	34	(943)	(1,800)
Deferred taxes - Income and Social Contribution Taxes	14.1	8,726	25,889
Charges on loans, financing and leases		104,231	92,320
Capitalized interest	19.c	(5)	(72)
Return on financial investments	6	(547)	(1,032)
Monetary adjustment - Sale of noncurrent assets		-	(143)
Provisions/reversals	32	75,769	40,109
Changes in assets and liabilities		<u>(140,672)</u>	<u>(119,567)</u>
Credits receivable from customers	39	(159,660)	(147,910)
Taxes recoverable	39	9,029	2,219
Inventories	39	(18,501)	(11,201)
Prepaid expenses and advances to employees		(11,658)	(64,608)
Court deposits		(692)	(980)
Trade accounts payable		(23,435)	16,844
Consortium		2,192	2,758
Labor liabilities		54,555	48,586
Tax liabilities		10,132	22,448
Installment payments		171	1,827
Contract liabilities		(4,349)	2,261
Outsourcing		3,410	(2,595)
Contract-related advances		(1,866)	10,784
Other		<u>1,056</u>	<u>5,596</u>
Other accounts receivable	39	1,556	(2,128)
Other accounts payable		(500)	7,724
Net cash from investing activities		<u>(470,776)</u>	<u>(434,908)</u>
Fixed assets acquisition	15.1	(26,664)	(34,352)
Contract assets	39	(132,679)	(127,450)
Intangible assets acquisition	17	(133,703)	(84,665)
Acquisition of inventory for construction work	16	(1,670)	(8,786)
Receipt from disposal of fixed assets		-	4,774
Marketable securities	6	7,256	1,557
Financial investments		(183,316)	(184,414)
Adjustments to PAC subventions		-	(1,581)
Sale of investments in shares		-	9
Net cash from financing activities		<u>(63,146)</u>	<u>(83,733)</u>
Raised loans and financing	19.c	300,201	200,000
Amortization of loans and financing	19.c	(163,456)	(185,862)
Payment of finance charges on fundraising	19.c	(95,727)	(96,622)
Leases	19.d	(33,194)	(15,532)
Subventions	18.a	24,418	23,998
Redemption of marketable securities	19.c	-	73,994
Payment of interest on equity capital		(95,388)	(83,709)
Increase (decrease) in cash and cash equivalents, net		<u>53,012</u>	<u>(84,297)</u>
Cash and cash equivalents at beginning of year	4	81,606	138,808
Cash and cash equivalents at end of year	4	134,618	54,511

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

STATEMENTS OF VALUE ADDED

(Values in thousands of Brazilian Reais)

	Note	09/30/2023	Restated 09/30/2022
<b>Revenues</b>			
Sales of goods, products and services		2,461,911	2,265,089
Revenue from construction work	30	241,884	189,115
Recognition/reversal of allowance for doubtful accounts	32	(85,379)	(70,381)
Expiration/recovery of credits	32	21,411	38,681
Approval of outsourcing	30	6,825	6,825
Revenues from technical services	30	1,771	1,835
Other revenues		4,531	11,359
		<u>2,652,954</u>	<u>2,442,523</u>
<b>Inputs acquired from third-parties</b>			
Cost of goods and services sold		(340,478)	(355,264)
Raw materials consumed		(7,369)	(4,062)
Electric power and third-party services		(184,388)	(187,953)
Cost of construction work		(241,884)	(189,115)
Recognition/reversal of provision for inventory losses	32	3,149	5,952
Other expenses		(43,820)	(35,490)
		<u>(814,790)</u>	<u>(765,932)</u>
<b>Gross value added</b>		<b>1,838,164</b>	<b>1,676,591</b>
<b>Withholdings</b>			
Depreciation/amortization		(131,704)	(105,325)
Provisions/reversals		6,461	24,320
		<u>(125,243)</u>	<u>(81,005)</u>
<b>Net value added</b>		<b>1,712,921</b>	<b>1,595,586</b>
<b>Value added received through transfers</b>			
Financial revenues	34	103,092	102,668
		<u>103,092</u>	<u>102,668</u>
<b>Total value added to be distributed</b>		<b>1,816,013</b>	<b>1,698,254</b>
<b>Value added distribution</b>		<b>1,816,013</b>	<b>1,698,254</b>
<b>Personnel and charges</b>			
Direct compensation		532,658	634,516
Benefits		143,519	140,353
FGTS (Severance pay)		42,875	41,728
		<u>719,052</u>	<u>816,597</u>
<b>Taxes, fees and contributions</b>			
Federal taxes		524,906	429,920
Federal taxes - Deferred Income and Social Contribution taxes	14.1	8,726	25,890
State taxes		21,140	7,114
Municipal taxes		6,204	5,866
		<u>560,976</u>	<u>468,790</u>
<b>Return on debt capital</b>			
Interest		122,134	116,737
Rent		7,541	8,137
		<u>129,675</u>	<u>124,874</u>
<b>Return on equity capital</b>		<b>406,310</b>	<b>287,993</b>
<b>Income for the period</b>		<b>406,310</b>	<b>287,993</b>

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

Notes to the interim financial information as at September 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 September 30, 2023, Saneago had executed 223 contracts, as follows: 142 in effect, of which 80 are concession contracts, 62 are program contracts, and 81 contracts overdue, representing an average percentage of 84.12% and 15.88% 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). On September 01, 2023, the municipality of Leopoldo de Bulhões has amicably resumed sanitation services, and an agreement was entered into at R\$ 1,602 in 45 monthly installments. This municipality's earnings for 2023 were of R\$ 1,185 until the resumption of the services and of R\$ 1,838 for the year of 2022.

The Company has corresponding intangible assets and contract assets amounting to R\$ 625,854 in relation to expired contracts, of a total of R\$ 3,081,962 as per Notes 16 and 17. 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 18.3 years. The contracts have the following maturity schedule: 81 overdue, 26 due in the next 5 years, 14 due between 6 and 10 years, 27 due between 11 and 15 years, 30 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	36.30%	Program	30
Anápolis	IN EFFECT	02/27/2050	7.24%	Program	30
Aparecida De Goiânia	IN EFFECT	11/01/2041	4.13%	Program	30
Valparaíso De Goiás	IN EFFECT	11/16/2048	2.73%	Program	30
Rio Verde	IN EFFECT	11/01/2041	2.46%	Program	30
Luziânia	IN EFFECT	12/01/2045	2.17%	Program	30
Formosa	IN EFFECT	03/14/2025	2.08%	Concession	25
Itumbiara	IN EFFECT	02/23/2025	1.71%	Concession	20
Planaltina	IN EFFECT	04/01/2030	1.49%	Concession	25
Trindade	IN EFFECT	11/01/2041	1.39%	Program	30
Águas Lindas de Goiás	IN EFFECT	12/28/2048	1.38%	Program	30
Jataí	IN EFFECT	11/01/2041	1.35%	Program	30
Goianésia	EXPIRED	06/15/2020	1.24%	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			3.58%		
Maturing in 06 - 10 years			0.75%		
Maturing in 11 - 15 years			1.88%		
Maturing in 16 - 20 years			3.83%		
Maturing in 21 - 30 years			6.30%		
Expired			13.70%		
			<u>100.0%</u>		

The operations of the Company are concentrated in the Municipality of Goiânia, which, as at September 30, 2023, represented 36.30% of net revenue and 34.68% 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 81 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, taking into account 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, the Company aims to obtain a new certification of its economic and financial capacity, to be registered with the regulatory body until December 31, 2023.

#### 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 November 09, 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 27.

