



**Interim Financial Information
On March 31, 2023**



Content

1. Management Report;
2. Independent auditor's report on the review of interim financial information;
3. Interim balance sheets;
4. Interim income statements;
5. Interim statements of comprehensive income;
6. Statements of interim changes in equity;
7. Interim cash flow statements;
8. Interim value added statements - supplementary information;
9. Management's explanatory notes to the Intermediate financial information.

A close-up photograph of a single, clear water droplet resting on a blue surface, creating concentric ripples. The background is a soft, out-of-focus blue gradient.

Management Report 1Q2023

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Highlights 1Q2023

5.11%



Increase in
Net revenue

R\$187 million



Invested

25.72%



Reduced index
of loss

44 thousand



New water
households

71.40%



Index of sewage
service

R\$129.7 million



Net income, 458%
more than in 2022

Operating Performance



ETA Mauro Borges no município de Goiânia

1. Operating Performance

In this 1Q2023, the Company expanded its water and sewage systems throughout the state reaching **97.85%** of the population served with water, with an increase of **1.73%** in households in relation to the same period of 2022.

With this advance, the Company reaches a total population of **5,993 thousand** inhabitants with water supply.

As for the sewage system, served population increased from **67.61%** to **71.40%** at the closing of the 1Q2023, with an increase in households of **6.39%** in relation to the same period of 2022.

Thus, **4,373 thousand** inhabitants have access to a sewage system in the municipalities served by the Company

General Service Data

Water - Operational indexes	Unit	1Q23	1Q22	Var.	Var. %
Population with access to service	thousand	5,993	5,941	52	0.88%
Service index	%	97.85%	97.73%	0.12%	0.12%
Connections	thousand	2,387	2,346	41	1.75%
Households	thousand	2,588	2,544	44	1.73%
Expansion of pipeline network	Km	32,680	32,431	249	0.77%
Sewage - Operational indexes	Unit	1Q23	1Q2022	Var.	Var. %
Population with access to service	thousand	4,373	4,110	263	6.40%
Service index	%	71.40%	67.61%	3.79%	5.61%
Service index (treated)	%	93.57%	93.63%	-0.06%	-0.06%
Connections	thousand	1,439	1,351	88	6.51%
Households	thousand	1,616	1,519	97	6.39%
Expansion of pipeline network	Km	16,236	14,817	1,419	9.58%

Table 1

Volume produced/billed/treated

Water - Operational indexes	Unit	1Q2023	1Q2022	Var.	Var. %
Water volume billed	thousand m ³	71,719	69,773	1,946	2.79%
Water volume produced	thousand m ³	96,694	96,061	633	0.66%
Sewage - Operational indexes	Unit	1Q2023	1Q2022	Var. %	Var. %
Sewage volume billed	thousand m ³	47,554	44,506	3,048	6.85%
Sewage volume treated	thousand m ³	44,498	41,672	2,826	6.78%

Table 2

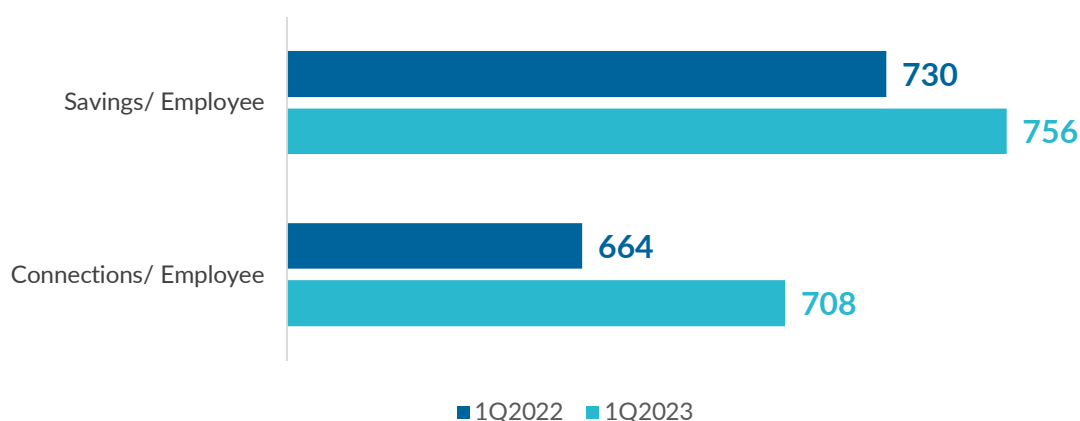
1.1 Personnel performance

The Company currently has 5,404 employees throughout the state of Goiás, who are responsible for 4,205 thousand water and sewage households.

The productivity of the workforce, measured by the ratio between the amount of households (water + sewage) and the number of employees, went from 730 Households/Employees to 756 Households/Employees in 2023.

This increase shows an improvement in the efficiency of 3.56%, caused primarily by the expansion of the customer portfolio in the period due to the increase in the number of households in 1.73% - Water and 6.39% - Sewage.

In addition, it is noteworthy the reduction of 443 employees dismissed in the PDV (Voluntary Redundancy Program) in the months of Feb/2022 and Mar/2022.



Area of operation and Concessions



2. Area of Operation and Concessions

2.1 Operation and Concessions

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

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

Table 4 shows that the 10 municipalities with highest billing represent 61.86% of the Company's net revenue, with Goiânia and Anápolis standing out representing 36.37% and 7.28%, respectively, of the Company's total billings and with maturities in December/2049 and February/2050, respectively.

It is noteworthy that more than 71% of the Company's revenues come from 62 program contracts that expire between 2037 and 2050.

The average maturity of the contracts is 18.7 years weighted by % on net revenue in 1Q2023.

Area of operation

Concession and Program Contracts	Unit	1Q2023	1Q2022	Revenue portion (%)
Total municipalities served by Saneago	Nr.	224	225	100%
Total municipalities with program contracts	Nr.	62	62	71.62%
Total municipalities with active concession contracts	Nr.	82	83	12.78%
Total municipalities with expired concession contracts	Nr.	80	80	15.60%

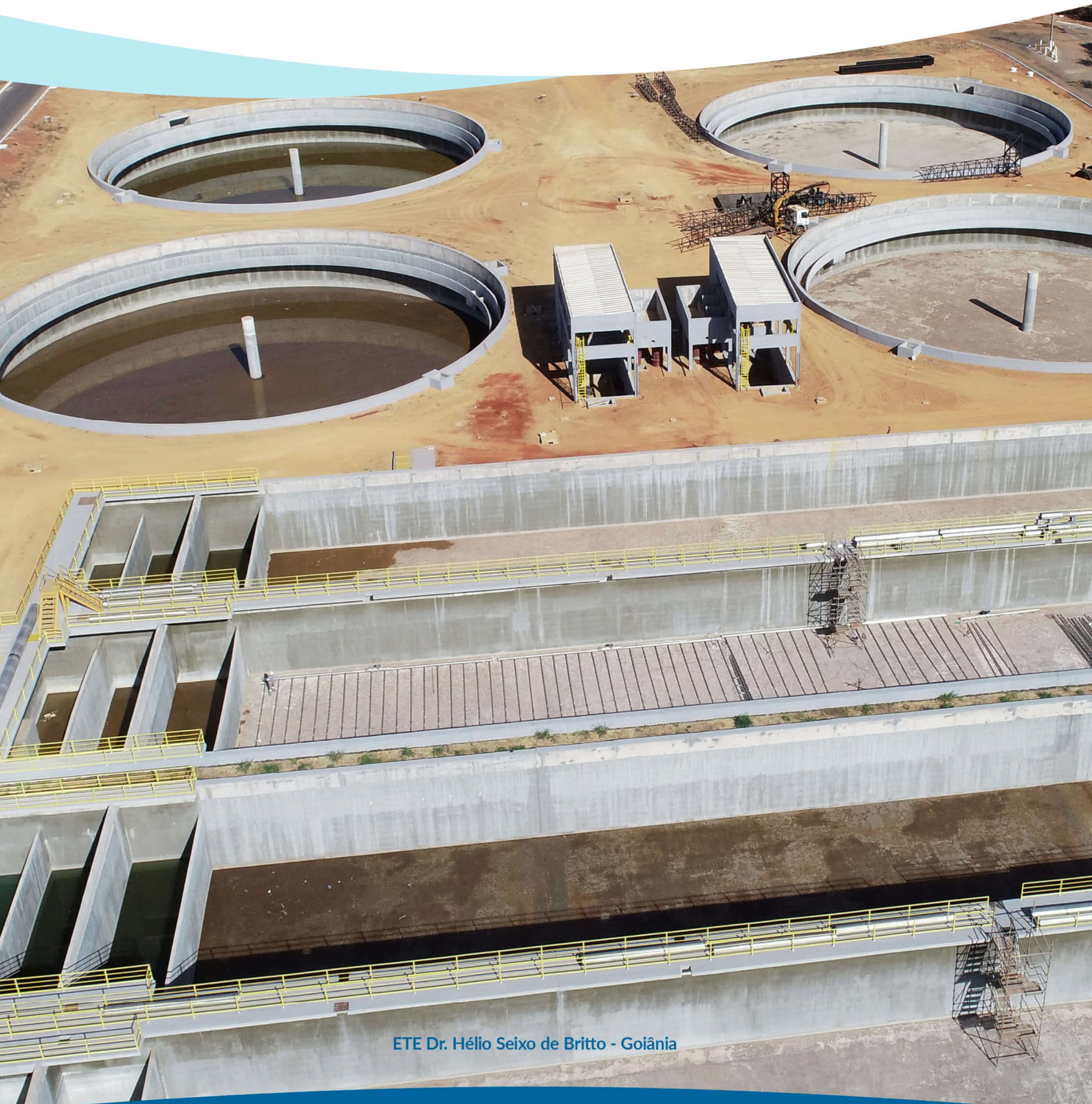
Table 3

Net revenue ranking per city

Ranking	Cities	Maturity	% Net revenue	Type of contract
1st	Goiânia	12/2049	36.37%	Program
2nd	Anápolis	02/2050	7.28%	Program
3rd	Aparecida De Goiânia	11/2041	4.18%	Program
4th	Valparaíso De Goiás	11/2048	2.74%	Program
5th	Rio Verde	11/2041	2.40%	Program
6th	Luziânia	12/2045	2.18%	Program
7th	Formosa	03/2025	2.08%	Concession
8th	Itumbiara	02/2025	1.71%	Concession
9th	Planaltina	04/2030	1.53%	Concession
10th	Aguas Lindas de Goiás	12/2048	1.39%	Program
Total			61.86%	-

