

Management comments for the periods ended September 30, 2020 compared to the same period in 2019.

Amounts expressed in thousands of reais (unless otherwise stated)



1. General Customer Service Data


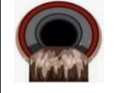
The Company operates in Water Supply and Sewage Treatment Systems in the vast majority of the State of Goiás, operating in 226 of the 246 municipalities in the state in which 62 have Program Agreements and 164 have Concession Agreements. It is noteworthy that between September 2019 and September 2020,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

Program and Concession Contracts	Unit	9M2020	9M2019	Revenue Participation %
Total Municipalities Served by Saneago	No.	226	226	100%
Total Municipalities - Program Contract	No.	62	57	71.68%
Total Municipalities - Concession Contract	No.	164	169	28.32%

2. General Customer Service Data

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

	OPERATIONAL INDICATORS	Unit	9M 2020	9M 2019	Variation (%)
	Population served	Thousand.	5,803	5,714	1.56%
	Customer Service Index	%	97.30%	97.00%	0.31%
	Connections	Thousand.	2,250	2,193	2.60%
	Measurements	Thousand.	2,452	2,394	2.42%
	Network Extension	Km	31,166	30,514	2.14%
	Population served	Thousand.	3,841	3,636	5.64%
	Sewage Treatment Index	%	64.40%	61.77%	4.26%
	Sewage Treated Handling Index	%	60.00%	57.40%	4.53%
	Connections	Thousand.	1,248	1,178	5.94%
	Measurements	Thousand.	1,416	1,343	5.44%
Network Extension	Km	13,271	12,899	2.88%	

	OPERATIONAL INDICATORS							
	Unit	Q3/202	Q3/201	Variation	9M 2020	9M 2019	Variation	
	Billed Volume	ousand of	74,653	70,278	6.23%	206,547	200,324	3.1%
	Produced Volume	ousand of	103,256	101,741	1.49%	292,348	289,736	0.9%
	Billed Sewage Volume	ousand of	44,980	41,752	7.73%	126,337	119,817	5.4%
	Treated Sewage Volume	ousand of	41,684	38,759	7.55%	117,109	111,038	5.5%

2.1. Water Supply System

In 9M020, the company expanded its performance in the provision of water supply services in the state of Goiás in relation to the population served by 1.56%, with service index reaching 97.3% of the population. There was an increase in the number of billed water connections by the Company by 2.60% while the extension of the water distribution networks was increased by 2.14%.

2.2. Sewerage System

Regarding sewerage systems, there was also expansion, the population served increased, the

population served went to 3,841 people, representing a growth of 5.64%. This number represents a Sewage Service Index of 64.40% of the total population served in the State (municipalities in which the Company holds a concession) in 9M2020. The number of billed sewage connections represented a growth of 5.94%. In relation to the billed volume of sewage, there was an increase of around 5.4%. The volume of treated sewage grew 5.5% also for 9M2020.

3. Performance Indicators

As regards the number of employees, total number decreased, going from 5,844 in 9M2019 to 5,836 in 9M2020, representing a 0.14% reduction. The staff productivity index, measured by the ratio of connections (water + sewage) by number of employees, went from 577 connections/employees for 599 connections/employees evidencing efficiency improvement of 3.86%.

Table 02- Performance Indicators

Indicators	9M 2020	9M 2019	Variation %
Number of employees	5,836	5,844	-0.14%
Connections / Employee	599	577	3.86%
Measurements / Employee	663	639	3.71%
Water Metering Index (%)	99.73%	99.73%	0.00%
Macro Measurement Index (%)	96.36%	98.02%	-1.69%
Loss Index	27.65%	29.13%	-5.08%

Also noteworthy is the 5.08% reduction in the treated water loss index, reaching a percentage of 27.65% in 9M2020 compared to 29.13% in the same period of 2019.