## 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 September 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 2.57% of the Company's total revenues. We point out the failed attempt by 2 municipalities, representing around 0.99% of the Company's total revenues, of retaking the system through an emergency hire, with no legal grounds and observation of the due compensation, and for one of them the service was subsequently amicably resumed. 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 18. 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\$ 116,818 as at September 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 32. 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 September 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 third 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 September 30, 2022 (Restated)

	Stated		Adjustment		Restated	
	07/01/2022 to 09/30/2022	01/01/2022 to 09/30/2022	07/01/2022 to 09/30/2022	01/01/2022 to 09/30/2022	07/01/2022 to 09/30/2022	01/01/2022 to 09/30/2022
Net revenues	827,919	2,232,600	7,537	21,668	835,456	2,254,268
Operating costs	(400,242)	(1,168,414)	-	-	(400,242)	(1,168,414)
Gross profit	427,677	1,064,186	-	-	435,214	1,085,854
Operating expenses	(233,590)	(673,729)	-	-	(233,590)	(673,729)
Income before financial income (loss)	194,087	390,457	-	-	201,624	412,125
Net financial income (loss)	(525)	7,599	(7,537)	(21,668)	(8,062)	(14,069)
Income before taxes	193,562	398,056	-	-	193,562	398,056
Current Income and Social Contribution taxes	(47,425)	(84,174)	-	-	(47,425)	(84,174)
Deferred Income and Social Contribution taxes	(7,571)	(25,889)	-	-	(7,571)	(25,889)
Net income for the period	138,566	287,993	-	-	138,566	287,993
Earnings per share	0,0551	0,1145			0,0551	0,1145

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

	09/30/2022	Adjustment	Restated 09/30/2022
Revenues	2,420,855	21,668	2,442,523
Inputs acquired from third parties	(765,932)	-	(765,932)
Gross value added	1,654,923	-	1,676,591
Withholdings	(81,005)	-	(81,005)
Net value added	1,573,918	-	1,595,586
Value added received through transfer	124,336	(21,668)	102,668
Total value added to be distributed	1,698,254	-	1,698,254
Distribution of value added	1,698,254	-	1,698,254
Personnel and Charges	816,597	-	816,597
Taxes, fees and Contribution	468,790	-	468,790
Return on debt capital	124,874	-	124,874
Return on equity capital (Income for the period)	287,993	-	287,993

### 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:

- a) Market risk (interest rate and foreign currency rate fluctuations);
- b) Credit risk;
- c) Liquidity risk;
- d) 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 September 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 - 09/30/2023					
		Probable scenario		Scenario II		Scenario III	
		Rate	Value	Rate	Value	Rate	Value
CDI (Banks + Debentures)	963,511	12.65%	1,085,396	15.81%	1,115,843	18.98%	1,146,387
USD SOFR 3M (BID)	58,993	7.14%	63,205	8.93%	64,261	10.71%	65,311
TR (Caixa Econômica Federal)	108,107	2.04%	110,317	2.56%	110,875	3.07%	111,426
Sub Total	1,130,611		1,258,918		1,290,979		1,323,124
Transaction costs	(5,669)						
	1,124,942						
Not subject to risk							
FCO - Cezarina (a)	2,995						
	<u>1,127,937</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 September 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 - 09/30/2023						
Currency	Exposure	Probable scenario	-25%	25%	-50%	50%
Debt in R\$ (IDB)	58,993	R\$ 5.00	R\$ 3.75	R\$ 6.25	R\$ 2.50	R\$ 7.50
Exposure in US\$	11,599	-	-	-	-	-
Debt in R\$ in the scenarios	-	57,997	43,498	72,496	28,999	86,996
Effects on income before taxation		996	15,495	(13,503)	29,994	(28,003)

#### 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 closing exchange rate of R\$ 5.00 for 2023, this same projection is valid for the closing rate of September of 2023. Thus, in the comparison of the probable scenario with the third quarter of 2023 there would be no effect on exchange rate fluctuations, and on the expected amount of future debt from exchange rate. 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 the USA 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 and of the Israeli-Hamas war escalating into a larger conflict - 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 rates of the scenarios were based on data the Brazilian Central Bank published in the FOCUS Market Report (Market Expectations) on October 16, 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.

	09/30/2023	12/31/2022
Net Financial Position		
Total loans/Debentures/Leases	1,273,285	1,103,827
(-) Cash and cash equivalents.	(134,618)	(81,606)
(-) Financial Investment (a)	(799,062)	(615,746)
(=) Net debt	339,605	406,475
(+) Total equity	3,986,995	3,677,183
(=) Total capital	4,326,600	4,083,658
Financial Leverage Index	7.85%	9.95%

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

### 4. Cash and cash equivalents

	09/30/2023	12/31/2022
Imprest fund	76	108
Bank checking accounts/billing	11,613	13,722
Banks - Accounts linked to construction work	419	1,926
Banks - Billing not yet released (a)	16,134	11,904
Financial investments (b)	106,376	53,946
	134,618	81,606

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.

The balance of financial investments includes the following amounts:

	09/30/2023	12/31/2022
Banco do Brasil	1,719	1,524
BBM	4,434	3,384
Bradesco	13,190	5,927
Itaú	82,280	40,533
Safra	12	11
Santander	19	-
Toro	2,464	-
Vortex	2,258	2,567
	<u>106,376</u>	<u>53,946</u>

The average return on these financial investments until the third quarter of 2023 was 71.67% of the Interbank Deposit Rate (CDI) (as at December 31, 2022, it 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:

	09/30/2023	12/31/2022
Itaú	-	45,550
Santander	799,062	570,196
	<u>799,062</u>	<u>615,746</u>

The average return on the financial investments in the third quarter of 2023 was 86.01% of the 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

	09/30/2023	12/31/2022
Current		
Caixa Econômica Federal	281	264
	<u>281</u>	<u>264</u>
Noncurrent		
Bradesco	-	1,153
Caixa Econômica Federal	5,994	12,645
Banco Inter	1,077	-
	<u>7,071</u>	<u>13,798</u>
	<u>7,352</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\$ 547 was recorded in marketable securities, with effective redemption in the net amount of R\$ 7,256.

The average returns on marketable securities in the third quarter of 2023 was 75.50% of CDI (79.33% of CDI as at December 31, 2022).

## 7. Receivables from consumers

	09/30/2023			12/31/2022		
	Private	Public	Total	Private	Public	Total
Amounts billed and not yet due	158,531	30,044	188,575	117,548	13,545	131,093
Becoming due in more than 30 days	33,510	4,738	38,248	34,540	4,404	38,944
Overdue for up to 30 days	121,385	785	122,170	104,733	3,763	108,496
From 31 to 60 days overdue	42,797	3,661	46,458	40,600	1,945	42,545
From 61 to 90 days overdue	17,019	2,284	19,303	17,348	2,135	19,483
From 91 to 120 days overdue	13,498	1,894	15,392	13,546	1,765	15,311
From 121 to 180 days overdue	23,234	3,148	26,382	21,967	2,739	24,706
From 181 to 360 days overdue	59,150	8,235	67,385	54,620	5,473	60,092
From 361 days to 5 years overdue	131,920	15,983	147,903	70,197	9,837	80,034
Overdue for more than 5 years	10,522	5,467	15,989	6,559	4,118	10,678
Collection to be identified	(9,686)	(877)	(10,563)	(133)	-	(133)
Estimate of amounts to be billed	113,747	8,815	122,562	101,762	7,380	109,142
(-) Discount to present value of receivables	(964)	(181)	(1,145)	(1,176)	(197)	(1,373)
(-) Allowance for doubtful accounts	(171,384)	(35,524)	(206,908)	(99,153)	(22,395)	(121,548)
Subtotal	<u>543,279</u>	<u>48,472</u>	<u>591,751</u>	<u>482,958</u>	<u>34,512</u>	<u>517,470</u>
Amounts receivable (noncurrent)	29,909	8,507	38,416	27,158	11,011	38,169
(-) Discount to present value of receivables	(3,706)	(1,571)	(5,277)	(3,831)	(2,161)	(5,992)
(-) Allowance for doubtful accounts	(938)	(559)	(1,497)	(796)	(682)	(1,478)
Subtotal	<u>25,265</u>	<u>6,377</u>	<u>31,642</u>	<u>22,531</u>	<u>8,168</u>	<u>30,699</u>
Total	568,544	54,849	623,393	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 32)	(85,379)
Balance as at 09/30/2023	<u>(208,405)</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

	09/30/2023	12/31/2022
Materials to be used in treatment stations	9,101	8,096
Materials to be used in pipelines	376	396
Electric materials and equipment	4,012	2,087
Tubes and connections for pipelines and water mains	47,816	44,117
Materials to be used in building pipelines	7,426	4,382
Water meters	20,382	10,460
Valves	10,948	11,173
Pumps	1,332	2,284
Sundry materials	7,548	4,378
(-) Provision for inventory losses	(2,166)	(6,378)
	<u>106,775</u>	<u>80,995</u>

The change in provision for 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 32)	<u>4,212</u>
Balance as at 09/30/2023	<u>(2,166)</u>

## 9. Recoverable taxes

	09/30/2023	12/31/2022
Current		
Withholding Income Tax (IRRF)	2,171	7,148
Estimate of IRRF on financial investments	8,639	9,990
PIS/COFINS on Leases	3,368	2,261
Brazilian Federal Revenue Service	2,733	2,733
	<u>16,911</u>	<u>22,132</u>
Noncurrent		
PIS/COFINS on Leases	9,199	7,697
	<u>9,199</u>	<u>7,697</u>

## 10. Prepaid expenses and advances

	09/30/2023	12/31/2022
Current amounts		
Advances for payment of graduate courses	13	27
Advances to suppliers	647	-
Advances for travel	425	738
Advances for vacations	1,199	6,572
Advances for year-end bonus	24,165	-
Contractual indemnities (a)	9,938	9,938
	<u>36,387</u>	<u>17,275</u>
Noncurrent amounts		
Contractual indemnities (a)	235,669	243,123
	<u>235,669</u>	<u>243,123</u>

(a) These refer to payments made as indemnity relative to the early renewal of agreements and as advances of interest held. These values will be amortized until the end of each municipality agreement.