Table 4

Operational Improvements



ETE Dr. Hélio Seixo de Britto - Goiânia

3. Operational improvements

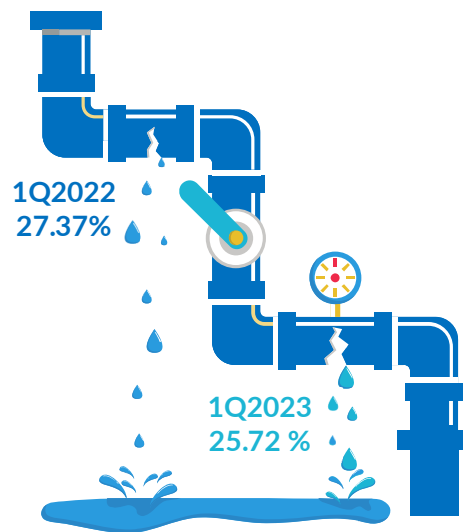
3.1 Loss rate

The Company reported a loss rate of **25.72%** at the end of 1Q2023.

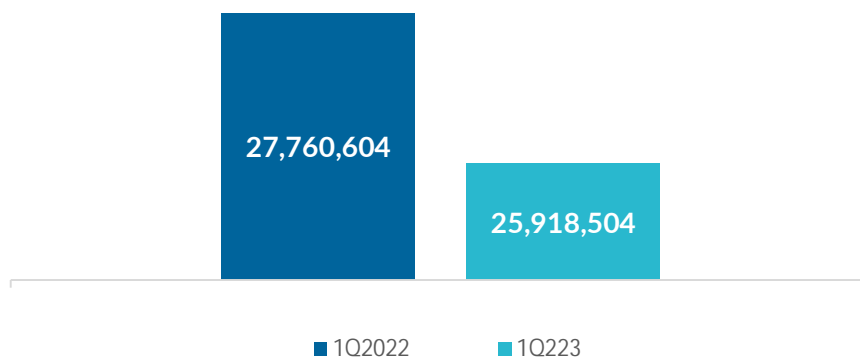
Thus, in addition to guarantee the optimization of produced water, the fight against losses was fundamental to the critical period of water shortage in 2021.

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

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

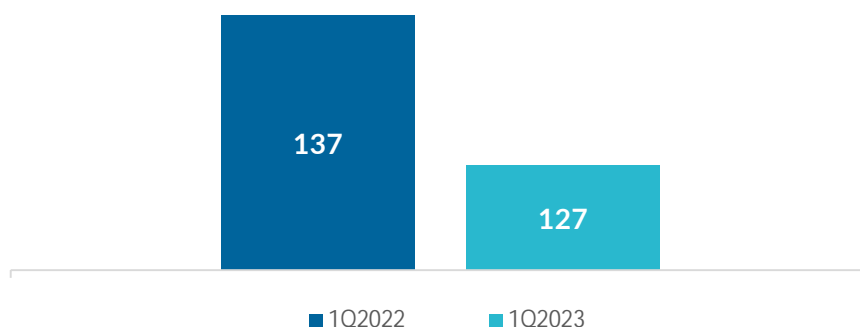


Loss of treated water per m³



Graph 2

Loss per connection (liters per connection per day)

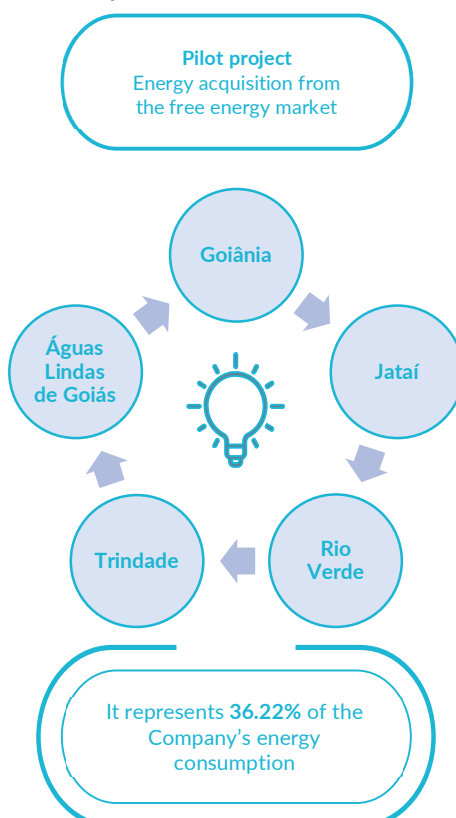


Graph 3

3.2 Project of energy acquisition from free energy market

As from March/2022, the Company started to acquire electric power through the Free Energy Market for another 10 consumer units.

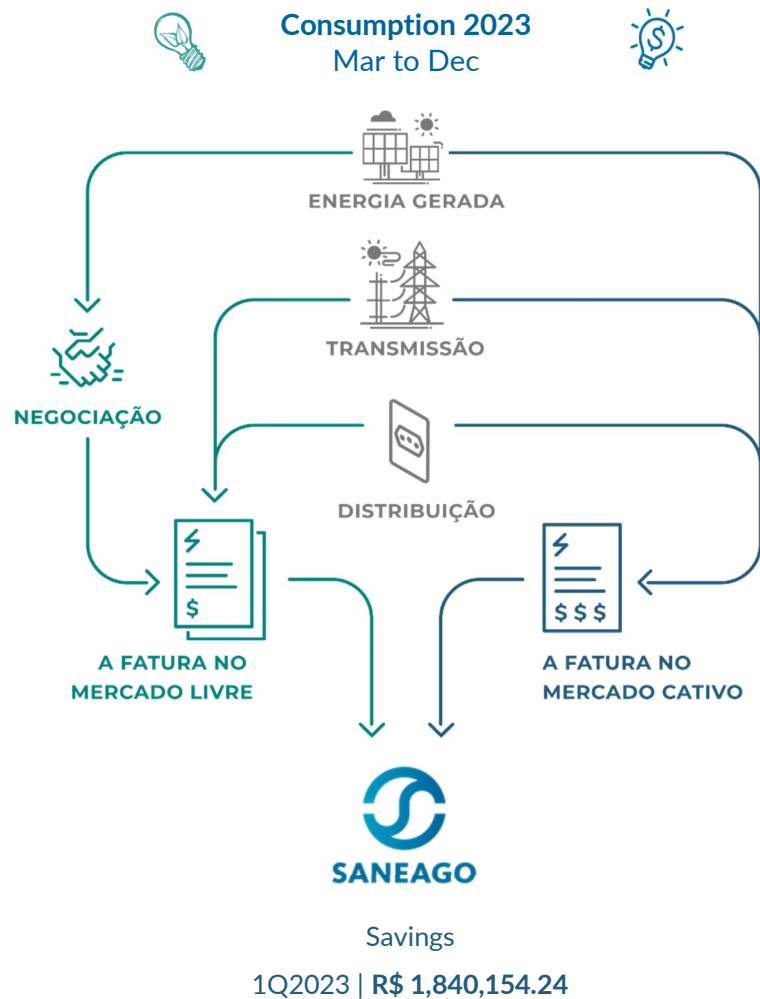
Five units are currently served by the contract in force, namely: Goiânia (Cascalho



Water Lift Station (EAT), Mauro Borges Raw Water Station (EAB), EAT João Leite, EAB Meia Ponte, EAT Ipiranga, EAT Vila Adélia and EAT Atlântico), Rio Verde (Booster Abóbora and Jataí (Water collection, Water Treatment Station (ETA) and EAT), Águas Lindas de Goiás (Sewage Treatment Station (ETE)), Trindade (EAB, ETA, EAT) representing 4.37% of energy consumption of the Company.

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

Future actions: It is included in the strategic planning on energy management the migration of another 42 Consumer Units (UC) to be annually migrated until 2025 and representing about 56.08% of all energy consumed by the Company.