4. Investment

Chart 1 - Volume of Investments by System in Q3/2020

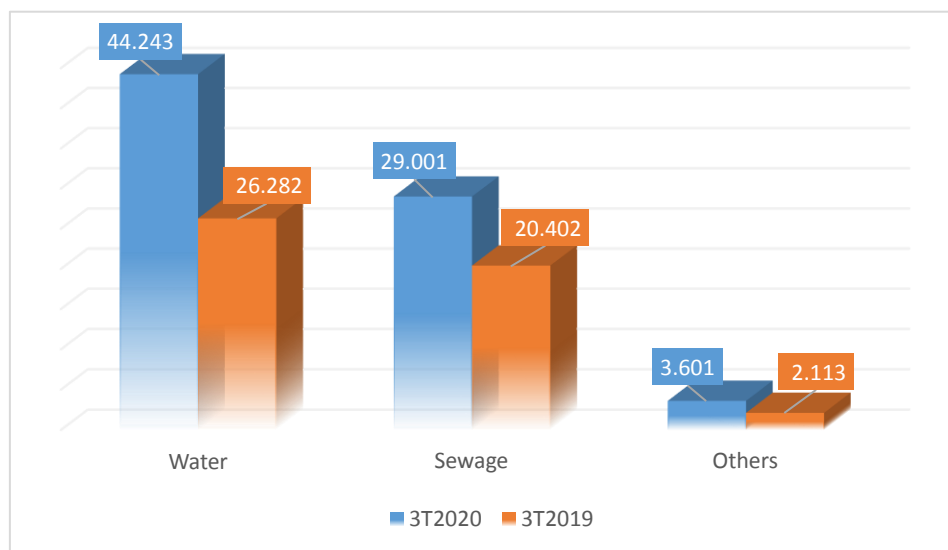
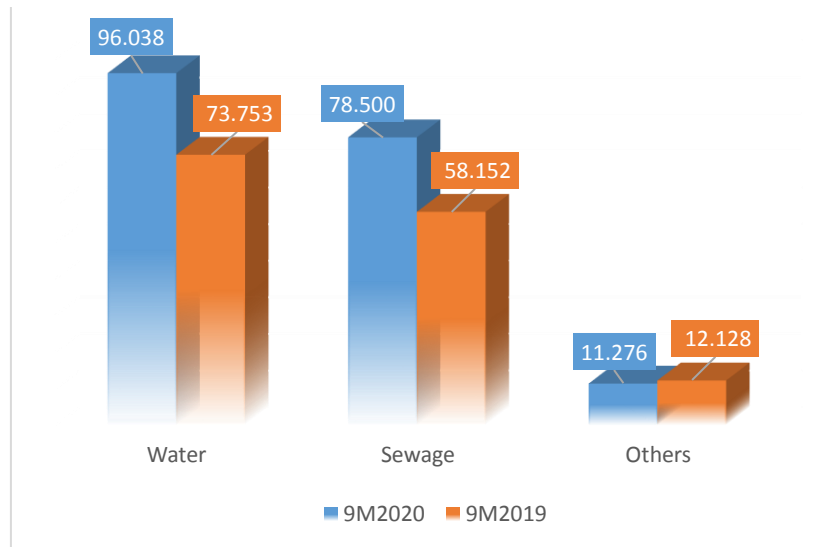


Chart 2 - Volume of Investments by System in 9M2020



The investments made on the 3rd accrued quarter of 2020 (9M2020) totaled R\$ 185,814, according to Chart 2, amount 29% higher than that of R\$ 144,033 for the same period of the previous year. From this amount, 51.70% was invested in water supply systems, while 42.50% was invested in sanitary sewage collection and treatment systems, the remaining 15.80% was invested in operational improvement programs, business development, general purpose goods and others. Within the 'Others' Group is the acquisition of goods not intended for Water and Sewerage Systems such as the acquisition of vehicles, computers, construction of administrative areas and software.

5. Financial Result Performance

Table 3- Financial Result Performance

FINANCIAL RESULT PERFORMANCE						
Financial Indicators	Q3/2020	Q3/2019	Variation %	9M2020	9M2019	Variation %
Net Profit	628,315	622,094	1.00%	1,744,722	1,666,284	4.71%
Revenue from Technical Services	481	647	-25.66%	1,353	1,723	-21.47%
Sub-delegation Grant	2,275	2,275	0.00%	6,825	6,825	0.00%
Services Cost	(257,594)	(325,987)	-20.98%	(774,994)	(888,093)	-12.74%
Gross Financial Result	373,477	299,029	24.90%	977,906	786,739	24.30%
Commercial Expenses	(66,452)	(62,234)	6.78%	(196,421)	(167,608)	17.19%
Administrative Expenses	(105,163)	(118,157)	-11.00%	(291,433)	(304,876)	-4.41%
Other Revenue and Other Expenses Tax	(944)	482	-295.85%	(7,052)	1,559	-552.34%
Depreciation / Amortization	29,648	62,320	-52.43%	88,491	182,324	-51.46%
Provisions / Reversals / Losses and Rec	(27,257)	(56,308)	-51.59%	(67,234)	(137,299)	-51.03%
Tax Expenses	(2,380)	(5,967)	-60.11%	(13,951)	(13,236)	5.40%
EBITDA	200,929	119,165	68.61%	490,306	347,603	41.05%
EBITDA Margin	31.84%	19.07%	67.00%	27.97%	20.75%	34.77%
Adjusted EBTIDA	228,186	175,473	30.04%	557,540	484,902	14.98%
Adjusted EBTIDA Margin	36.16%	28.07%	28.79%	31.81%	28.95%	9.86%
Depreciation / Amortization	(29,648)	(62,320)	-52.43%	(88,491)	(182,324)	-51.46%
Financial Expenses	(10,724)	(16,790)	-36.13%	(61,373)	(45,799)	34.01%
Deferred IRPJ / CSLL	(13,336)	2,358	-665.56%	(55,039)	11,214	-590.81%
IRPJ/CSLL	(26,195)	(18,259)	43.46%	(24,246)	(53,459)	-54.65%
Net Profit	121,026	24,154	401.06%	261,157	77,235	238.13%

5.1 Income

In relation to Net Revenue, the Company recorded a 1% increase in Q3/2020, pressured by the New Coronavirus Pandemic. Even so, the gross result increased by 24.90% due to the reduction in Service Costs, both compared to the same period of the previous year. In the accrued period (9M2020), net sales increased 4.71%.

The evolution of the aforementioned results has as main assumptions the expansion of the customer base and increase in the billed volume of sewage, as well as the tariff readjustment authorized by AGR (Agency for Regulation, Control and Inspection of Public Services of Goiás) of 5.79% applied to the customers' accounts as of July 1, 2019.