## 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	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Outsourcing				
Granting fees	7,821	11,334	246	349
	Noncurrent assets		Noncurrent liabilities	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Investments - Sewage system	1,768,548	1,547,015	1,768,548	1,547,015
( - ) Accumulated amortization	(165,397)	(121,784)	(165,397)	(121,784)
Net investments	1,603,151	1,425,231	1,603,151	1,425,231
Total	1,610,972	1,436,565	1,603,397	1,425,580

## 12. Other accounts receivable

	09/30/2023	12/31/2022
Current portion		
Collateral deposits	8	18
Consortium-related amounts (a)	24,680	29,071
Sundry advances	2,145	6,399
Contract termination credits (b)	1,365	-
(-) Provision for losses	(375)	(375)
	27,823	35,113
Noncurrent portion		
Other credits	2,393	-
Contracts under legal dispute (c)	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 24). The consortium members calculate the adjustment needed for balancing, either as payable or receivable, every six months, and the adjustments are made as subsequent revenue is forwarded to balance each party's outstanding receivables or payables.
- (b) This refers to the sanitation services of the municipality of Leopoldo de Bulhões being amicably resumed by the Municipality, by means of an agreement entered into at R\$ 1,602 to be received in 45 monthly installments.
- (c) 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.

On July 31, 2023, an order was issued summoning the Public Prosecutor's Office and on September 01, 2023, the Public Prosecutor's Office declared there was no public interest that would justify its intervention on the matter. The proceeding went to decision phase at the same date.

#### Catalão

On June 28, 2002, by means of the Judgement of Compliance and Assumption, issued by Injunction No. 2001.017.607.73, the municipality of Catalão terminated the municipal basic sanitation system, in which the Company had concession agreements with final maturity on July 27, 2019, and with no possibility of the Municipality resuming the system. 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. The related report has not, however, been presented and the Judge will summon the expert.

### 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 April 08, 2022, the municipality of Ipameri filed proceeding No. 5206168-26.2022.8.09.0074, with the main objective of resuming the water supply and sanitation services system. With an injunction denied in lower court, the Municipality appealed to Goiás' Court of Justice (TJ/GO) (interlocutory appeal No. 5261189.84.2022.8.09.0074), which reversed the local judge decision for the Municipality to immediately resume service. As per court decision, Saneago delivered the system to the Municipality on November 25, 2022. The STJ, however, accepted Saneago's Special Appeal against the decision relative to Interlocutory Appeal No. 5261189.84.2022.8.09.0074, summoning TJ/GO to speak specifically on the early indemnity payable to the Company, which, to date, has not been performed by the local court. The negotiation included a counterclaim for the Municipality to pay the Company an indemnity 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

	09/30/2023		12/31/2022	
	Qty.	Value	Qty.	Value
Civil	79	5,044	141	5,083
Tax	3	5,486	2	5,474
Labor	113	5,067	77	4,348
<b>Total</b>	<b>195</b>	<b>15,597</b>	<b>220</b>	<b>14,905</b>

Of the outstanding balance as at September 30, 2023, around 93% 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

	09/30/2023		09/30/2022	
	Income Tax	Social Contribution Tax	Income Tax	Social Contribution Tax
Income before Income and Social Contribution Taxes (IRPJ and CSLL)	562,505	562,505	398,056	398,056
IR and CSLL - Current Rates (25% e 9%)	(140,626)	(50,625)	(99,514)	(35,824)
Deductibility on Interest on Equity Capital	24,125	8,685	17,100	6,156
Nondeductible Fines	(21)	(8)	(1,153)	(415)
Workers' Meal Program - PAT	2,706	-	1,653	-
Loss/Recovery of nondeductible credits - Law nº 9.430/96	-	-	474	171
Management Bonus	(361)	-	(306)	-
Corporate Citizen Incentive - Law nº 11.770/08	295	(35)	217	(26)
Expenses on issue of shares	-	-	202	73
Monetary adjustments on tax credits	236	52	(623)	(224)
Sponsorship to cultural and sport activities (a)	1,605	-	-	-
Others	(1,654)	(569)	1,458	518
IRPJ e CSLL - Effective Amounts	<u>(113,695)</u>	<u>(42,500)</u>	<u>(80,492)</u>	<u>(29,571)</u>
Total do IRPJ and CSLL	<u>(156,195)</u>		<u>(110,063)</u>	
Effective rate	<u>27.77%</u>		<u>27.65%</u>	

(a) This amount refers to sponsorship of cultural projects "Kiss Me Kate - O Beijo da Megera", amounting to R\$ 1,355, and "Festival Bon Odori 2023", amounting to R\$ 250, by means of PRONAC (National Program for Culture Support), Law No. 8.313/1991.

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

	09/30/2023			09/30/2022		
	Current	Deferred	Total	Current	Deferred	Total
Income Tax	108,027	5,668	113,695	66,899	13,592	80,491
Social Contribution Tax	39,442	3,058	42,500	17,275	12,297	29,572
Total	<u>147,469</u>	<u>8,726</u>	<u>156,195</u>	<u>84,174</u>	<u>25,889</u>	<u>110,063</u>

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

	09/30/2023				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	208,405	52,100	18,756	70,856	123,026	30,756	11,072	41,828
Discount to Present Value - Credit receivable	6,422	1,606	578	2,184	7,365	1,841	663	2,504
Provision for losses on Inventory	2,166	542	195	737	6,378	1,595	574	2,169
Provision for losses on investments	564	141	51	192	564	141	51	192
Provision for contingencies	223,711	55,927	20,134	76,061	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	116,818	29,205	10,513	39,718	128,347	32,087	11,550	43,637
Estimated Inventory Losses - Construction	1,063	266	96	362	-	-	-	-
Provision for profit sharing	40,631	10,158	3,657	13,815	39,324	9,831	3,539	13,370
Lease - Vehicles	(6,622)	(1,656)	(596)	(2,252)	(2,560)	(640)	(230)	(870)
CSLL Tax Losses (a)	73,071	-	6,576	6,576	84,372	-	7,593	7,593
Total	<u>705,007</u>	<u>157,984</u>	<u>63,450</u>	<u>221,434</u>	<u>645,544</u>	<u>140,293</u>	<u>58,098</u>	<u>198,391</u>
Deferred tax liabilities								
Tax x Accounting Depreciation	599,247	149,812	53,933	203,745	505,813	126,453	45,523	171,976
Asset and liability valuation adjustment	50,472	12,617	4,542	17,159	50,473	12,617	4,543	17,160
	<u>649,719</u>	<u>162,429</u>	<u>58,475</u>	<u>220,904</u>	<u>556,286</u>	<u>139,070</u>	<u>50,066</u>	<u>189,136</u>
Total Deferred Taxes, net				<u>530</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.