Investments

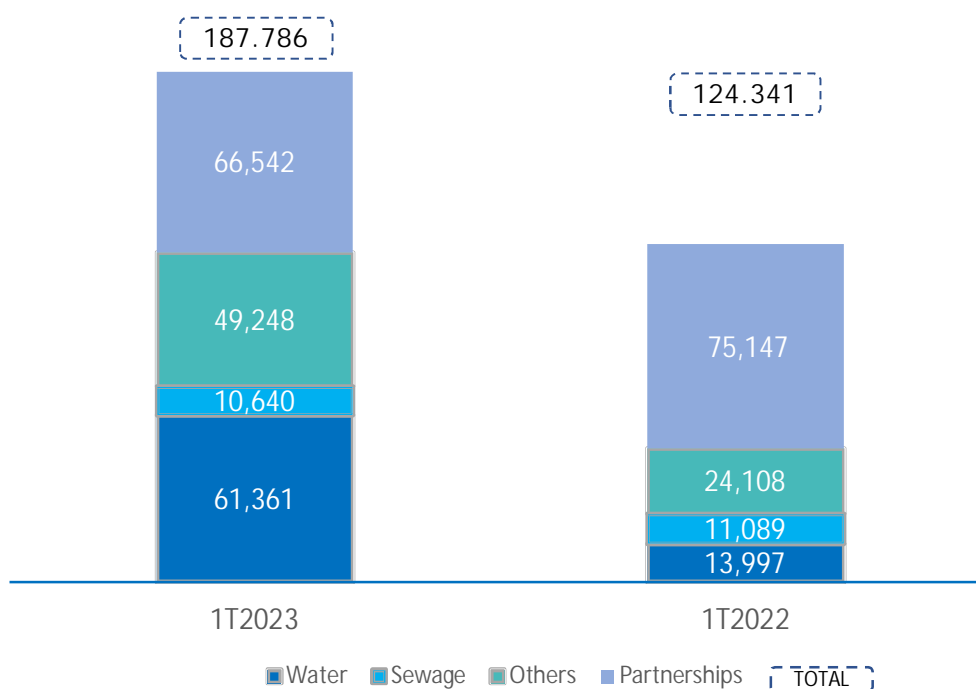


Sistema Produtor Corumbá no município de Valparaíso

4. Investments

Investments made in 1Q2023 totaled R\$ 187,786 thousand, as shown in Graph 4. Of this amount, 32.68% was invested in water supply systems, 5.67% was allocated to sewage collection and treatment systems, 26.23% invested in operational improvement programs, general purpose goods and others, and 35.42% invested by means of Partnerships.

Volume of investments per system in 1Q2023



Graph 4

This increase was due to the signature of new contracts and service orders initiated in 1Q2022. 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\$34,864 thousand accounted for as per Technical Pronouncement (CPC) 06.

In addition to the lease, we highlight the acquisition of R\$4,253 thousand referring to trucks and backhoes acquired for city operations in the 1Q2023. Another significant investment of the category "Other" refers to cyber security software for data protection in the Company in the amount of R\$ 4,374 thousand.

We highlight the amount of R\$ 66,542 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 1Q2023

- **Expansion of the Sewage System of Goiânia** - Implementation of 87.6 km of Collectors and Collection networks. We made available **6,497 new connections**. The population served by the sewage system in Goiânia reaches **96.86%**. Investment: **R\$ 19.2 million**.
- **Expansion of the Sewage System in Inhumas** – Expansion of the sewage collection networks with 1.5 km of new networks. The population served by the sewage system in Inhumas reaches **81.16%**. Investment: **R\$ 4.7 million**.
- **Expansion of the Sewage System in Anápolis** – Expansion of the sewage system with the interceptor sewer of Góis Basin. Implementation of 6,826 new residential branchlines and 146 km of network. The population served by the sewage system in Anápolis reaches **81.84%**. Investment: **R\$ 18.6 million**.

Financial performance

Revenue



Sistema Produtor Corumba no município de Luziânia

5.1 Revenues

In 1Q2023, the Company reported an increase of **5.11%** in revenue from Water and Sewage services. This result mainly reflects the tariff adjustment of 8.85% as from 02/03/2022.

Additionally, the increase in billed volume of water in the period also stands out, at **2.79%**, that is, an increase in customers consumption mostly in public and commercial categories. These numbers reflect the full resumption of business activities in 2022, as well as the return to in-person classes in public schools. We also highlight the increase of **1.73%** in water households and of **6.39%** in sewage households.

Revenue from Water and Sewage Supply Services

Revenue by type of service	1Q2023	1Q2022	Var.	Var. %
Residential water services	316,663	306,194	10,469	3.42%
Social tariff	2,147	1,056	1,091	103.31%
Commercial	44,557	41,069	3,488	8.49%
Industrial	10,693	10,016	677	6.76%
Public	22,760	21,520	1,240	5.76%
Indirect services revenue	8,782	7,476	1,306	17.47%
Minimum fixed rate	74,327	72,577	1,750	2.41%
Social subvention	-	100	(100)	-
Total water	479,929	460,008	19,921	4.33%
Residential sewage services	159,081	150,144	8,937	5.95%
Social tariff	828	493	335	67.95%
Commercial	34,624	32,440	2,184	6.73%
Industrial	5,011	4,755	256	5.38%
Public	14,868	12,719	2,149	16.90%
Indirect services revenue	13,180	12,370	810	6.55%
Minimum fixed rate	26,994	25,061	1,933	7.71%
Sub-delegation concession	2,275	2,275	-	0.00%
Total sewage	256,861	240,257	16,604	6.91%
Technical services	589	573	16	2.79%
Total gross revenue (water+sewage)	737,379	700,838	36,541	5.21%
Deductions	(68,713)	(64,658)	(4,055)	6.27%
Revenue from water and sewage	668,669	639,179	32,490	5.11%

Table 5

Financial performance

EBITDA



6.1 EBITDA

The Company's EBITDA reached **R\$228,740** in 1Q2023 in comparison to **R\$55,604** recorded in the same period of the previous year, totaling an increase of **311%** in relation to 1Q2022.

In this 1Q2023, the main impacts were:

- Increase in Net Revenue by 5.11% resulting from both the tariff adjustment of 8.85% as from 02/03/2022 and the increase in water households by 1,73% and sewage households by 6,39%.
- Reversal of R\$ 75,123 from a legal proceeding related to environmental fine from the municipality of Minaçu, which had been provisioned in 2021 in the amount of R\$ 75,123 thousand, and considered ungrounded in 2023 by court decision.

The EBITDA on net revenue in 1Q2023 was **34.21%** in comparison to 8.74% in the same period of the previous year.

Performance of Financial Income (Loss)

Performance of Financial Income (Loss)	1Q2023	1Q2022	Var.	Var. %
Total net revenue (+)	668,669	636,179	32,490	5.11%
Personnel (-)	(290,138)	(404,203)	114,065	-28.22%
Materials (-)	(26,613)	(21,361)	(5,252)	24.59%
Third parties (-)	(59,793)	(51,890)	(7,903)	15.23%
Electricity (-)	(59,154)	(75,186)	16,032	-21.32%
General (-)	(8,245)	(29,740)	21,495	-72.28%
Concession-related compensation (-)	(21,740)	(19,251)	(2,489)	12.93%
Tax expenses (-)	(3,199)	(6,817)	3,618	-53.07%
Provisions/ Reversals (-)	28,810	27,996	814	2.91%
Other revenues/expenses (-)	144	(122)	266	-218.03%
Amortization/depreciation (-)	(36,377)	(28,536)	(7,841)	27.48%
Total costs and expenses (=)	(476,305)	(609,110)	132,805	-21.80%
Financial income (loss) (-)	(10,788)	5,731	(16,519)	-288.24%
Current/Deferred Income and Social Contribution taxes (IRPJ and CSLL) (-)	(51,834)	(9,545)	(42,289)	443.05%
Net income (=)	129,742	23,255	106,487	457.91%
EBITDA	228,740	55,604	173,136	311.37%
EBITDA margin	34.21%	8.74%	25.47%	291.39%
Adjusted EBITDA	199,930	156,168	43,762	28.02%
Adjusted EBITDA margin	29.90%	24.55%	5.35%	21.80%

Table 6

EBITDA Reconciliation

EBITDA Reconciliation	1Q2023	1Q2022	Var.	Var. %
Net income	129,742	23,255	106,487	457.91%
(-) Amortization/depreciation	36,377	28,536	7,841	27.48%
(-) Financial income (loss) (-)	10,788	(5,731)	16,519	-288.24%
(-) Current/Deferred IRPJ and CSLL (-)	51,834	9,545	42,289	443.05%
(=) EBITDA	228,740	55,604	173,136	311.37%

Table 7

6.1.1 Non-recurring items

In the months of February and March 2022, the Company carried out the termination of 443 employees who adhered the PDV of 2022. As provided for in Brazilian Securities and Exchange Commission (CVM) Resolution 156/2022, the Company classified the cost of indemnities, deducted of regular proceeds, as non-recurring items and removed their effects from the calculation of Adjusted EBITDA.

In 2022, the total value of non-recurring Expenses was R\$ 131,566.

6.2 Adjusted EBITDA

The adjusted EBITDA measured for 1Q2023, 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\$ 199,930**, representing an increase of **28.02%** in comparison to the same period of the previous year.