5.2 Costs and Expenses

Regarding costs and expenses, we can subdivide them into 3 (three) structures: Commercial, administrative and service expenses. Commercial expenses rose 6.78% in Q3/2020 compared to Q3/2019 while administrative expenses dropped 11% in Q3/2020 in relation to Q3/2019. In the accrued period (9M2020) these variations were 17.19% for Commercial and -4.41% for Administrative, as detailed in items 5.6 and 5.7.

Service costs decreased by 20.98% in Q3/2020 and 12.74% in 9M2020 in relation to the same period of the previous year, according to the accounting reclassifications carried out and detailed in Item 5.5.4, as well as by the change in the methodology for calculating depreciation for useful life.

5.3 EBITDA

The company's EBITDA reached R\$ 200,899 in Q3/2020 compared to the R\$ 119,165 registered in the same period of the previous year, representing a growth of 68.59% in relation to Q3/2019. In 9M2020, EBTIDA reached a total of R\$ 490,273, increasing 30.02% compared to the previous year. This growth refers mainly to the reduction of Estimated Losses on Allowance for Doubtful Accounts in the order of 77.92% (see Item 5.8) as well as the reversal of R \$ 10.9 million in Losses to Stocks. In addition, there is also a 4.71% increase in net sales.

5.3.1 EBITDA Margin

The ratio between EBITDA on net sales in Q3/2020 was 31.83% compared to 19.07% assessed in the same period last year and 27.97% in 9M2020 compared to 20.75% in the previous year.

5.4 Adjusted EBITDA

Adjusted EBITDA, calculated excluding Provisions / Reversals / Losses and Receivables Accounting credits that are proven to have no cash effect as described in table 3 were measured for Q3/2020 in the amount of R\$ 228,156, representing a 30.02% increase compared to the same period of the previous year. In the accrued period (9M2020), the amount was of R\$ 557,507, a growth of 28.95% against 2020.

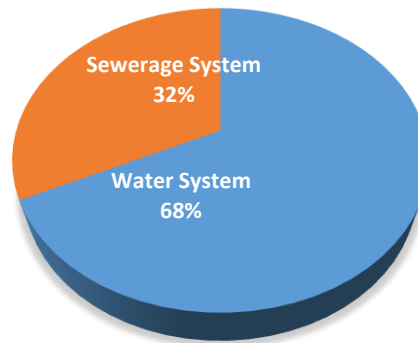
5.4.1 Adjusted EBITDA Margin

The ratio between Adjusted EBITDA on net income (adjusted EBITDA margin) in Q3/2020 was 36.15% compared to 28.07% in the same period of the previous year, which represents an increase of 28.78% when compared to the same period of the previous year. In the accrued analysis (9M2020), the percentage was of 31.80%, representing an increase of 9.85%.

5.4.2 Sales Gross Revenue

Currently, approximately 68% of Saneago's Revenues come from the exploitation of Water Systems and 32% from Sewerage Systems, as shown in the following Chart:

Chart 3 - Segmentation by Type of System



The increase in gross sales revenue in Q3/2020 was of R\$ 9,323, which represents an increase of 1.36% in relation to the same period of the previous year, representing a total gross revenue of R\$ 693,140 in the period, against R\$ 683,817 assessed in the same period of the previous year. Reviewing the accrued period (9M2020), the Gross Revenue reached R\$ 1,925,489, as it can be observed in table 4 below.