<b>Change in deferred taxes</b>	
Balance kept in deferred tax assets as at 12/31/2022	9,255
(+)Recognition/Realization of deferred tax assets - Statement of income	23,043
(+)Recognition/Realization of deferred tax liabilities- Statement of income	(31,769)
(+) Recognition of deferred tax liabilities - Equity account	1
Balance kept in deferred tax assets as at 09/30/2023	<u>530</u>

<b>Reversal in the statement of income as at 09/30/2023</b>	
Income before taxes	562,505
Combined rate 34%	191,252
(+/-) IRPJ/CSLL on permanent/temporary additions and deductions and tax losses	(199,978)
Deferred taxes in the statement of income	<u>(8,726)</u>

	Effects on Income for the period - Deferred taxes			09/30/2022		
	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Allowance for Doubtful Accounts - Credits receivable	21,344	7,684	29,028	17,593	6,333	23,926
Discount to present value - Credits receivable	(235)	(85)	(320)	1,919	691	2,610
Provision for Losses on Inventory	(1,053)	(379)	(1,432)	(1,488)	(536)	(2,024)
Provision for contingencies	928	334	1,262	(5,132)	(1,847)	(6,979)
Provision for Contracts without Concession	12	4	16	664	239	903
Provision for Losses on Construction	(2,882)	(1,037)	(3,919)	-	(1)	(1)
Estimated Inventory Losses - Construction	266	96	362	-	-	-
Provision for profit sharing	327	118	445	(1,611)	(580)	(2,191)
Leases - Vehicles	(1,016)	(366)	(1,382)	(767)	(276)	(1,043)
Tax Losses - CSLL	-	(1,017)	(1,017)	-	(7,403)	(7,403)
				11,178		
<b>Total</b>	<b>17,691</b>	<b>5,352</b>	<b>23,043</b>		<b>(3,380)</b>	<b>7,798</b>
Deferred tax liabilities						
Tax x Accounting Depreciation	23,359	8,410	31,769	24,769	8,918	33,687
Total Deferred Taxes, net	<u>23,359</u>	<u>8,410</u>	<u>31,769</u>	<u>24,769</u>	<u>8,918</u>	<u>33,687</u>
			<u>(8,726)</u>			<u>(25,889)</u>

## 15. Fixed assets

	09/30/2023	12/31/2022
General use assets	254,141	228,110
Production system - Corumbá	129,452	129,256
General use assets in construction	193	290
Deemed cost of assets	64,431	64,434
General use assets - Lease-purchase operations	7,212	7,213
Contributions - Corumbá Consortium (a)	1,106	(2,198)
Land-title regularization	61	246
Right-of-use - vehicles (Note 15.2)	160,080	155,494
Right-of-use - software (Note 15.2)	6,091	-
Accumulated depreciation - Right-of-use assets (Note 15.2)	(40,012)	(57,181)
Accumulated Depreciation - General	(128,410)	(118,959)
Accumulated depreciation - Corumbá system	(3,959)	(395)
Accumulated depreciation - Deemed cost	(14,030)	(14,031)
Accumulated Depreciation - Lease-purchase operations	(6,893)	(6,424)
	<u>429,463</u>	<u>385,855</u>

## 15.1 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	09/30/2023
<b>Technical fixed assets</b>								
General use assets	228,110	26,567	(79)	-	322	(779)	-	254,141
General use assets in construction	290	-	(3)	-	-	-	-	64,431
Deemed cost of assets	64,434	-	(1)	-	-	-	-	7,212
General use assets - Leases	7,213	97	-	-	(194)	-	-	193
Land title regularization	246	-	-	-	(185)	-	-	61
Accumulated depreciation - General	(118,959)	-	59	(10,255)	-	745	-	(128,410)
Accumulated depreciation - Deemed cost	(14,031)	-	3	(2)	-	-	-	(14,030)
Accumulated depreciation - Leases	(6,424)	-	1	(470)	-	-	-	(6,893)
<b>Total</b>	<b>160,879</b>	<b>26,664</b>	<b>(20)</b>	<b>(10,727)</b>	<b>(57)</b>	<b>(34)</b>	<b>-</b>	<b>176,705</b>
<b>Production systems - Corumbá</b>								
Corumbá production system - Water	129,256	-	(20)	-	-	216	-	129,452
(-) Accumulated depreciation - Corumbá system	(395)	-	-	(3,558)	-	(6)	-	(3,959)
Corumbá production system - Water - Not onerous	79,249	-	-	-	-	-	-	79,249
(-) Accumulated depreciation - Corumbá system - Not onerous	(167)	-	-	(1,505)	-	-	-	(1,672)
(-) Government subventions/aid	(79,082)	-	-	1,505	-	-	-	(77,577)
Unrealized contributions - Corumbá construction (a)	(2,198)	-	-	-	-	-	3,304	1,106
<b>Total</b>	<b>126,663</b>	<b>-</b>	<b>(20)</b>	<b>(3,558)</b>	<b>-</b>	<b>210</b>	<b>3,304</b>	<b>126,599</b>
<b>Total fixed assets</b>	<b>287,542</b>	<b>26,664</b>	<b>(40)</b>	<b>(14,285)</b>	<b>(57)</b>	<b>176</b>	<b>3,304</b>	<b>303,304</b>

(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 September 30, 2023, Saneago is a debtor with amounts payable to balance the invested amount.

## 15.2 Right-of-use assets - Leases

The requirements of standard CPC06 (R2)/IFRS16 have been applied as described in Note 19d, and the balances of right of use are as follows:

	09/30/2023	12/31/2022
Right-of-use assets - Vehicles	160,080	155,494
Right-of-use assets - Software	6,091	-
Accumulated depreciation- Right-of-use assets	(40,012)	(57,181)
	<u>126,159</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.	09/30/2023
Right-of-use assets - vehicles	155,494	46,002	(41,416)	-	160,080
Right-of-use assets - Software	-	6,091	-	-	6,091
Accumulated depreciation - right-of-use assets	(57,181)	-	41,416	(24,247)	(40,012)
Total	<u>98,313</u>	<u>52,093</u>	<u>-</u>	<u>(24,247)</u>	<u>126,159</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).

## 16. 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	122,822	23,881	-	-	146,703
Inventory adjustment	(36)	(28)	(314)	-	(378)
Inventory return and purchases	-	-	1,967	(297)	1,670
Transfer to storeroom	-	-	(3,067)	-	(3,067)
Allocation of Inventories in Additions	-	-	(14,019)	-	(14,019)
Fixed assets in progress	(49,356)	(113,804)	-	-	(163,160)
Transfer to intangible assets	(115)	(3,878)	-	-	(3,993)
(-) Provision for inventory losses	-	-	(1,063)	-	(1,063)
Balance as at 09/30/2023	<u>368,220</u>	<u>325,612</u>	<u>28,298</u>	<u>-</u>	<u>722,130</u>

Changes in the provision for inventory loss, recognized as described in Note 2.3, were as follows:

Balance as at 12/31/2022	-
Recognition of net provision for inventory losses (Note 32)	(1,063)
Balance as at 09/30/2023	<u>(1,063)</u>

## 17. Intangible assets

	09/30/2023	12/31/2022
Water systems	2,862,504	2,744,719
Sewage systems	3,058,810	2,932,241
General use assets	38,319	25,415
Software (licenses)	58,730	52,671
Accumulated amortization	(2,959,197)	(2,874,274)
Contributions to realize - Águas Lindas	29,808	29,771
Provision for impairment	(116,818)	(128,347)
"Operação Decantação" (Note 40)	(113,564)	(113,564)
Land-title regularization	53,040	53,764
Non onerous assets - water supply	80,541	67,994
Non-onerous assets - sewage	89,789	88,374
	<u>3,081,962</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	09/30/2023
Intangible assets in use									
Water system	2,744,719	69,442	(1,618)	-	-	50,151	-	(189)	2,862,504
Sewage system	2,932,241	11,560	(19)	-	-	114,887	-	141	3,058,810
General use assets	25,415	12,545	(27)	-	-	-	-	386	38,319
Accumulated amortization	(2,874,274)	-	917	(85,100)	-	-	-	(739)	(2,959,197)
Software (licenses)	70,611	14,129	-	-	-	-	-	-	84,741
Amortization of software (licenses)	(17,940)	-	-	(8,072)	-	-	-	-	(26,011)
Contributions to realize - Águas Lindas	29,771	-	-	-	37	-	-	-	29,808
Provision for losses (impairment) (a)	(128,347)	-	11,529	-	-	-	-	-	(116,818)
"Operação Decantação" (Note 40)	(113,564)	-	-	-	-	-	-	-	(113,564)
Land-title regularization	53,764	1,285	(188)	-	-	(1,821)	-	-	53,040
Non-onerous intangible assets - Water supply	10,699	-	-	-	-	-	-	173	10,872
Non-onerous intangible assets - Sewage	38,326	-	-	-	-	14,773	-	52	53,151
(-) Government subsidies/grants	(47,760)	-	-	1,196	-	-	(14,773)	(225)	(61,561)
Amortization of non-onerous assets	(1,265)	-	-	(1,196)	-	-	-	-	(2,462)
<b>Total</b>	<b>2,722,396</b>	<b>108,961</b>	<b>10,594</b>	<b>(93,172)</b>	<b>37</b>	<b>177,990</b>	<b>(14,773)</b>	<b>(401)</b>	<b>2,911,632</b>
Intangible assets in progress - Non-onerous									
Non-onerous assets - water supply	67,994	12,547	-	-	-	-	-	-	80,541
Non-onerous assets - sewage	88,374	12,195	-	-	-	(14,773)	-	3,993	89,789
<b>Total</b>	<b>156,368</b>	<b>24,742</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14,773)</b>	<b>-</b>	<b>3,993</b>	<b>170,330</b>
<b>Total intangible assets</b>	<b>2,878,764</b>	<b>133,703</b>	<b>10,594</b>	<b>(93,172)</b>	<b>37</b>	<b>163,217</b>	<b>(14,773)</b>	<b>3,592</b>	<b>3,081,962</b>