This result was affected by the increase in Net Revenue by 5.11% resulting from both the tariff adjustment of 8.85% as from 02/03/2022 and the increase in water households by 1.73% and sewage households by 6.39%.

EBITDA Reconciliation

EBITDA Reconciliation	1Q2023	1Q2022	Var.	Var. %
EBITDA	228,740	55,604	173,136	311.37%
Provisions/ Reversals (+)	(28,811)	(27,996)	(815)	2.91%
Indemnities PDV 2022 - Non-recurring	-	128,559	(128,559)	-100.00%
Adjusted EBITDA	199,930	156,167	43,763	28.02%

Table 8

The Adjusted EBITDA on net revenue (adjusted EBITDA margin) in 1Q2023 was **29.90%** compared to 24.55% calculated in the same period of the previous year.

6.3 Costs and expenses

6.3.1 Personnel

The expenses on personnel in 1Q2023 totaled R\$290,138 thousand, representing a reduction of 28.22% compared to the same period in 2022. The main reason of this reduction was the Voluntary Redundancy Program mentioned in Item 6.1.1, carried out in the 1Q2022, through which 443 employees were dismissed at a cost of R\$ 142,215 thousand.

When not considering PDV in 1Q2022, Personnel costs totaled R\$ 261,987 thousand, and R\$ 290,138 thousand in 1Q2023, an increase of 11.11%, less than the workers' adjustment of 11.90%.

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

6.3.2 Electricity

Electric power cost in 1Q2023 totaled R\$59,154 thousand, a decrease of 21.32% in comparison with 2022. Despite the increase in tariff by 10.84% in October 2022, 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%.

6.3.3 Materials

The expenses on materials presented 24.59% increase in 1Q2023, reaching R\$ 26,613 thousand. The main reason for this was the increase in the cost of treatment materials,

and of R\$ 726 thousand in fuel expenses and R\$ 311 thousand in materials for sundry maintenance, mainly submersible pumps.

6.3.4 Third-party services

Expenses on third-party services increased by 15.23% in 1Q2023.

The main factor for this increase was the signature of contracts for asphalt recovery in several municipalities in the state. Previously, the service was provided by the municipal governments and billings were less frequent. Expenses on maintenance changed from R\$ 3,749 thousand to R\$ 9,662.

Also, we point out the increase in costs on cleaning and security services which, for being related to workforce, were adjusted according to contracts at inflation indexes which in the first half of 2022 reached 11.92%.

6.3.5 General

General expenses had a decrease of 72.28% in 1Q2023. The reduction occurred because in the same period of 2022, expenses on legal indemnities were higher, reaching R\$ 21,920 thousand in that year in comparison with R\$ 1,869 thousand now in 2023.

In 1Q2022, there was the payment of R\$15,942 arising from a labor claim questioning proceeds related to interval between work days. Additionally, there was the payment of the 2nd installment of an executed court decision from the Municipality of Santo Antônio do Descoberto against Saneago related to environmental fines in the amount of R\$ 3,398 thousand.

6.3.6 Contractual/Concession-related compensation

The amounts paid to municipal governments arising from program and concession contracts in 1Q2023 had an increase of 12.92%. This variation reflects the impact of billings and collection, calculation basis of the compensation, result of the tariff adjustment of 8.85% in effect as from 02/03/2022.

6.3.7 Tax

The tax expenses had a reduction of 53% in 1Q2023 in comparison with the 1Q2022. This variation occurred because, in 2023, the municipal government of Goiânia changed the maturity of the Property Tax (IPTU) from February to April, resulting in lower payments in 1Q2023.

6.4 - Provision/Reversal/Losses/Recovery of barred credits

Provisions/Reversals/Losses and Recovery of Credits

Reversals (-) Provisions, Net	1Q23	1Q2022	Var.	Var %
Losses on barred credits	7,076	15,806	(8,730)	-55.23%
Provision for contingencies	58,575	18,564	40,011	215.53%
Allowance for doubtful accounts	(28,687)	(25,774)	(2,913)	11.30%
Provision for losses on inventories	(119)	6,994	(7,113)	-101.70%
Provision for profit sharing (PPR)	(12,974)	12,406	(25,380)	-
Estimated losses on concessions	(48)	-	(48)	-
Reversal of losses on construction	4,988	-	4,988	1
Provision/Reversal/Losses/Recovery of credits	28,811	27,996	815	2.91%

Table 9

According to the table above, an increase of 2.91% was observed in the debt balance of provisions between reversals and provisions in 1Q2023, corresponding to a debt balance of R\$ 815 thousand lower than in the previous period.

The main highlights were:

- In 1Q2022, there was the reversal of the provision for Profit Sharing Plan (PPR), which resulted in a credit balance of R\$ 12,406 thousand. In the 1Q2023, the amount totals R\$ 12,974, debit, due to the monthly provision.
- 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 relation to the loss of credits, 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.

6.5 - Net Financial Income (Loss)

The results reported in 1Q2023 show a credit balance of R\$ 10,788 thousand. We point out the increase in foreign exchange rate which, considering US dollar fluctuation, resulted in expenses of R\$ 1,770 thousand in 1Q2023 and of R\$ 13,033 thousand in 2022. We also highlight the increase in interest paid in the period by 16.38% due to the increase in the Central Bank Overnight Rate (SELIC), reaching 13.75%, and resulting in higher payments of interest as part of the Company's debt is indexed at this rate. This factor also resulted in the increase in returns from financial investments received by Saneago, totaling R\$19,394 thousand in the 1T2023.

Financial revenues and expenses, net

Financial income (loss)	1Q2023	1Q2022	Var.	Var %
Interest/fine	24,818	20,912	3,906	18.68%
Monetary adjustment	6,679	9,590	(2,911)	-30.35%
Discount to present value	291	561	(270)	-48.13%
Total financial revenues	31,788	31,063	725	2.33%
Interest/ Charges and Expenses	(43,242)	(37,156)	(6,086)	16.38%
Monetary adjustment	(1,103)	(1,210)	107	-8.84%
Exchange rate losses	1,770	13,033	(11,263)	-86.42%
Total financial expenses	(42,575)	(25,333)	(17,242)	68.06%
Financial income (loss)	(10,788)	5,731	(16,519)	-288.24%

Table 10

6.6 Net Income/Loss

The Company reported income of R\$ 129,742 in 1Q2023, an increase of 458% compared to 1Q2022. Among the main reasons for this increase are the reversal of the legal proceeding in the municipality of Minaçu, of R\$ 75,123 thousand, according to item 6.4, and the PDV occurred in the 1Q2022, with estimated cost of R\$ 142,215 thousand.

Nevertheless, there was the increase in Net Revenue by 5.11%, mainly due to the expansion in water households by 1.73% and in sewage households by 6.39%.

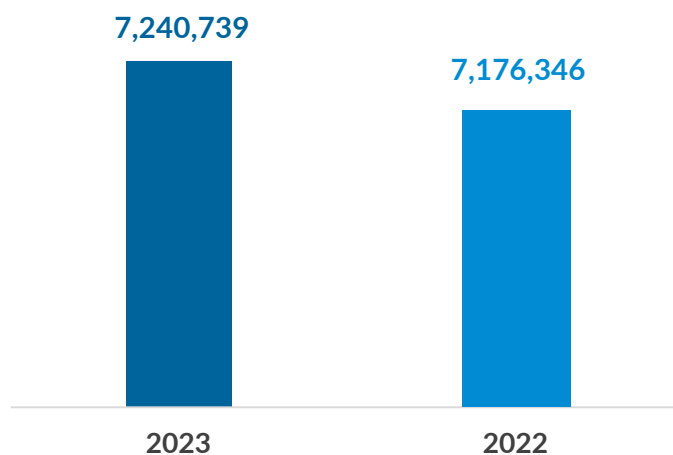
Analysis and Discussion about the Structure of Assets



7. Analysis and Discussion about the Structure of Assets

In the analysis below about the structure of the Company's assets, we tried to cover the accounts that we understand to be the most significant and justify the change in them in 1Q2023 in comparison with the closing of the previous year.

Progression of Total Assets



Graph 5

In 1Q2023, the main change in the structure of assets was in the group cash and cash equivalents, with a decrease of R\$ 49,761 thousand in the period.

This reduction is compatible with the change in maturity of suppliers, which would occur by the end of December, but which was changed to 2023, because banks did not work on 12/30/2022.

This variation is also seen in the balance of trade payables, which was reduced by R\$ 42,858 thousand. Accordingly, there was a reduction in current liquidity, changed from 1.7351 at the closing of 2022 to 1.7123 at the closing of 1Q2023.

7.1 Assets

Structure of Assets 2022



Graph 6

Additionally, there was a decrease in third-party capital by 95.16% at the closing of the year 2022 in comparison with 91.75% at the closing of 2023.

7.1.1 Current assets

7.1.1.1. Cash and cash equivalents

Cash and cash equivalents and financial investments presented a reduction of R\$ 49,761 thousand, from cash and cash equivalents of approximately R\$ 697,352 at the closing of 2022 to R\$ 647,591 at the closing of 1Q2023.