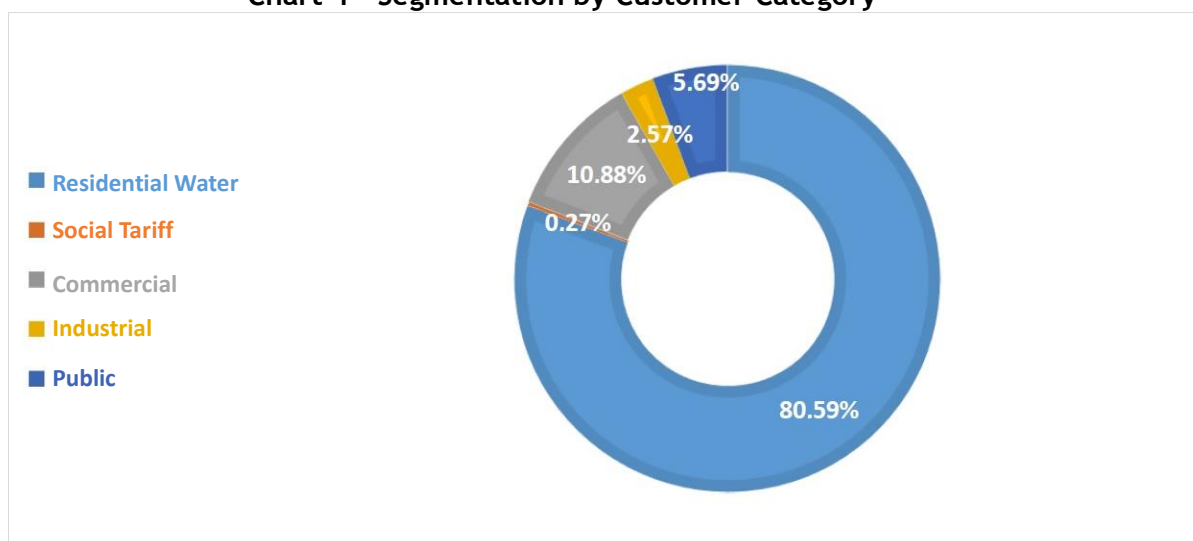
Table 04 - Sales Gross Revenue

GROSS SALES REVENUE						
Revenue by Type of Service	Q3/2020	Q3/2019	Variation %	9M2020	9M2019	Variation %
Residential Water	322,533	295,669	9.09%	885,223	806,395	9.78%
Social Tariff	1,111	1,157	-3.98%	3,247	3,467	-6.35%
Commercial	36,041	40,899	-11.88%	101,945	111,408	-8.49%
Industrial	10,581	10,007	5.74%	27,122	26,298	3.13%
Public	20,801	24,855	-16.31%	58,858	65,325	-9.90%
Indirect Revenues of Services	2,454	4,383	-44.01%	8,222	8,405	-2.18%
Minimum Fixed Tariff	67,159	66,955	0.30%	201,919	190,931	5.75%
Total Water	460,680	443,925	3.77%	1,286,536	1,212,229	6.13%
Residential Sanitary Sewage	149,863	137,475	9.01%	415,557	378,765	9.71%
Social Housing	500	509	-1.77%	1,441	1,522	-5.32%
Commercial	27,745	32,050	-13.43%	80,876	87,961	-8.05%
Industrial	4,478	4,588	-2.40%	12,784	12,828	-0.34%
Public	12,535	13,971	-10.28%	37,241	37,726	-1.29%
Indirect Revenues of Services	666	7,635	-91.28%	11,856	27,235	-56.47%
Minimum Fixed Tariff	22,657	22,021	2.89%	67,321	62,733	7.31%
Total Sewage	218,444	218,249	0.09%	627,077	608,770	3.01%
Revenue to invoice for Water/Sewage	14,016	21,643	-35.24%	11,876	8,424	40.98%
Gross Revenue	693,140	683,817	1.36%	1,925,489	1,829,424	5.25%
Deductions	(64,825)	(61,723)	5.03%	(180,767)	(163,140)	10.80%
Net Revenue	628,315	622,094	1.00%	1,744,722	1,666,284	4.71%

As already mentioned in the text of Table 3 - Financial Result Performance, part of the increase in Revenues reflects the tariff readjustment applied to invoices issued as of July, as well as the measurements of water 2.42% and sewage 5.44%.

Regarding customer segmentation, we highlight that the residential category concentrates the largest share of the company's customers with a 80.59% share of total operating revenue from services provided. The commercial and public categories represent 10.88% and 5.69% respectively.

Chart 4 - Segmentation by Customer Category



Main variations and causes of the observations shown in Table 4 for Q3/2020 / 9M2020.

5.4.3 Water supply revenue - Total water supply revenue increased by 3.77% in the Q3/2020. As seen in Table 4, there was an increase of 9.09% in Residential consumption in the period of Q3/2020 and 9.78% in the accrued 9M2020. However, Commercial and Public consumptions decreased by 11.88% and 16.31% in Q3/2020 and 8.49% and 9.90% in accrued 9M2020. These variations partly reflect the transfer of commercial and public to residential consumption due to the social distancing adopted in the State of Goiás since March and that directly affected commercial activities, public and private schools and industries in the state.

5.4.4 Sanitary Sewage Revenue - Revenue from sanitary sanitary sewage increased 0.09% for the Q3/2020 and increased 3.01% in 9M2020. As mentioned in item 5.4.3, in the Sewage Revenue there is a reflection of the Social Isolation adopted, with an increase in residential tariffs in the face of a reduction in public and commercial tariffs.

5.4.5 Deductions from Gross Operating Revenue - Deductions from gross operating revenue refer to PIS, PASEP, COFINS that increased 5.03% in Q3/2020 and 10.80% in the accrued analysis (9M2020). This increase reflects the proportional increase in taxes levied on revenue.

5.4.6 Net Operating Revenue - Net operating revenue reached R\$ 628,315 in Q3/2020, against R\$ 622,094 in the same period of the previous year, a growth of 1%. In the accrued period, the Net Revenue reached 1,744,722.

5.5 Costs of Services Provided - Costs of services provided excluding construction, formed by expenses with operation, conservation and maintenance of water and sewage systems totaled R\$ 257,594 in Q3/2020 and R \$ 774,994 in 9M2020, showing a reduction of 20, 98% and 12.74%, respectively, mainly due to the change in the useful life policy for determining depreciation and the value of Indemnities at PDV2019 as shown in the table of cost composition of the services provided below:

Table 05- Breakdown of Costs for Services Provided

Services Costs	Q3/2020	Q3/2019	Variation %	9M2020	9M2019	Variation %
Personnel	147,986	158,385	-6.57%	429,763	427,696	0.48%
Material	18,693	25,958	-27.99%	62,649	55,358	13.17%
Electricity	53,844	55,980	-3.82%	155,260	164,699	-5.73%
Third Party Services	18,102	29,623	-38.89%	52,770	71,184	-25.87%
General	2,177	1,418	53.53%	4,985	5,435	-8.28%
Subtotal	240,802	271,364	-11.26%	705,427	724,372	-2.62%
Amortization	16,792	54,623	-69.26%	69,567	163,721	-57.51%
Total General	257,594	325,988	-20.98%	774,994	888,093	-12.74%

Main variations and causes of Service Costs in Q3/2020 / 9M2020:

5.5.1 Personnel - Personnel expenses totaled R\$ 147,986 in Q3/2020 and R\$ 429,763 in 9M2020, a reduction of 6.57% and 0.48%, respectively. In 2019, R\$ 16.2 million was recorded as Indemnifications for the Voluntary Job Termination Plan, a fact that increased expenses that year, causing this high reduction in Q3/2020.