(a) The reversal of the impairment allowance is related to the construction of the Sewage System of Inhumas and Cachoeira Dourada /GO, whose contracts were carried out between April 2014 and September 2016, and January 2015 and August 2016, respectively, 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.

## 18. 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	09/30/2023
<b>PAC</b>						
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	4,509	-	-	44,932
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	1,240	(13,893)	-	5,019
Other Agreements	Sundry	39	(36)	-	-	3
<b>Total PAC</b>		<b>142,209</b>	<b>28,794</b>	<b>(13,893)</b>	<b>(20,011)</b>	<b>137,099</b>

<b>Other Federal Programs</b>						
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
<b>Total Other Federal Programs</b>		<b>9,453</b>	<b>(4,601)</b>	<b>-</b>	<b>-</b>	<b>4,852</b>

<b>Municipal subventions</b>						
Itapirapuã	1283/2014	51	-	-	-	51
Itapuranga	1210/2014	53	-	-	-	53
Padre Bernardo	Sundry	-	179	-	(179)	-
Porangatu	1247/2014	-	46	-	(46)	-
<b>Total Municipal Subventions</b>		<b>104</b>	<b>225</b>	<b>-</b>	<b>(225)</b>	<b>104</b>
<b>Grand Total</b>		<b>151,766</b>	<b>24,418</b>	<b>(13,893)</b>	<b>(20,236)</b>	<b>142,055</b>

b) The transfers recorded in assets are shown below:

City	Agreement	12/31/2022	Concluded units	Transf. between accounts	09/30/2023
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)	-
<b>Total PAC</b>		<b>25,647</b>	<b>880</b>	<b>(20,011)</b>	<b>6,516</b>

## 19. 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. As subsequent event, the October installment was paid, calculated under SOFR rate at 7.14% 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.

## Debentures 11th Issuance

In July 2023, there was the eleventh (11th) issuance of simple, secured debentures, not convertible into shares in a single series to be distributed in a restricted manner, exclusively destined to professional investors, as defined by article 11 of CVM Resolution No. 30 of May 11, 2021, changed from time to time, ("CVM Resolution 30" and "Professional investors", respectively), therefore subject to the automatic registration of public offerings of marketable securities distribution, as set forth by articles 25, 26, item V, line a, article 27, item I, CVM Resolution No. 160, and article 19 of Law No. 6.385 of December 7, 1976.

The Indenture of Issuance and the Trust Assignment Contract were entered into in accordance with the 487th Meeting of Saneago's Board of Directors, held on December 8, 2023, and ratified based on the decisions made at the 503<sup>a</sup> Meeting of Saneago's Board of Directors, held on June 15, 2023.

Number of Debentures Issued	Unit Value	Amount obtained (R\$)
300,000	1,000	300,000,000

As per clause 4.15 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 11th 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 from December 31, 2023.

## Banco do Brasil

On December 20, 2012, a Bank Credit Note was established - CCB 40/00984-X - between Saneago and Banco do Brasil. Its regulations establishes covenants where the bank can declare all obligations established enforceable and demand immediate payment, if the covenants are not fulfilled.

## Rating

The rating agency Moody's Local BR Agência de Classificação de Risco Ltda. assigned the Company's corporate and 11th debenture issuance rating as 'AA+(bra)', with a stable outlook, according to notices to the market disclosed on November 23, 2023 and August 22, 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.



Description	Balance
Loans and financing	170,095
Debentures	957,842
	<u>1,127,937</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	09/30/2023
2024	8,573	55,833	64,406
2025	21,713	250,554	272,267
2026	22,270	222,222	244,492
2027 onwards	90,397	200,000	290,397
Transaction cost	-	(3,490)	(3,490)
	<u>142,953</u>	<u>725,119</u>	<u>868,072</u>

### 19.c Change in loans and financing

	01/01/2023 to 09/30/2023				01/01/2022 to 09/30/2022			
	Amount borrowed/ Redeemed	Paid Amortization	Interest and Charges Paid	Charges for the Period (a)	Amount borrowed	Paid Amortization	Interest and Charges Paid	Charges for the Period
Internal Financing	-	(7,057)	(4,812)	5,941	-	(9,934)	(5,741)	6,579
Inter-American Development Bank - IDB Receivables Investment Fund Saneago INFR. IV	-	(6,527)	(1,072)	(1,156)	-	(6,145)	(707)	(2,249)
Subordinate Shares FIDIC IV	-	-	-	-	-	(80,597)	(10,114)	9,341
Agreements	201	(1,548)	(1,582)	3,191	73,994	-	-	(7,627)
Debentures	300,000	(148,324)	(84,741)	84,460	200,000	(86,380)	(74,669)	76,465
Transaction cost	-	-	(3,520)	1,487	-	-	(1,840)	7,970
Total	<u>300,201</u>	<u>(163,456)</u>	<u>(95,727)</u>	<u>93,923</u>	<u>273,994</u>	<u>(185,862)</u>	<u>(96,622)</u>	<u>93,621</u>

- An amount of R\$ 5 was capitalized from charges in the period of 2023 and R\$ 72 in 2022.

19.d Lease

Total lease liabilities recognized in the financial information as at September 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	Appropriation of interest	Payments	09/30/2023	Balance as at 12/31/2021	Receipt	Appropriation of interest	Payments	12/31/2022
110,831	57,403	10,308	(33,194)	145,348	19,735	114,148	1,566	(24,618)	110,831
			Current	35,146				Current	21,900
			Non-current	110,202				Non-current	88,931
				<u>145,348</u>					<u>110,831</u>

Statement of noncurrent amounts per maturity		09/30/2023
2024		8,681
2025		38,499
2026		39,304
2027 onwards		23,718
		<u>110,202</u>

As at September 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	171,769	187,505
Recognition of interest 3Q 2023	10,309	10,210
Balance current liabilities at 09/30/2023	35,146	36,158
Balance noncurrent liabilities at 09/30/2023	110,202	125,987

## 20 Employees' pay and related charges

	09/30/2023	12/31/2022
<b>Current</b>		
Alimony and contract termination amounts	39	70
Private pension plan (PREVSAN)	-	35
Health Assistance Program (CAESAN)	3,292	2,987
SESI (Industry Social Service), SENAI (National Industrial Apprenticeship Service)	1,532	3,109
Vacation pay	65,466	65,033
Year-end bonus payable	38,550	-
FGTS (Severance Pay Fund) on vacation pay and year-end bonus	10,972	11,641
INSS (Social Security Tax) payable on salaries	18,686	36,272
Provision for INSS, vacation pay and year-end bonus	29,956	18,730
Provision for Salary Adjustment (a)	25,063	-
Voluntary Redundancy Program	903	1,728
Profit sharing	596	469
	<u>195,055</u>	<u>140,074</u>
<b>Noncurrent</b>		
Voluntary Redundancy Program	-	426

(a) This is a provision for salary adjustment, whose reference date is June 2023. There are ongoing negotiations with the Union for a collective bargaining agreement, which is expected to be concluded until November 2023.