Among the main factors, we point out:

- Postponing of maturities of trade payables from 12/30/2022 to January 02, 2023.
- Increase in earnings by 7.89%, about R\$ 53,262 thousand, mainly due to the tariff adjustment of 8.85% as from 02/03/2022.

7.2 Liabilities

7.2.1 Current liabilities

7.2.1.1 Trade accounts payable

Trade accounts payable had a reduction of R\$ 42,858 thousand from 12/31/2022 until the closing of this 1Q2023. This reduction is compatible with the change in maturity of suppliers, which would occur by the end of December, but which was changed to 2023, because banks did not work on 12/30/2022.

7.2.1.2 Dividends and Interest on Equity Capital Payable

This caption had an increase of 13.95%, reaching R\$ 126,201, in comparison with R\$ 85,388 in 2021. This increase is the reflection of the provision recognized for Interest on Equity Capital payable to shareholders referring to net income of 2022 and current year.

7.2.1.3 Loans and financing

The account of loans and financing was reduced by 5.85% in relation to the balance reported for the year ended December 31, 2022, due to amortization and payments made in the period.

7.2.2 Noncurrent liabilities

7.2.2.1 Loans and financing

The account of loans and financing was reduced by 2.04% 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

The debentures classified in Noncurrent presented a decrease of R\$ 50,176 thousand. Four of the five issues of the Company (5th, 6th, 8th and 9th issues) are already being amortized, that is, with installments being paid in current, and others being transferred from noncurrent to current.

7.2.2.3 Provisions for legal claims

The account of provision for legal claims had a reduction of R\$ 58,575, corresponding to 26.63% in the period mainly due to the reversal of R\$ 75,123 in a legal proceeding related to an environmental fine from the municipality of Minaçu, which had been provisioned in 2021 in the amount of R\$ 75,123 thousand, and considered ungrounded in 2023 by court decision.

7.3 Equity

Due to the income determined in the period, equity presented an increase of approximately R\$98,928 thousand, corresponding to a positive variation of 2.69%.

Breakdown of liabilities - Equity - 1Q2023



Graph 7

Sanitation Legal Framework



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

On July 15, 2020, Law No. 14.026/2020 was enacted amending Law No. 11.445/2007, of January 5, 2007, National Legal Framework on Basic Sanitation. Among the changes brought by the law, it established attributions to the National Water and Basic Sanitation Agency (ANA), which now defines regulatory guidelines on sanitation in Brazil. Rules on the regionalization of the services were also implemented, as well as the definition of targets of universalization of the services at 99% for water supply and 90% for sewage services until 2033.

The contracts that do not include these targets shall be amended until March 31, 2022. 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 1st phase of proof of economic and financial capacity required by the decree, the Company contracted BDO RCS Auditores, which issued a report on the calculations carried out by the Company regarding minimum compliance with the established indexes, as shown in the following table:

Description	Target	2016	2017	2018	2019	2020	Median
Net Margin Index ¹	> 0	0,15	0,21	0,15	0,16	0,17	0,16
Indebtedness Level Index ²	< 1	0,51	0,44	0,45	0,49	0,47	0,47
Index of Return on Equity ³	> 0	0,04	0,10	0,04	0,10	0,11	0,10
Cash Sufficiency Index ⁴	> 1	1,04	1,09	1,06	1,06	1,07	1,06

Table 11

Net Margin without depreciation and amortization¹: economic and financial index calculated by dividing net income without depreciation and amortization and operating income; debt and tax expenses; Indebtedness Level Index²: economic and financial index calculated from the sum of current liabilities and noncurrent liabilities, divided by total assets;

Return on Equity³: economic and financial index calculated through the division of net income by equity; and Cash Sufficiency⁴: economic and financial index calculated through the division of total collection by the sum of operating expenses, expenses on interest, charges, debt amortization and tax expenses.

Regarding the 2nd phase, it consists 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 contracted 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 requirements of adequacy for the base date of 12/31/2020, which demonstrates that the Company 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 services of water supply or sewage, as set forth in the new Legal Framework on Basic Sanitation (Law No. 14.026/2021).

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

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

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

This mentioned fundraising, approved in Board of Directors' Meeting No. 487, of December 8, 2022, was divided into three tranches in the amounts of R\$300,000,000.00, R\$300,000,000.00 and R\$400,000,000.00 to be disbursed, respectively, in the second quarters of 2023, 2024 and 2025.

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

By means of the State Department of Sustainability and Environment (SEMAD), public hearings were conducted on July 12 and 13, in the cities of Anápolis and Goiânia, for presenting the proposal of regionalization of the services of basic sanitation to the state of Goiás. The Bill (PLC) under discussion establishes microregions of basic sanitation in Center-West and Center-East of the state and their respective governance structures. The regionalization process was filed by the state of Goiás with the State Legislature on July 15, 2021, and is currently being discussed by the state representatives. 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) amendment of contracts to adapt them to the targets established by the new law; and (iii) reform of 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.

Finally, we point out that the Company is aware of Federal Decrees Nos. 11.466 and 11.467, issued on April 05, 2023, and has studied the impact of this Regulation in the rendering of services in the municipalities where it operates.

Corporate Governance



9. Corporate Governance

Corporate Governance is the process through which is intended that all follow rules that join the search for social, economic and financial sustainability and the stimulation to an ethical environment in the conduction of business. Therefore, the search for meeting public interest by the realization of Saneago's main objective is permanent.

Saneago's Governance structure is formed by: 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 highlight the Sectorial Committee of Compliance and Governance established in 2019, which has been promoting and monitoring the evolution of best practices, having advisory and permanent nature for matters related to the Public Compliance Program of the State of Goiás, with the objective of watching over the implementation of the axes described in State Decree No. 9.406/2019.

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

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

The Company has as main instrument a Code of Conduct and Integrity, duly implemented and revised twice a year. The last review occurred on May 12, 2022. In addition to this Code of Conduct and Integrity, the Company established other mechanisms of integrity, approved by the Board of Directors.

- Policy on Approval Levels and Limits, updated on 10/14/2021;
- Policy on Compliance, updated on 12/16/2021;
- Policy on Risk Management, updated on 12/01/2022;

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

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

At the same time, Integrity Program Regulatory Instruction IN00.0452 in the context of Saneago was prepared and published, with the objective of regulating the State Law, and to provide guidance and instructions applicable to all suppliers of goods and services to Saneago, in accordance with the requirements of State Law No. 20.489/2019, and rules on the implementation of an effective Integrity Program.

Water Security



10. Water security

10.1 Water situation

In this last rain period, 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 most rainfall measurement stations presented a positive variation in relation to the average rainfall volume of the basins.

The monitoring stations installed in Goiânia recorded 220 mm rain above average volume for the last rain season from Sep/22 to Apr/23.

Gathering data from the period 2022/2023, it was possible to identify that in the months of January, February, October and December, rainfall volume was higher than average volume (September/22 30mm, October/22 107mm, December/22 225mm, January/23 277mm, February/23 213mm, March/23 138mm and April/23 87mm), reaching a positive accumulated volume of 220 mm for Goiânia.

There is an indication that we are returning to an average closer to the regular volumes. The data point to a future improvement in the volume of our aquifers, indicating a probable resume of normal storage levels.

10.2 Measures and actions to face water supply issues

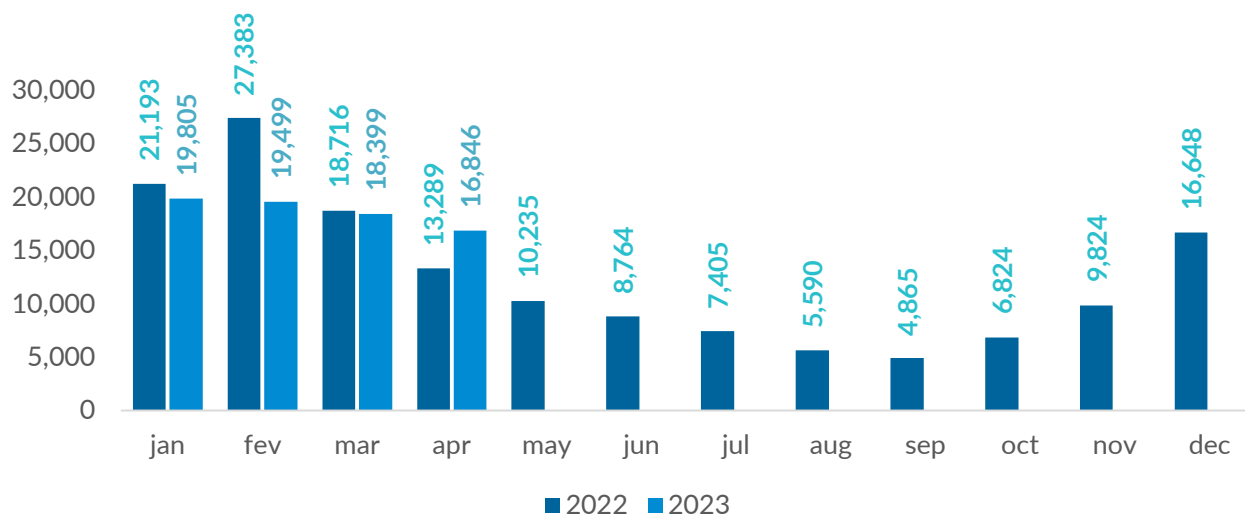
In order to promote the improvement of the conditions of water supply basins, Saneago has developed and implemented an Integrated Plan on Water Crisis, with decisive strategies and actions:

- Program for reduction in losses. Saneago is reference in Brazil, with loss rates lower than the country's average, especially in Goiânia, where the loss rate is 18%, while the national average is 40%;
- Partnerships in programs of environmental recovery and conservation of supply basins, such as "Ser Natureza", a partnership with the Public Prosecutor's Office.
- Monitoring of water sources of interest of Saneago with implementation and expansion of Saneago's Hydrological Monitoring Network, counting with over 75 monitoring stations throughout the state.
- Preparation of Rationing Plans in which supply rotation/ rationing is the last item. The focus is mainly on the dissemination of information and awareness of the population and other users on the rational use of water to face drought periods, by means of marketing and communication actions planned in campaigns on social media, radio and TV.