5.5.2 Material - Material expenses decreased 27.99% in Q3/2020 and increased 13.17% 1 in 9M2020. The main factor behind this reduction in Q3/2020 was the regularization of write-offs for treatment materials in the period. In the cumulative analysis for 9M2020, we highlight the increase in PPE acquisitions in Q2/2020, which reached R\$ 2.2 million against R\$ 467 thousand in 2019. This variation is due to the Company's actions in the Fight against the New Corona Virus

and impacted the accumulated increase in the period. In addition, the regularization of write-offs for treatment materials, analyzing whether every month of 2020 also impacted this increase, from R\$ 25 million to R\$ 28.8 million.

5.5.3 Electricity - Electricity costs totaled R\$ 53,844 in Q3/2020 and a total of R\$ 155,260 in 9M2020, showing a reduction of 3.81% and 5.73%, respectively, in relation to the previous period. This reduction is a reflection of the electricity tariff readjustment in 2019, with a negative average percentage of 5.08%, causing a lower average tariff price.

5.5.4 Third-party services - Spending on third-party services decreased by 38.89% in Q3/2020 and by 25.87% in 9M2020. The reduction presented in Q3/2020 is due to the fact that, in 2019, in September, an agreement was made with CODEGO (Development Company of the State of Goiás) in which the amounts referring to the acquisition of Treated Water by Saneago during the year in the amount of R\$ 8.9 million. In Q3/2020, this amount was R\$ 2.2 million. In the accumulated analysis, it is noteworthy that in Q4/2019, the nature of the expense with the Collection Fee was reclassified, which was included in the Service Cost and was reclassified as Commercial Expense. This reclassification was in the order of R\$ 19 million for 9M2020 causing the accrued reduction of 25.87%.

5.5.5 General - General expenses increased 53.46% in Q3/2020 and decreased 8.28% in 9M2020. This variation occurred due to payments of Legal Expenses due to a labor agreement signed with STIUEG (Union of Workers in Urban Industries in the State of Goiás).

In the 9M2020 Accumulated Period, the reduction shown reflects the reclassification of sidewalk maintenance and asphalt replacement services that were classified as Building Conservation And Maintenance (General) and were relocated in Conservation And Maintenance Of the System (Third Party Services).

5.6 - Administrative Expenses - Expenses with the Company's management structure dropped 11% in Q3/2020 when compared to the same period of the previous year. In the accrued analysis (9M2020), this negative variation reached 4.41%, as shown in table 6.

Table 6 - Breakdown of Administrative Expenses

Administrative Expenses	Q3/2020	Q3/2019	Variation %	9M2020	9M2019	Variation %
Personnel	78,057	96,206	-18.86%	232,097	239,948	-3.27%
Material	626	1,692	-63.00%	3,436	3,754	-8.47%
Electricity	539	894	-39.71%	1,693	2,279	-25.71%
Third Party Services	10,642	9,274	14.75%	28,530	33,030	-13.62%
General	2,500	2,465	1.42%	6,933	7,476	-7.26%
Subtotal	92,364	110,531	-16.44%	272,689	286,487	-4.82%
Depreciations	12,799	7,625	67.86%	18,744	18,388	1.94%
Total General	105,163	118,157	-11.00%	291,433	304,876	-4.41%

5.6.1 - Personnel - Administrative personnel expenses decreased by 18.87% in Q3/2020 and by 3.27% in 9M2020. In 2019, R\$ 15.2 million was recorded as Indemnifications for the Voluntary Job Termination Plan, a fact that was not repeated in 2020 causing this high reduction in Q3/2020.

5.6.2 Materials - Expenses with materials decreased by 63% in Q3/2020 and decreased 8.47% in 9M2020. This reduction is mainly due to the low use of administrative vehicles in the period,

resulting in a reduction of R\$ 712 thousand in fuels. In the accumulated analysis, this variation was smaller, due to the fact that in Q2/2020 PPEs were acquired to fight the spread of the New Coronavirus.

5.6.3 - Third Party Services - Spending on third party services increased by 14.75% in Q3/2020 and decreased by 13.62% in 9M2020. In Q3/2020, a reduction in Cleaning, Hygiene and Surveillance expenses was identified, in addition to an increase in expenses with Communication and.

5.7 Business Expenses - Expenses with the Company's commercial system increased by 6.78% in Q3/2020 and 17.19% in 9M2020.

Table 7- Breakdown of Commercial Expenses

Commercial Expenses	Q3/2020	Q3/2019	ariation %	9M2020	9M2019	ariation %
Personnel	29,306	31,240	-6.19%	84,818	81,906	3.56%
Material	83	178	-53.37%	440	500	-12.00%
Electricity	-	1	-100.00%	9	63	-85.71%
Third Party Services	17,878	13,529	32.15%	54,498	38,413	41.87%
Concession / Contractual Remuner	17,807	14,584	22.10%	54,190	40,706	33.13%
General	1,321	2,632	-49.81%	2,286	5,805	-60.62%
Subtotal	66,395	62,164	6.81%	196,241	167,393	17.23%
Amortization / Depreciation	57	72	-20.83%	180	215	-16.28%
Total General	66,452	62,234	6.78%	196,421	167,608	17.19%

Main variations are:

5.7.1 - Personnel - Commercial personnel expenses decreased 6.19% in Q3/2020 and increased 3.56% in 9M2020. In 2019, R\$ 2.5 million was recorded as Indemnifications for the Voluntary Job Termination Plan, a fact that was not repeated in 2020 reflecting the reduction in Q3/2020.