## 21. Taxes payable

	09/30/2023	12/31/2022
<b>Current</b>		
Contribution for Social Security Funding (COFINS)	18,621	14,180
Social contribution tax	6,421	2,416
INSS on services payable	2,101	1,531
Corporate Income Tax (IRPJ)	11,332	7,209
Withholding Income Tax (IRRF) applicable to payroll and services	8,382	16,527
Tax on Services (ISS)	1,561	1,411
Federal tax debt to be paid in installments (a)	13,449	10,542
Contribution to the Social Integration Program (PIS)	4,014	3,048
Withholding of Federal Contributions	440	325
	<u>66,321</u>	<u>57,189</u>
<b>Noncurrent</b>		
Federal tax debt to be paid in installments (a)	32,842	31,842

(a) Debt payable to the Brazilian Federal Revenue Service

Description	Beginning	End	Number of installments	09/30/2023	12/31/2022
I INSS	09/2017	01/2030	149	7,015	7,325
II PIS/COFINS	08/2021	07/2026	60	23,965	27,997
III INSS 10120-18	03/2022	02/2027	60	6,290	7,062
IV INSS 3324-2023	03/2023	02/2028	60	9,021	-
				<b>46,291</b>	<b>42,384</b>
Current				13,449	10,542
Noncurrent				32,842	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.

## 22. Amounts to be paid in installments

Description	Beginning	End	Number of installments	Adjustment	09/30/2023	12/31/2022
AGR - Control and Inspection Council T.A.0255/15	12/2015	12/2030	180	a)	9,472	10,072
AGR - Control and Inspection Council T.A.054/18	05/2018	04/2033	180	a)	3,804	3,956
Public Prosecutor's Office - Labor	15/2022	03/2025	36	-	1,500	2,250
Municipal Government of Rio Verde - TRCF	01/2023	11/2024	23	-	1,673	-
					<u>16,449</u>	<u>16,278</u>
Current					3,536	2,018
Noncurrent					12,913	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	133
	<u>13,780</u>

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

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

### III) 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.



## 23. Contractual obligations

	Description	Beginning	End	Number of installments	09/30/2023	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 September 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.

## 24. Jointly controlled enterprises - Consortiums

Current liabilities	09/30/2023	12/31/2022
Águas Lindas Consortium (a)	2,928	736
	<u>2,928</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 August 31, 2023, Caesb held 42.25% and Saneago 57.75%, (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 amounts receivable and payable by the consortium parties are provisioned in the consortium financial position, and equal interest is recorded in equity.

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

Statement of financial position - Águas Lindas Consortium					
	08/31/2023	11/30/2022		08/31/2023	11/30/2022
Assets			Liabilities		
Current assets			Current liabilities		
Cash and cash equivalents	2,450	2,226	Contributions to be realized - Suppliers	4,916	3,598
Receivables from consumers	21,827	20,047	Employees' pay and related charges	966	1,054
Other receivables	17,358	186	Other payables	18,688	4,130
Prepaid expenses	1,894	1,894		24,570	8,782
Storeroom	608	513			
	44,137	24,866			
Noncurrent assets			Noncurrent liabilities		
Long-term realizable assets			Other payables	10,147	10,147
Receivables from consumers	1,810	1,302	Provision for lawsuits	-	48
Prepaid expenses	46,087	47,508		10,147	10,195
	47,897	48,810			
Fixed assets and intangible assets			Equity		
Fixed assets	698	100	Participation Fund - Saneago	111,976	121,242
Intangible assets	105,478	86,138	Participation Fund - Caesb	111,976	80,289
Contractual assets	83,284	87,249	Income reserve	22,825	26,655
	189,460	173,487		246,777	228,186
Total Assets	281,494	247,163	Total Liabilities	281,494	247,163

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 August 31, 2023, Caesb held 49.84% and Saneago 50.16% 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). The amounts receivable and payable by the consortium parties are provisioned in the consortium financial position, and equal interest is recorded in equity.

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

Statement of financial position - Corumbá Consortium					
	08/31/2023	11/30/2022		08/31/2023	11/30/2022
Assets			Liabilities		
Current assets			Current liabilities		
Other receivables	711	-	Contributions to be realized - Suppliers	2,423	1,542
Storeroom	383	294	Other accounts payable	711	-
	1,094	294	Labor liabilities	322	232
				3,456	1.781
Noncurrent assets					
Long-term assets					
Fixed assets			Equity		
General use assets	390,889	13,426	Participation Fund - SANEAGO	221,619	221,978
Construction in progress	31,915	420,357	Participation Fund - CAESB	221,619	220,963
	422,804	433,783	Loss for the period	(22,796)	(10,645)
				420,442	432,296
Total assets	423,898	434,077	Total liabilities	423,898	434,077

## 25. 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\$ 9,126 as at September 30, 2023 (R\$ 2,489 in current liabilities and R\$ 6,637 in noncurrent liabilities), refers to 44 installments in the amount of R\$ 207 thousand corresponding to the period from October/2023 to May/2027 (R\$ 10.992 as at December 31, 2022 corresponds to the period from January/2023 to May/2027).

## 26. Other payables

	09/30/2023	12/31/2022
Current		
Guarantees	579	604
Expropriation process (a)	-	2,100
Provision for contractual compensation (b)	7,980	6,744
Provision for suppliers	2,978	2,588
Contractual subvention (c)	1,752	1,752
Other payables	-	1
	<u>13,289</u>	<u>13,789</u>

(a) This corresponds to an agreement of R\$7,000 entered into in June 2022 in an expropriation process 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 September 2023;

(c) This refers to the retroactive payment of contractual subvention provided for in the contract of the Municipality of Campos Belos.

## 27. 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:

	09/30/2023	12/31/2022
Civil proceedings	42,992	115,276
Tax proceedings	13,260	25,349
Labor claims	166,089	77,912
AGR - Agência Goiana de Regulação	1,370	1,461
	<u>223,711</u>	<u>219,998</u>

Changes to the provisions were as follows:

	Balance 12/31/2022	Payments of provisioned lawsuits	Recognized Provisions/ Reversals	Balance 09/30/2023
Civil proceedings	115,276	(4,058)	(68,211)	42,992
Tax proceedings	25,349	(11,024)	358	13,260
Labor claims	77,912	(1,711)	88,464	166,089
AGR - Agência Goiana de Regulação	1,461	-	(105)	1,370
Total	<u>219,998</u>	<u>(16,793)</u>	<u>20,506</u>	<u>223,711</u>

The main proceedings provided for as at September 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.

	09/30/2023		12/31/2022	
	Estimated value	Qty	Estimated value	Qty
Environmental	67,779	41	132,669	29
Civil	48,141	537	68,820	696
Criminal	-	-	-	1
Regulatory	6,154	33	6,068	35
Labor	69,736	108	76,579	132
Tax	704,550	8	623,285	7
		896,360	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
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
			848,896

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 September 30, 2023.

### 28. Employee benefits

#### 28.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		(1,157,279)
3 Deficit/(Surplus) determined		(6,518)
2 Asset ceiling effect and additional liabilities	-	
1 Asset ceiling effect		6,518
2 Additional liabilities		-
3 Asset ceiling effect and additional liabilities		6,518
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.

#### 28.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.

#### 28.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 September 30, 2023, they corresponded to R\$ 30,650 (R\$ 25,344 as at September 30, 2022), not being necessary to calculate actuarial liabilities.



## 29. 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	09/30/2023					
	# 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%
<b>Total</b>	<b>1,866,906,374</b>	<b>100.00 %</b>	<b>648,639,993</b>	<b>100.00%</b>	<b>2,515,546,367</b>	<b>100.00 %</b>

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

### b) Payment of capital

Between December 31, 2022, and September 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	09/30/2023	12/31/2022
Asset and liability valuation adjustment	50,472	50,473
Deferred taxes on deemed cost (Note 14.2)	(17,160)	(17,160)
	<b>33,312</b>	<b>33,313</b>

f) Dividends and interest on equity capital

In compliance with the Brazilian corporate law, the Company's articles of incorporation establish the distribution of mandatory dividends of 25% of the net income of the year, first paid to holders of preferred shares, 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) as at September 30, 2023	406,310
Projected recognition of statutory reserve (5%)	(20,316)
Adjusted profit distributable	<u>385,994</u>
Mandatory dividends (25%)	<u>96,498</u>
Interest on capital added to dividends	<u>96,498</u>
Total proceeds distributed to shareholders as at September 30, 2023	<u><u>96,498</u></u>

Type of share	Quantity	Percentage	Total compensation	Earnings per share
Ordinary shares	1,866,906,374	74.21%	69,816	0.03740
Preferred shares	<u>648,639,993</u>	25.79%	<u>26,682</u>	0.04114
	2,515,546,367		96,498	

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%	301,542	0.1615
Preferred shares	<u>648,639,993</u>	25.79%	<u>104,768</u>	0.1615
	2,515,546,367		406,310	

Diluted earnings in the period is relative to common shares amounting to R\$ 301,542, and diluted earnings per share is R\$ 0.1615.