The purpose of all these actions is to cooperate with the improvement of environment conditions of supply basins and bring water security to the systems operated by Saneago, in addition to support the management of water resources and governance in Goiás.

10.3 Situation of the Main Systems of the Metropolitan Area

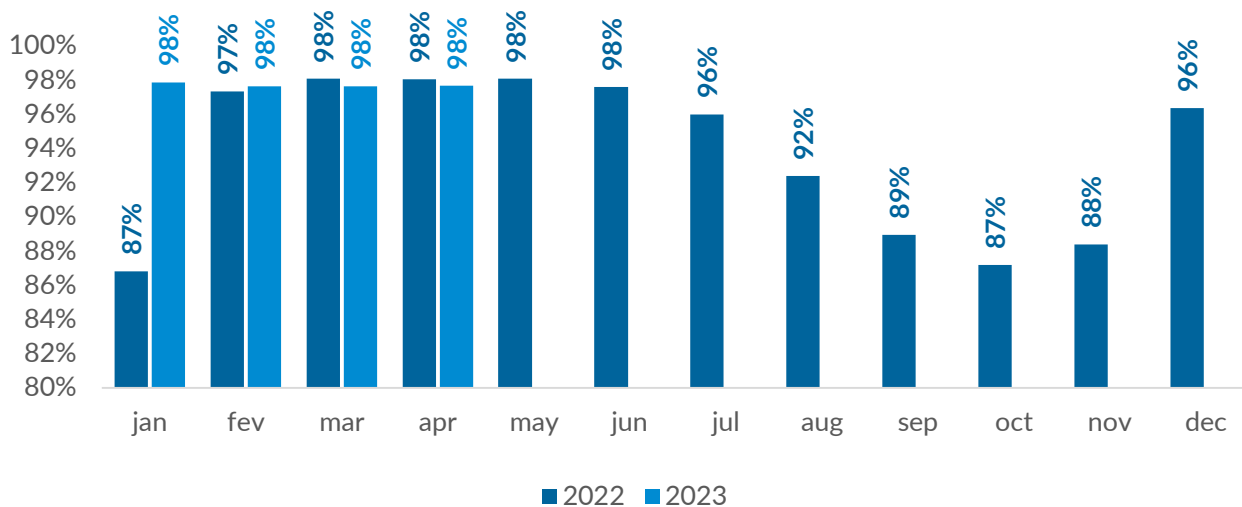
System "Meia Ponte"



Graph 8

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

System "Mauro Borges"



Graph 9

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

Regulatory Environment



Sistema Produtor Corumbá no município de Luziânia

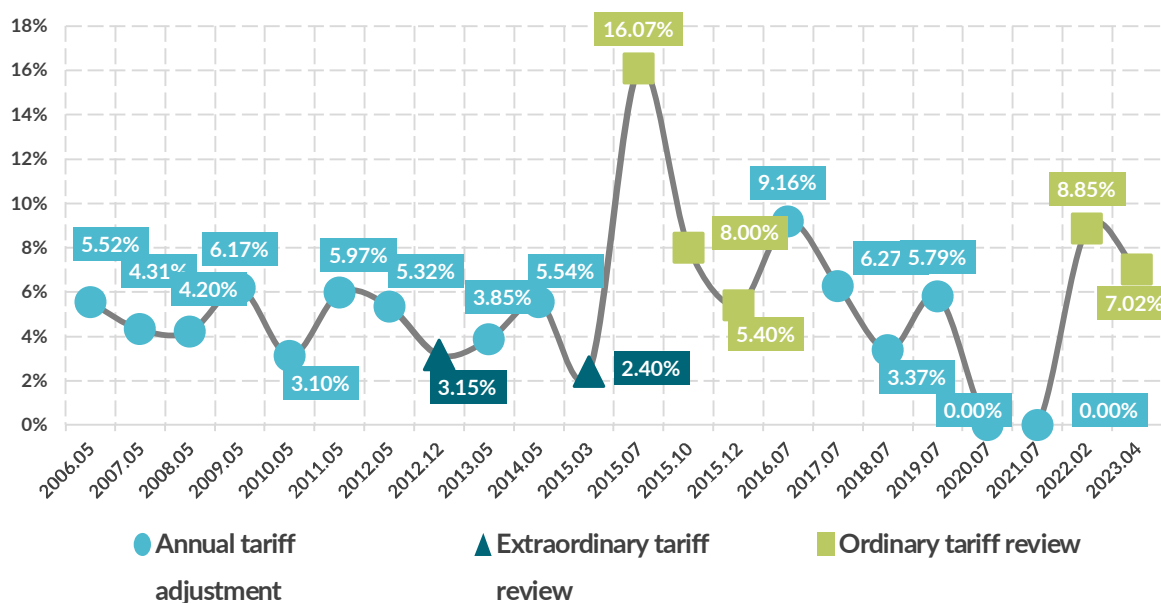
11. Regulatory environment

Saneago is regulated by four independent agencies: a state agency - Agency of Regulation, Control and Inspection of Public Services of the state of Goiás (AGR), and three municipal agencies, Goiânia Regulatory Agency (AR), created in 2016, and 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 Sanitation Legal Framework attributed to the National Water and Basic Sanitation Agency (ANA) the function of establishing reference standards for the sector to be followed by the country 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 the AGR and AR approved Joint Technical Notice No. 12/2021 - AGR/AR, determining the index of tariff adjustment at 8.854%, resulting from the tariff revision as from 02/03/2022.

Tariff adjustment 2023

According to resolutions of the bodies Agency of Regulation, Control and Inspection of Public Services of the state of Goiás (AGR), Goiânia Regulatory Agency (AR), and the Municipal Agency of Regulation of Water and Sewage Services (AMAE), an adjustment of Saneago's water and sewage tariffs was authorized at 7.02%, as from April 1, 2023.

Ownership Interest



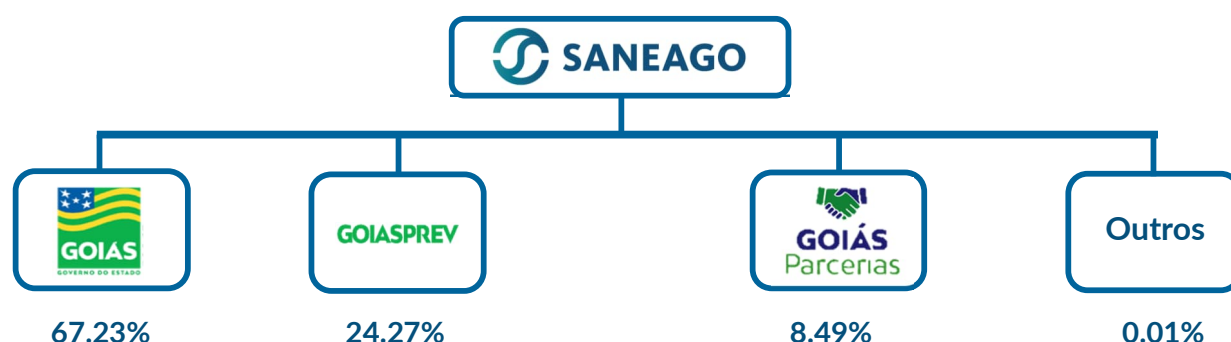
Saneago

12. Ownership interest

In 1Q2023, the Company's major shareholder is the State of Goiás, which holds 67.23% of the Company's total shares.

In the 2Q2023, the Company made the payment of dividends and Interest on equity capital to shareholders amounting to approximately R\$ 104,696 thousand related to income (loss) for 2022.

However, by the end of 1Q2023, in view of the reported income of R\$ 129,742 thousand, the Company maintains R\$ 125,878 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	
	Quantity	%	Quantity	%	Quantity	%
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%	1,691,128,165	67.22%
Others	4,000	0.00%	11,396	0.00%	15,401	0.00%
Total	1,866,906	100%	648,639	100%	2,515,546	100%

Table 12

Risk Rating



SANEAGO

Saneamento de Goiás S.A
Edifício Sede

Saneago

13. Risk Rating

On February 24, 2023, the firm Fitch Rating increased the Long-Term National Rating of Saneamento de Goiás S.A. (“Corporate”) and of its bonds from ‘A+(bra)’ to stable ‘AA-(bra)’.

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

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

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

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

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

The complete list of ratings is provided in Table 12.