5.7.2 - Third Party Services - Third party services increased by 41.87% in 9M2020 and 32.16% in Q3/2020. This increase occurred as mentioned in item 5.5.4 due to the allocation of expenses with the Collection Fee for Commercial Expenses.

5.7.3 - General - General expenses decreased 49.81% in Q3/2020 and 60.62% in 9M2020. This change was mainly due to the reduction in Third Party Indemnifications going from R\$ 4,1 million in 9M2019 to R\$ 1.4 in 9M2020

5.7.4 - Remuneration Contractual Concession - The amounts paid to the city halls due to the concession and program agreements were increased due to the new calculation methodology set forth in the Goiânia and Anápolis agreements executed in December and February, respectively. In addition to the proportional increase due to the link between the calculation methodology and the Company's collection.

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

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

Reversals (-) Net provisions	Q3/2020	Q3/2019	ariation %	9M 2020	9M2019	ariation %
Prescribed Credits Losses	(33,455)	(14,721)	127.26%	(69,146)	(43,290)	59.73%
Provision for Contingencies	5,225	(16,927)	-130.87%	575	(43,649)	-101.32%
Allowance for Doubtful Accounts	(6,478)	(51,255)	-87.36%	(13,358)	(60,490)	-77.92%
Provision for Loss / Stock	7,451	(8,494)	-187.72%	10,945	(9,257)	-218.23%
Provision for Voluntary Job Termination Program	-	35,079	-	-	-	-
Estimated losses on works	-	-	-	3,750	19,377	-80.65%
Provision for estimated losses from other credits	-	10	-	-	10	-
Provisions / Reversals / Losses and Receivables ((27,257)	(56,308)	-51.59%	(67,234)	(137,299)	-51.03%

According to the aforementioned Table, there was a 51.59% decrease in the balance between reversals and provisions in Q3/2020, whereas in the accumulated analysis (9M2020), this variation was 148.97%. Regarding the Losses of Prescribed Credits in the 9M2020, there was an increase of 59.73% while the Estimated Losses on Doubtful Accounts had a reduction of 77.92%, from R \$ 60,490 in 2019 to R \$ 13,357 in the accrued of 2020. The reduction reflects the partial compliance of its debts of public category. It should also be noted that R \$ 10.1 million was reversed in Provisions for Stock Losses.

Table 09 - Net Revenues and Expenses

Net Financial Revenues and Expenses						
Description	Q3/2020	Q3/2019	Variation %	9M 2020	9M 2019	ariation %
Interests / Fines	11,645	157	7317.2%	34,596	32,744	5.7%
Monetary Correction	7,819	5,788	35.1%	16,323	15,102	8.1%
Exchange Variation	-	-	-	-	5,002	-
Adjustment to Current Value	410	415	-1.2%	1,074	1,707	-
Total financial revenues	19,874	6,360	212.5%	51,993	54,555	-4.7%
Interests / Charges and Other Expenses	(26,020)	(27,006)	-3.7%	(78,586)	(88,039)	-10.7%
Monetary Correction	(1,394)	(328)	325.0%	(1,967)	(579)	239.7%
Exchange Variation	(3,184)	(7,279)	-56.3%	(32,813)	(11,736)	179.6%
Total Financial Expenses	(30,598)	(34,613)	-11.6%	(113,366)	(100,354)	13.0%
Financial Result	(10,724)	(28,253)	-62.0%	(61,373)	(45,799)	34.0%

They reflect the results related to the income from financial investments, income from monetary variations and other amounts receivable, expenses with interest on loans and financing operations, as well as expenses with fines and arrears and discounts granted. The result presented in 9M2020 increased 34%, going from R\$ 45,799 to R\$ 61,373. Despite the 10.7% reduction in interest and loan charges, there was an increase of 179% in the result of exchange variation and, consequently, an adjustment in the amount of accounting for loans quoted in dollars.

6. Result

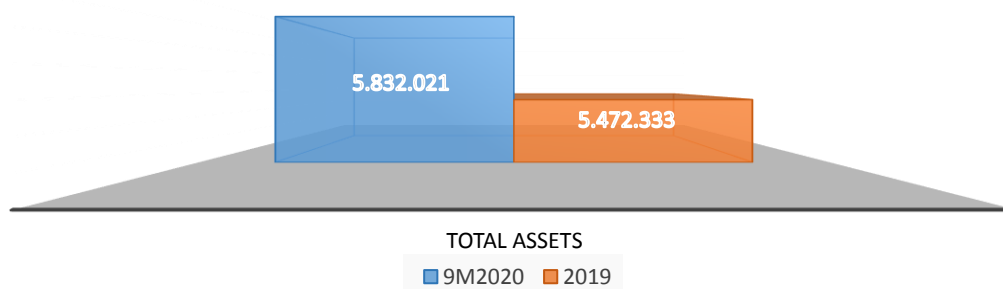
6.1 Net Profit/Loss - The Company recorded profit of R\$ 121,026 in this Q32020 and, analyzing such accrued period of 9M2020, this profit reached R\$ 261,157. This positive result mainly refers to the increase in Net Revenue by 4.71%, the reduction in Estimated Losses in the period and the reduction in depreciation expenses brought about by the change in the estimated useful lives of the assets. The result in Q3/2020 was higher than that of the same period of the prior year that

had been a profit of R\$ 24,154 million, and in the accrued period (9M2020), the profit was higher in R\$ 183,921, an increase of 238.13%.