### 30. Net operating revenue (expenses)

	07/01/2023 to 09/30/2023	01/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022 (Restated)	01/01/2022 to 09/30/2022 (Restated)
<b>Gross revenue</b>				
Water supply and sewage services	892,729	2,463,364	810,319	2,265,029
Technical services	589	1,771	694	1,835
Subsidy - Social Tariff	-	-	1,066	1,557
Outsourcing	2,275	6,825	2,275	6,825
Revenue from construction work	93,082	241,884	96,394	189,115
<b>Total</b>	<b>988,675</b>	<b>2,713,844</b>	<b>910,748</b>	<b>2,464,361</b>
<b>Taxes and returns</b>				
Contribution to the Social Integration Program (PIS)	(14,793)	(40,821)	(13,324)	(37,209)
Contribution for Social Security Funding (COFINS)	(68,135)	(188,024)	(61,370)	(171,387)
Returns and rebates	(489)	(1,453)	(598)	(1,497)
	<b>(83,417)</b>	<b>(230,298)</b>	<b>(75,292)</b>	<b>(210,093)</b>
<b>Net operating revenue</b>	<b>905,258</b>	<b>2,483,546</b>	<b>835,456</b>	<b>2,254,268</b>

### 31. Costs and expenses by type

<b>Cost of services</b>	07/01/2023 to 09/30/2023	01/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022	01/01/2022 to 09/30/2022
Personnel (a)	(173,620)	(503,589)	(168,168)	(553,413)
Third-party services	(28,883)	(86,599)	(30,246)	(73,002)
Electric power (b)	(59,343)	(173,424)	(55,893)	(200,195)
Amortization and depreciation	(31,870)	(92,208)	(27,711)	(81,869)
Materials	(28,081)	(79,269)	(25,011)	(68,410)
General expenses	(1,807)	(5,400)	(2,128)	(18,211)
Tax credits from PIS and COFINS on depreciation and amortization	5,351	16,181	5,308	15,801
	<b>(318,253)</b>	<b>(924,308)</b>	<b>(303,849)</b>	<b>(979,299)</b>
<b>Construction costs</b>	<b>(93,083)</b>	<b>(241,884)</b>	<b>(96,393)</b>	<b>(189,115)</b>
	<b>(411,336)</b>	<b>(1,166,192)</b>	<b>(400,242)</b>	<b>(1,168,414)</b>
<b>Administrative expenses</b>	07/01/2023 to 09/30/2023	01/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022	01/01/2022 to 09/30/2022
Personnel (a)	(99,009)	(284,814)	(83,875)	(301,199)
Third-party services	(10,399)	(29,780)	(12,112)	(31,546)
Electric power (b)	(586)	(1,847)	(539)	(2,170)
Amortization and depreciation	(13,795)	(39,162)	(9,284)	(23,225)
Materials	(2,574)	(6,720)	(1,291)	(3,421)
General expenses	(5,478)	(13,352)	(3,473)	(18,453)
	<b>(131,841)</b>	<b>(375,675)</b>	<b>(110,574)</b>	<b>(380,014)</b>
<b>Commercial expenses</b>	07/01/2023 to 09/30/2023	01/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022	01/01/2022 to 09/30/2022
Personnel (a)	(30,702)	(92,148)	(31,669)	(113,394)
Third-party services	(19,221)	(60,836)	(22,779)	(62,066)
Amortization and depreciation	(103)	(334)	(81)	(231)
Materials	(291)	(650)	(242)	(640)
Concession-related compensation	(26,588)	(73,160)	(23,302)	(67,129)
General expenses	(3,092)	(8,740)	(2,230)	(10,172)
Tax credits from PIS and COFINS on depreciation and amortization	14	42	6	19
	<b>(79,983)</b>	<b>(235,826)</b>	<b>(80,297)</b>	<b>(253,613)</b>

Total costs and expenses	07/01/2023 to 09/30/2023	01/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022	01/01/2022 to 09/30/2022
Personnel (a)	(303,331)	(880,551)	(283,712)	(968,006)
Third-party services	(58,503)	(177,215)	(65,137)	(166,614)
Electric power (b)	(59,929)	(175,271)	(56,432)	(202,365)
Amortization and depreciation	(45,768)	(131,704)	(37,076)	(105,325)
Materials	(30,946)	(86,639)	(26,544)	(72,471)
Concession-related compensation	(26,588)	(73,160)	(23,302)	(67,129)
General expenses	(10,377)	(27,492)	(7,831)	(46,836)
Tax credits from PIS and COFINS on depreciation and amortization	5,365	16,223	5,314	15,820
	<u>(530,077)</u>	<u>(1,535,809)</u>	<u>(494,720)</u>	<u>(1,612,926)</u>

- (a) In 9M2022, 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.

### 32. Recognition/Reversals of provisions and Credit Losses/Recovery

	07/01/2023 to 09/30/2023	01/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022	01/01/2022 to 09/30/2022
Recognition/reversal of provision net of contingencies (e)	(1,465)	(3,713)	(5,285)	20,527
Net recognition/reversal of allowance for doubtful accounts (b)	(28,835)	(85,379)	(23,417)	(70,381)
Net Recognition/reversal of provision for profit sharing for employees (c)	(17,375)	(1,307)	6,658	6,447
Net Recognition/reversal of provision for inventory losses	803	3,149	(455)	5,952
Reversals of losses on construction	6,088	11,529	-	-
Provisions for Loss of Concessions (d)	-	(48)	(2,654)	(2,654)
Net recognition/reversal of provisions	<u>(40,784)</u>	<u>(75,769)</u>	<u>(25,153)</u>	<u>(40,109)</u>
Losses/recovery of barred credits (a)	8,334	21,411	11,023	38,681
Net recognition/reversal of provisions	<u>(32,450)</u>	<u>(54,358)</u>	<u>(14,130)</u>	<u>(1,428)</u>

Changes in inventory losses, recognized as described in Note 2.3, are as follows:

Reversal of net provision for inventory losses (Note 8)	4,212
Recognition of net provision for construction inventory losses (Note 16)	(1,063)
	<u>3,149</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) Net income (loss) recorded for 2022 is due to the provision for profit sharing (PLR) of 2022 of R\$ 28,799 and reversal of the PLR provision 2021 of R\$ 35,246 (R\$ 13,857 and R\$ 20,515 in the third quarter respectively). As for the reversal of the 2021 PLR, part of it was converted into effective expenses in the amount of R\$ 24,927, according to Note 35.

In 2023, a total of R\$ 40,632 was recognized as provisions for profit sharing within the current year, R\$ 17,375 in the third 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".

- (d) This value refers to the write-off of assets of Buriti Alegre in the period of 2022 and of residual assets from districts in the municipality of Buriti Alegre in the year of 2023, both transferred to Other accounts receivable, as detailed in Note 12.
- (e) In the third quarter of 2023, there were no individually relevant provisions. In the second quarter, however, there was the 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 that there was a reversal of R\$ 75,123 from the Municipal Government of Minaçu's proceeding in the 1st quarter of 2023, the impact on accumulated income (loss) was reduced.

This proceeding is relative to the execution of tax enforceable debts. It was provisioned for in 2021, and considered ungrounded by court and, subsequently, after final court decision, archived.

At last, the accumulated 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.

### 33. Other operating revenues and expenses

	07/01/2023 to 09/30/2023	01/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022	01/01/2022 to 09/30/2022
Reimbursement and indemnities	276	923	420	1,545
Disposal and Write-off of Fixed Assets	-	-	(2)	(948)
Adjustments to Inventories	(2,735)	(3,532)	(478)	(473)
Employee Profit Sharing (a)	-	(39,323)	(24,927)	(24,927)
Other Operating Revenues/Expenses	1,228	2,643	(243)	672
	<u>(1,231)</u>	<u>(39,289)</u>	<u>(25,230)</u>	<u>(24,131)</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.