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

Agency	Rating	Classification	Outlook	Latest report
MOODY'S LOCAL	Corporate and 10 th debenture issuance	AA+ .br	Stable	23/11/2022
Fitch Ratings	Corporate and debenture issuances (5 th , 6 th , 8 th , 9 th and 10 th)	AA- (bra)	Stable	24/03/2023

Table 13

ESG Governance



14. Environmental, Social and Governance Initiative (ESG)

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

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



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

- Creation of a Sustainability Committee;
- Creation of the Committee for Women-Related and Diversity Matters;
- Approval of a Sustainability Policy;
- Review of bottlenecks at the Company that lead to recurrent court actions as a result of a lack of concern to ESG practices;
- 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 on the Investor Relations website.
- Joining the Energy and Water Resilience Coalition and the Movement +Water of 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 Global Reporting Initiative - GRI methodology;

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.

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 March 31, 2023, which comprises the statement of financial position as at March 31, 2023, and the respective statements of income, comprehensive income, changes in equity and cash flows for the three-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 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 leads us to believe that the interim financial information included in the 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 Quarterly Information, and presented in accordance with 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 three-month period ended March 31, 2023, prepared under the responsibility of the Company's Management and presented as supplementary information for the purposes of IAS 34. These statements were submitted to review procedures performed alongside the review of the interim financial information, for the purpose of concluding whether they are reconciled with the interim financial information and accounting records, as applicable, and if their form and contents meet the criteria defined in NBC TG 09 - Statement of Value Added. Based on our review, we are not aware of any fact that would lead us to believe that these interim statements of value added were not prepared, in all material respects, in accordance with the criteria established in this Technical Pronouncement and consistently with the interim financial information taken as a whole.

Corresponding comparative balances

The interim financial information for the period ended March 31, 2022, presented for comparison purposes, was reviewed by us, and our report thereon, dated May 12, 2022, had an emphasis on the disclosure of events, measures and internal procedures taken by the Company's Management as a result of news published in the newspaper in January 2022, regarding the "Virtual Storeroom" contract, whose relevant uncertainties on the matter were settled and the Company has been monitoring and providing the necessary information to resolve the matter.

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

Goiânia, May 11, 2023.



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

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

STATEMENTS OF FINANCIAL POSITION
(In thousands of Brazilian Reais)

	Note	03/31/2023	12/31/2022		Note	03/31/2023	12/31/2022
Assets				Liabilities			
Current				Current			
Cash and cash equivalents	4	38,638	81,606	Trade accounts payable		134,600	177,458
Financial investments	5	608,953	615,746	Loans and financing	20.a	26,238	27,868
Marketable securities	6	271	264	Debentures	20.b	217,260	213,499
Receivables from customers	7	512,875	517,470	Leases	20.d	29,297	21,900
Inventories	8	92,748	80,995	Labor liabilities	21	135,367	140,074
Recoverable taxes	9	26,813	22,132	Provision for profit sharing - employees	33	52,299	39,324
Prepaid expenses and advances	10	26,143	17,275	Tax liabilities	22	52,980	57,189
Outsourcing	11	15,514	11,334	Installment payments	23	2,049	2,018
Other accounts receivable	12	35,652	35,113	Contract obligations	24	-	4,349
		<u>1,357,607</u>	<u>1,381,935</u>	Consortiums	25	661	736
				Contract-related advance	26	2,489	2,489
				Other accounts	27	13,405	13,789
				Outsourcing	11	-	349
				Dividends and Interest on Equity Capital Payable	30.f	126,201	95,388
						<u>792,846</u>	<u>796,430</u>
Noncurrent				Noncurrent			
Marketable securities	6	6,730	13,798	Loans and financing	20.a	153,446	156,648
Receivables from customers	7	31,119	30,699	Debentures	20.b	544,805	594,981
Recoverable taxes	9	9,630	7,697	Leases	20.d	114,131	88,931
Prepaid expenses	10	240,638	243,123	Labor liabilities	21	-	426
Outsourcing	11	1,479,533	1,425,231	Tax liabilities	22	37,535	31,842
Court deposits	13	15,659	14,905	Installment payments	23	13,736	14,260
Deferred taxes	14.2	-	9,255	Contract obligations	24	10,147	10,147
Subventions receivable	19	6,516	25,647	Contract-related advance	26	7,881	8,503
		<u>1,789,825</u>	<u>1,770,355</u>	Provision for legal claims	28	161,423	219,998
				Outsourcing	11	1,479,533	1,425,231
				Subventions	19	137,459	151,766
				Deferred taxes	14.2	11,686	-
						<u>2,671,782</u>	<u>2,702,733</u>
Fixed assets	16	416,153	385,855	Equity			
Contract assets	17	771,743	759,437	Capital stock	30.a	2,515,546	2,515,546
Intangible assets	18	2,905,411	2,878,764	Statutory reserve	30.c	78,543	78,543
		4,093,307	4,024,056	Reserve for investments	30.d	1,049,781	1,049,781
				Asset and liability valuation adjustment	30.e	33,313	33,313
				Retained earnings for the Period		98,928	-
						<u>3,776,111</u>	<u>3,677,183</u>
Total assets		<u><u>7,240,739</u></u>	<u><u>7,176,346</u></u>	Total liabilities		<u><u>7,240,739</u></u>	<u><u>7,176,346</u></u>

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

STATEMENTS OF INCOME
(In thousands of Brazilian Reais)

	Note	01/01/2023 to 03/31/2023	Restated 01/01/2022 to 03/31/2022
Net revenues			
Revenues from Water and Sewage Supply Services		665,804	633,331
Construction Revenues		71,166	24,237
Revenue from Technical Services		591	573
Approval of outsourcing		2,275	2,275
	31	<u>739,836</u>	<u>660,416</u>
Costs			
Costs of services	32	(303,667)	(361,616)
Construction Costs	32	(71,166)	(24,237)
	32	<u>(374,833)</u>	<u>(385,853)</u>
Gross profit		365,003	274,563
Selling expenses	32	(75,267)	(94,308)
Administrative expenses	32	(123,126)	(174,242)
Tax expenses		(3,199)	(6,818)
Provisions/reversals - losses/recovery of credits	33	28,810	27,995
Other operating revenues/expenses		143	(122)
		<u>(172,639)</u>	<u>(247,495)</u>
Income before financial income		<u>192,364</u>	<u>27,068</u>
Net financial income (loss)	34	<u>(10,789)</u>	<u>5,731</u>
Income before taxes		<u>181,575</u>	<u>32,799</u>
Current Income and Social Contribution taxes	14.1	(30,893)	-
Deferred Income and Social Contribution Taxes	14.1	(20,941)	(9,545)
Net income for the period		<u>129,741</u>	<u>23,254</u>
Earnings per share	30.g	0.0516	0.0092

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

STATEMENTS OF COMPREHENSIVE INCOME
(In thousands of Brazilian Reais)

	01/01/2023 to 03/31/2023	01/01/2022 to 03/31/2022
Net income for the period		
Net income for the period	129,741	23,254
Other comprehensive income		
Realization of deemed cost, net of deferred taxes	-	1
Comprehensive income for the period	<u>129,741</u>	<u>23,255</u>

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

Saneamento de Goiás S.A.

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

	Capital stock	Statutory reserve	Reserve for investments	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	-	-	-	-	-	23,254	23,254
Interest on equity capital	-	-	-	-	-	(5,523)	(5,523)
Realization of deemed cost	-	-	-	(1)	-	-	(1)
Balances as at March 31, 2022	2,515,546	58,460	763,613	33,314	(14,116)	17,731	3,374,548
Balances as at January 01, 2023	2,515,546	78,543	1,049,781	33,313	-	-	3,677,183
Net income for the period	-	-	-	-	-	129,741	129,741
Interest on equity capital	-	-	-	-	-	(30,813)	(30,813)
Balances as at March 31, 2023	2,515,546	78,543	1,049,781	33,313	-	98,928	3,776,111

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

STATEMENTS OF CASH FLOWS
(In thousands of Brazilian Reais)