7. Analysis and Discussion of the Equity Structure

In the following analysis and discussion on the Company's equity structure, we seek to discuss on the line items that are considered materially relevant to adequately justify changes in its equity situation in the period corresponding to Q3/2020 full period (9M2019) compared to the end of the previous year.

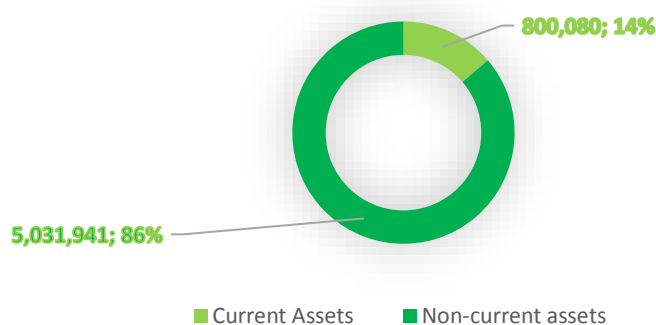
Chart 5 - Evolution of Total Assets



In 2020, the main changes to the equity were in the items of current assets and current liabilities that increased by 22.32% and 15.33%, respectively. Thus, there was an increase in current liquidity, which went from 0.894 at the end of financial year of 2019 to 0.949 at the end of Q3/2020. In addition, there was also a decrease in third party capital¹ from 95.34% at the end of 2019 to 90.43% at the end of Q3/2020. This increase occurred mainly due to the increase in shareholders' equity due to the profit recorded in this accrued period.

7.1 Assets

Chart 6 - Asset Structure - 6M2020



7.1.1 Current Assets

7.1.2 Cash and cash equivalents - The availabilities showed an increase of R\$ 22,873 in the closing of this 3rd quarter, reaching R\$ 194,480 against R\$ 169,607 on 12/31/2019. This increase reflects the 7th Issue of debentures in the amount of R\$ 150 million, in addition to the Contingency Plan adopted by the Company due to the New Coronavirus Pandemic. The Contingency Plan includes the negotiation of postponement of debts with City Halls and the

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

adhesion by the Company to the postponement of federal taxes such as PIS / COFINS and FGTS, and these installments have already started to be paid in Q3/2020.

7.1.3 Credits receivable from Users - The line item credits receivable from Users increased by R\$ 99,641, representing an increase of 25.39%. This increase in the default scenario is a direct reflection of the current pandemic of the Novel Coronavirus, which impacted the debt settlement capacity of part of the population. In addition to the Company having suspended the interruption of water supply to defaulters in the period of 03/19/2020 expected until 11/07/2020.

7.1.4 Stocks - The stocks account increased by 14.46%, reaching R\$ 52,335, this increase reflects the Reversal of Losses realized so far, as mentioned in Item 5.8.

7.2 Non-Current Assets

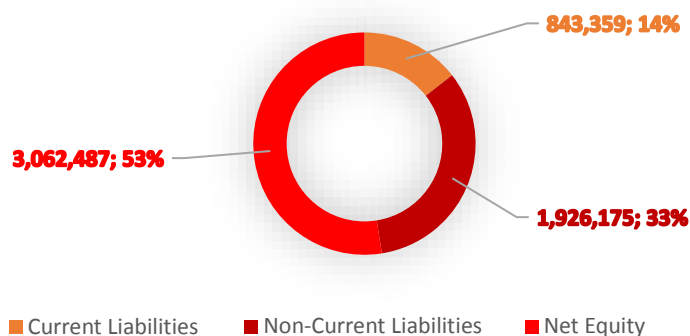
7.2.1 Anticipated Expenses - This item increased R\$ 52,313 in 9M2020, from R\$ 142,214 to R\$# 194,527. This variation refers to the anticipated Concession Remuneration of the Municipality of Anápolis due to the early termination of the Concession Agreement and the signing of a new Program Agreement for a period of 30 years.

7.2.2. Intangible - In accordance with ICPC 01 (R1) - Concession Agreements, the line item Intangible was segregated into: Intangible and Contractual Assets. Intangible assets, basically composed of goods used in water and sewerage systems linked to municipal concessions, increased by R\$ 25,456, which represents a negative change of 0.94%.

7.2.3 Contract Assets - Contract Assets (works in progress) are the right to consideration in exchange for goods or services transferred to the customer. This item presented a positive variation of 11.58% at the end of the Q3/2020, reaching a balance of R\$ 703,574.

7.3 Liabilities

Chart 7 - Breakdown of Liabilities + PL - 6M2020



7.3.1 Short Term Loans and Financing - The item presented a balance of R\$ 138,335 at the end of 9M2020, against R\$ 130,881 at the end of financial year of 2019, a variation of 5.7%.

7.3.2 Debentures - Debentures rated as Current showed an increase of R\$ 118,807, which reflects the end of the grace period for the 4th and 5th issuances of debentures.