### 34. Net financial income (loss)

	07/01/2023 to 09/30/2023	01/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022 (Restated)	01/01/2022 to 09/30/2022 (Restated)
Financial revenues				
Interest/fines/income (a)	29,210	82,524	28,893	73,102
Monetary adjustment	7,168	19,625	8,819	27,766
Discount to present value	169	943	479	1,800
	<u>36,547</u>	<u>103,092</u>	<u>38,191</u>	<u>102,668</u>
Financial expenses				
Interest/fine/charges and other expenses	(39,390)	(121,301)	(43,086)	(115,980)
Monetary adjustment	(1,023)	(3,468)	(777)	(4,270)
Exchange rate losses	(2,185)	2,635	(2,390)	3,513
	<u>(42,598)</u>	<u>(122,134)</u>	<u>(46,253)</u>	<u>(116,737)</u>
Net financial income (loss)	<u>(6,051)</u>	<u>(19,042)</u>	<u>(8,062)</u>	<u>(14,069)</u>

- (a) Most of this balance refers to return on financial investment and the change is due to the increase in the amount invested;

### 35. 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 09/30/2023 - SANEAGO	Amount invested until 09/30/2023 - BRK Ambiental	Total amount invested
Adelândia	01/16/2048	525	132	-	132
Águas Lindas de Goiás	12/28/2048	309,022	21,959	-	21,959
Anápolis	02/27/2050	525,925	121,407	-	121,407
Anicuns	04/10/2048	42,785	7,513	-	7,513
Aparecida de Goiânia	11/01/2041	988,848	213,601	903,804	1,117,405
Aporé	04/06/2048	7,682	354	-	354
Aragoiânia	12/26/2042	27,926	1,756	-	1,756
Araguapaz	03/16/2048	5,210	1,105	-	1,105
Avelinópolis	01/22/2046	1,724	289	-	289
Barro Alto	12/26/2042	32,703	2,246	-	2,246
Brazabrantes	02/06/2044	8,056	1,554	-	1,554
Cachoeira Alta	07/27/2045	26,167	1,077	-	1,077
Caldazinha	08/02/2048	1,070	422	-	422
Campestre de Goiás	01/06/2046	645	374	-	374
Campinaçu	08/12/2045	13,146	9,870	-	9,870
Cavalcante	12/28/2048	1,612	2,285	-	2,285
Cezarina	12/17/2042	23,352	15,256	-	15,256
Cidade Ocidental	11/01/2041	243,394	18,937	-	18,937
Cristalina	02/07/2044	58,952	25,833	-	25,833
Davinópolis	05/04/2048	506	172	-	172
Diorama	07/24/2047	1,091	116	-	116
Divinópolis	10/05/2047	675	402	-	402
Flores de Goiás	08/14/2044	4,221	505	-	505
Goianira	10/03/2048	1,457	220	-	220
Goiânia	12/17/2049	3,419,897	753,323	-	753,323
Guarani de Goiás	09/15/2040	962	892	-	892
Guarinos	02/16/2048	1,383	447	-	447
Hidrolândia	08/03/2046	9,737	3,550	-	3,550
Indiara	04/30/2044	32,180	1,995	-	1,995
Inhumas	06/17/2050	79,176	6,374	-	6,374
Israelândia	11/24/2039	3,300	145	-	145
Itajá	12/19/2042	2,328	417	-	417
Itapaci	12/28/2048	56,172	1,304	-	1,304
Itapuranga	12/28/2048	8,063	8,908	-	8,908
Jataí	11/01/2041	114,116	36,025	171,950	207,975
Jussara	12/26/2046	5,759	1,373	-	1,373
Luziânia	12/01/2045	366,853	34,326	-	34,326
Mambaí	03/07/2046	1,689	805	-	805
Minacu	02/06/2044	57,857	10,965	-	10,965
Morrinhos	11/30/2040	46,917	21,314	-	21,314
Morro Agudo de Goiás	05/02/2046	1,198	450	-	450
Mozarlândia	12/28/2046	1,894	1,461	-	1,461
Nazário	05/04/2048	2,280	666	-	666
Novo Gama	11/16/2048	253,055	19,262	-	19,262
Palmelo	10/29/2042	1,039	204	-	204
Perolândia	12/21/2048	499	290	-	290
Petrolina de Goiás	10/20/2041	6,797	7,852	-	7,852
Pires do Rio	11/03/2038	10,529	24,615	-	24,615
Posse	06/12/2047	19,945	10,216	-	10,216
Rio Verde	11/01/2041	249,889	62,205	223,820	286,025
Santa Cruz de Goiás	06/28/2043	1,497	385	-	385
Santo Antônio da Barra	12/29/2045	3,977	490	-	490
Santo Antônio de Goiás	12/02/2045	15,868	1,372	-	1,372
Santo Antônio do Descoberto	06/10/2046	55,686	24,416	-	24,416
São Domingos	12/28/2048	1,334	398	-	398
São João D'aliança	05/31/2049	3,033	2,354	-	2,354
São Luís de Montes Belos	12/19/2042	41,928	26,075	-	26,075
São Miguel do Passa Quatro	12/18/2049	8,686	349	-	349
Trindade	11/01/2041	169,222	24,150	303,577	327,727
Uirapuru	12/28/2048	699	151	-	151
Uruaçu	12/28/2048	44,341	5,861	-	5,861
Valparaíso de Goiás	11/16/2048	389,652	12,804	-	12,804
		<b>7,816,131</b>	<b>1,555,574</b>	<b>1,603,151</b>	<b>3,158,725</b>

### 36. 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.

### 37. 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.

#### 37.1 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 third quarter of 2023, the net revenue the Company received from that State was R\$ 81,059 (R\$ 76,381 in the third quarter of 2022).

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

	09/30/2023	12/31/2022
Amounts billed not yet due	14,860	6,201
Falling due in more than 30 days	377	549
Overdue for up to 30 days	3	673
Overdue from 31 to 60 days	1,624	449
Overdue from 61 to 90 days	702	492
Overdue from 91 to 120 days	524	443
Overdue from 121 to 180 days	968	410
Overdue from 181 to 360 days	2,460	1,287
Overdue from 361 days to 5 years	5,042	4,476
Overdue for more than 5 years	5,425	4,100
Estimate of amounts to be billed	4,069	3,458
(-) Discount to present value of receivables	(6)	(18)
(-) Allowance for doubtful accounts	(13,763)	(9,988)
Subtotal	<u>22,285</u>	<u>12,532</u>
Amounts receivable (noncurrent)	1,572	1,685
(-) Discount to present value of receivables	(184)	(207)
(-) Allowance for doubtful accounts	(103)	(104)
Subtotal	<u>1,285</u>	<u>1,374</u>
Total	<u>23,570</u>	<u>13,906</u>

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.

### 37.2 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 September 30, 2023, gross revenue in the municipality of Goiânia corresponded to R\$ 910,202 and an amount of R\$ 45,510 was deposited into the Fund.

b) 34 among the 224 contracts, as at September 30, 2023, have expected remuneration between 2% and 5% of the municipality revenue. However, 5 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 September 30, 2023, the balance of accounts receivable, overdue and falling due, referring to debts from the municipalities which the Company renders services, is R\$ 100,911 and 5 matching of accounts was realized with an adjustment of R\$ 1,472 (R\$ 91,769 as at December 31, 2022, with 17 matching of accounts and adjustment of R\$ 2,406).

### 38. Compensation of Management, Tax Board and Statutory Committee

As at September 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\$ 6,471 (R\$ 5,364 as at September 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.

#### 39. Supplementary cash flow information

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

ASSETS	Note	09/30/2023
Receivables from consumers	7	(75,224)
Allowance for doubtful accounts/reversals/discount to present value	7	(84,436)
		<u>(159,660)</u>
Other accounts receivable	12	4,897
Transfers of intangible assets - Contributions Consortium Águas Lindas	17	(37)
Transfers of fixed assets - Contributions Consortium Corumbá	15	(3,304)
		<u>1,556</u>
Recoverable taxes	9	3,719
Taxes and contributions to offset - Lease		5,310
		<u>9,029</u>
Inventories	8	(25,780)
Transfers of contract assets	16	3,067
Estimated inventory losses/Reversal	32	4,212
		<u>(18,501)</u>
Contract assets	16	(146,703)
Allocation of inventories in addition	16	14,019
Capitalized interest	19.c	5
		<u>(132,679)</u>

#### 40. 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 September 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.

#### 41. 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.

#### 42. 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.

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