7.3.3 Labor Obligations - The line item labor obligations showed the biggest percentage variation of 34.70% in the current liabilities with an increase of R\$ 51,795 in 9M2020. This variation, as already mentioned in item 7.1.2, reflects the Contingency Plan adopted by the Company due to the New Coronavirus Pandemic. This plan included the adhesion by the

Company to the postponement of federal taxes levied on the payroll, such as the Employer's INSS and FGTS, and these installments have already started to be paid in Q3/2020.

7.3.4 Tax Liabilities - The tax liabilities line item presented a percentage change of 245.74% in current assets, with an increase of R\$ 48,283 in 9M2020. This variation, as already mentioned in item 7.3.3, reflects the Contingency Plan adopted by the Company due to the New Coronavirus Pandemic. This plan includes the adherence by the Company to the postponement of federal taxes on billing, which are PIS and COFINS, and these installments have already started to be paid in Q3/2020.

7.3.5 Contractual Obligations - This item was created in 2019 with a balance closing at R\$ 100,236, which represents the consideration of the Anticipated Expenses accounted in Non-current Assets related to the anticipation of the termination of the Concession Agreement with the Municipality of Goiânia and its conversion into Program Agreement. At the end of the 3rd quarter of 2020, the balance of this item was R\$ 15,220 after the payment of all portions of the values of the Municipality of Goiânia and Anápolis, the remaining balance refers to the Program Agreement of the Municipality of Águas Lindas de Goiás which provides for a contribution from the municipality, in investments, for subsequent payment of the installment.

7.4.1 Long-Term Loans and Financing - This long-term loans and financing account decreased 19.87% in relation to the balance presented at the end of the fiscal year of Dec 31, 2019. The reduction in the account is due to the amortization of debts during 2020.

7.4.2 Debentures - Debentures rated as Non-Current showed an increase of R\$ 33,798, which reflects the end of the grace period for the 4th and 5th issuances of debentures.

7.4.3 Leasing - This line item refers to the compatibility of the Company's records with CPC 06, which deals with the recording of Leasings which, in the case of leasing contracts with a term longer than 12 months, must recognize the leasing as a Right of Use Asset having as a consideration the Leasing Liability. In the 3rd quarter of 2020, a total of R\$ 20,689 was recorded in the long term.

7.5 Shareholders' Equity. Shareholders' equity, due to the profit recorded in this period, increased by R\$ 261,161, that is, a positive variation of 9.32%.

8. Risk Rating

Fitch Rating stated on April 22, 2020, the National Long-Term Rating of Saneamento de Goiás S.A ("Corporate") and its debenture issuances to 'A-(bra)', with steady outlook.

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

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

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

Table 11. *Ratings* Saneago S.A.

Rating	Fitch Rating	Outlook
Corporate		
Debentures, 4 th Issuance	A-(bra)	Stable
Debentures, 5 th Issuance		
Debentures, 6 th Issuance		
Debentures, 7 th Issuance		
FIDC IV	AA+sf(bra)	Stable

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

Due to the world pandemic declared by the World Health Organization (“WHO”), related to the new Coronavirus (“COVID-19”) that has affected Brazil and several countries worldwide, bringing risks to public health and impacts on the world economy, the Company informs that it has taken preventive and risk mitigation measures in line with the guidelines established by national and international health authorities, in order to minimize any impacts on the health and safety of employees, families, partners and communities, and to focus its business management on the financial liquidity preservation and continuity of the operations required to face the crisis.

In this sense, according to the market notices disclosed on March 23, 2020, June 30, 2020, July 31, 2020, August 28, 2020 in order to assure the best service provision and minimize the impact on the population caused by the coronavirus pandemic (COVID 19), the company suspended the water disconnections for default clients from 3/19/2020 to 11/7/2020, which increased the risk of higher default and liquidity in short term. However, as announced to the market on October 23, 2020, the Company will resume water supply suspensions for default as of November 8, 2020.

Thus, in order to mitigate the liquidity risk caused by the default increase, the company has implemented a financial management plan that covers the strategic actions intended to ensure the company's financial and economic balance in the short and medium term. Among the main actions, we highlight the following:

- i) Payment in installments of the 2019 Dividends, as approved at the Extraordinary General Meeting no. 160/2020, of Jun 16, 2020, and Notice to Shareholders of Jun 29, 2020, to be carried out in four (04) equal monthly installments, the first being on Jul 1, 2020
- ii) Postponement of Taxes and Contributions (PIS, COFINS and Employer's Contribution to Social Security [INSS]), as permitted by Ordinance No. 139 of Apr 3, 2020;
- iii) Suspension and division in installments of FGTS of March, April and May of 2020, under the Provisional Measure no. 927/2020;
- iv) Containment of costs and expenses;
- v) Renegotiation with extension of the installment payments related to early renewal of the agreements with the municipalities of Goiânia and Anápolis;
- vi) Differentiated policy for the discharge or negotiation of users' tariffs before Saneago - Sanear Credit Recovery Program, except for public category customers with a grouping agency. The program is in force from 09/2020 to 11/2020.



With the implementation of the contingency measures, on September 30, 2020, the Company reached a total liquidity position in cash and cash equivalents of R \$ 194,480 million, less than the amount indicated on June 30, 2020 due to payments of taxes and other postponed amounts.

Finally, so far the Company understands that the correction measures implemented have adhered to the default increase mitigation and the short term liquidity risk, assuring thus the liquidity required to cover the contractual obligations, in addition to protecting the cash flow and financial-economic balance of the company.

Management