	Note	03/31/2023	03/31/2022
Net cash from operating activities		<u>103,398</u>	<u>(49)</u>
Cash from operations		205,979	70,302
Net income for the period		129,741	23,254
Adjustments to reconcile net income			
Depreciation and amortization		41,937	33,775
Write-off of Investments in Fixed and Intangible Assets/Inventory Adjustment		368	892
State subventions - Social Tariff Program		-	(100)
Discount to present value - receivables	34	(291)	(562)
Deferred Taxes - Income Tax (IRPJ)/Social Contribution Tax (CSLL)	14.1	20,941	9,545
Charges on loans, financing and leases		35,216	16,165
Capitalized interest	20.c	(5)	(64)
Returns on financial investments	6	(195)	(309)
Monetary Adjustment - Sale of Noncurrent Assets		-	(104)
Provisions/ Reversals	33	(21,733)	(12,190)
Changes in assets and liabilities		<u>(102,181)</u>	<u>(70,556)</u>
Receivables from customers	39	(24,221)	(51,869)
Recoverable taxes	39	(3,061)	(13,149)
Inventories	39	(11,187)	(7,689)
Prepaid expenses and advances to employees		(6,383)	(1,986)
Court deposits		(754)	(2,534)
Trade accounts payable		(42,858)	5,432
Consortiums		(75)	538
Labor liabilities		(5,133)	9,963
Tax liabilities		1,484	(508)
Installment payments		(493)	2,779
Contract obligations		(4,349)	-
Outsourcing		(4,529)	(11,034)
Contract-related advance		(622)	(499)
Others		<u>(400)</u>	<u>205</u>
Other accounts receivable	39	(16)	(112)
Other accounts payable		(384)	317
Net cash from investing activities		<u>(73,679)</u>	<u>35,975</u>
Acquisition of fixed assets	16.1	(7,445)	(18,239)
Contract assets	39	(49,412)	(11,599)
Acquisition of intangible assets	18	(29,201)	(16,098)
Acquisition of inventory for construction	17	(1,670)	(7,079)
Receipt from disposal of fixed assets		-	1,748
Marketable securities	6	7,256	1,497
Financial investments/Redemptions		6,793	87,330
Adjustments - Growth Acceleration Program (PAC) subventions		-	(1,585)
Net cash from financing activities		<u>(72,687)</u>	<u>(81,912)</u>
Financing/Loans Raised	20.c	201	-
Amortization of loans and financing	20.c	(51,366)	(59,334)
Payment of Finance Charges on fundraising	20.c	(31,831)	(27,398)
Leases	20.c	(9,288)	(4,587)
Subventions	19.a	19,597	9,407
Increase/(decrease) in cash and cash equivalents, net		<u>(42,968)</u>	<u>(45,986)</u>
Beginning balances of cash and cash equivalents	4	81,606	138,808
Final balances of cash and cash equivalents	4	38,638	92,822

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

STATEMENTS OF VALUE ADDED
(In thousands of Brazilian Reais)

	Note	03/31/2023	Restated 03/31/2022
Revenues			
Sales of merchandise, products and services		734,071	697,564
Revenue from construction	31	71,166	24,237
Allowance for doubtful accounts/Reversal	33	(28,687)	(25,774)
Statute of limitations/Recovery of credits	33	7,077	15,806
Approval of outsourcing	31	2,275	2,275
Revenue from Technical Services	31	591	573
Other revenues		1,251	7,479
		<u>787,744</u>	<u>722,160</u>
Inputs acquired from third parties			
Costs of goods sold and services rendered		(112,261)	(127,229)
Consumed raw materials		(1,959)	(1,029)
Electricity, third-party services		(58,086)	(66,453)
Construction cost		(71,165)	(24,237)
Recognition/Reversal of provision for inventory losses		(119)	6,994
Other expenses		(1,107)	(7,601)
		<u>(244,697)</u>	<u>(219,555)</u>
Gross value added		543,047	502,605
Withholdings			
Depreciation/amortization	32	(41,937)	(33,775)
Provisions/ Reversals		50,540	30,970
		<u>8,603</u>	<u>(2,805)</u>
Net value added		551,650	499,800
Value added received through transfer			
Financial revenues	34	31,786	31,063
		<u>31,786</u>	<u>31,063</u>
Total value added to be distributed		583,436	530,863
Value added distribution		583,436	530,863
Personnel and charges			
Direct compensation		171,606	286,735
Benefits		46,858	48,764
Severance Pay Fund (FGTS)		14,563	14,453
		<u>233,027</u>	<u>349,952</u>
Taxes, fees and contributions			
Federal		151,696	113,469
Federal - Deferred IRPJ /CSLL		20,941	9,545
State		1,748	1,562
Municipal		466	5,031
		<u>174,851</u>	<u>129,607</u>
Return on debt capital			
Interest		42,575	25,332
Rent		3,242	2,718
		<u>45,817</u>	<u>28,050</u>
Return on equity capital		129,741	23,254
Income for the period		<u>129,741</u>	<u>23,254</u>

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

Notes to the interim financial information as at March 31, 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 March 31, 2023, Saneago had executed 224 contracts, as follows: 144 in effect, of which 82 are concession contracts, 62 are program contracts, and 80 contracts overdue, representing an average percentage of 84.40% and 15.60% of net revenue, respectively. In 2022, the concession contract was resumed by the municipality and the rendering of services was discontinued in Buriti Alegre and Ipameri, with average representation of 0.35% of the Company's net revenue in 2022, and a lawsuit has been filed by Saneago to obtain compensation for investments made and not amortized, as described in Note 12 (a).

The Company has corresponding intangible assets and contract assets amounting to R\$616,868 in relation to expired contracts, of a total of R\$3,677,154 as per notes 17 and 18. The realization of these assets depends on the regularization by the National Water Agency - ANA for definition of the compensation calculation methodology.

The average term of current concession and program contracts, weighted by the percentage of 2023 net revenue from active contracts, is 18.7 years. The contracts have the following maturity schedule: 80 overdue, 30 due in the next 5 years, 13 due between 6 and 10 years, 27 due between 11 and 15 years, 26 due between 16 and 20 years and 48 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	36.37%	Program	30
Anápolis	IN EFFECT	02/27/2050	7.28%	Program	30
Aparecida De Goiânia	IN EFFECT	11/01/2041	4.18%	Program	30
Valparaíso De Goiás	IN EFFECT	11/16/2048	2.74%	Program	30
Rio Verde	IN EFFECT	11/01/2041	2.40%	Program	30
Luziânia	IN EFFECT	12/01/2045	2.18%	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	1.53%	Concession	25
Águas Lindas de Goiás	IN EFFECT	12/28/2048	1.39%	Program	30
Trindade	IN EFFECT	11/01/2041	1.37%	Program	30
Jataí	IN EFFECT	11/01/2041	1.33%	Program	30
Goianésia	EXPIRED	06/15/2020	1.24%	Concession	25
Novo Gama	IN EFFECT	11/16/2048	1.23%	Program	30
Cidade Ocidental	IN EFFECT	11/01/2041	1.21%	Program	30
Inhumas	IN EFFECT	06/17/2050	0.97%	Program	20
Quirinópolis	EXPIRED	06/24/2016	0.95%	Concession	30
Maturing in 01 - 05 years			3.92%		
Maturing in 06 - 10 years			0.71%		
Maturing in 11 - 15 years			1.74%		
Maturing in 16 - 20 years			3.73%		
Maturing in 21 - 30 years			6.33%		
Expired			13.41%		
			<u>100.0%</u>		

The operations of the Company are concentrated in the Municipality of Goiânia, which, as at March 31, 2023, represented 36.37% of net revenue and 34.07% 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.

As for regionalization, the state government had the obligation to promote the regionalization of sanitation services for all 246 municipalities by July 15, 2021, under penalty of the Federal

Government doing so in its stead.

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

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.

The Company has been institutionally adapting itself to comply with current legislation arising from the new Sanitation Framework, as well as complementary regulatory consequences. It is still awaiting some general regulatory guidelines within the scope of ANA to define action strategies such as the methodology for calculating indemnities arising from investments made and not yet amortized or depreciated, which include the 80 expired contracts mentioned.

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

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

Lastly, it should be noted that the Company is aware of Federal Decrees No. 11,466 and 11,467, issued on April 5, 2023, and has been studying the impact of this Regulation on the provision of services in the municipalities in which it operates.

Price adjustment

The Control and Inspection Council of Public Services of the city of Goiânia (AGR) The 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 May 11, 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 have 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 have been prepared based on historical cost and adjusted to reflect the deemed cost of plots of land, building, furniture and fixtures, machinery and equipment, vehicles and IT equipment at the date of transition to IFRS. Such assets cannot be returned to the grantor.

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

2.2 Functional currency

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

2.3 Summary of main accounting practices

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

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

a) Allowance for doubtful accounts and write-off per maturity

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

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

Losses are estimated using the provision matrix technique, which considers expectations of

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

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

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

b) Inventory losses

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

c) Deferred income and social contribution taxes

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

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

For more information on deferred taxes, please refer to Note 14.2.

d) Provision for lawsuits

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

For more information on lawsuits, please refer to Note 28.

2.4 Financial assets and liabilities

a) Financial assets

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

b) Financial liabilities

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

As at March 31, 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 has to be assured through the amounts charged for services, preferably in the form of tariffs.

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

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

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

Regarding the other expired contracts, they await the regionalization of the sanitation services in the state and there are also 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, whether by 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; or by waiting for the regionalization to be instituted by the state.

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 conditions have been fulfilled yet, they are recognized in the statement of financial position in a liability account, as per balance in note 19. When the established condition of immobilization of the work is fulfilled, they are reclassified by deducting the carrying amounts of the respective assets.

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

c) Software use licenses

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

2.12 Impairment of non-financial assets

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

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

Additionally, the Company adopts impairment for works that have been paralyzed for more than a year and with no expectation of cash generation, with direct and indirect costs fully provisioned. If the works are resumed, the incurred losses are calculated and recognized in the statement of income for the year. The amount of the provision for impairment related to paralyzed works is R\$123,359 as at March 31, 2023 (R\$ 128,347 as at December 31, 2022).

2.13 Trade accounts payable

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

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

2.14 Employees' pay and related charges

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

2.15 Profit sharing

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

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

2.16 Income and social contribution taxes

a) Current taxation

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

b) Deferred taxes

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

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

2.17 Taxes on revenue

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

2.18 Loans and financing

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

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

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

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

2.19 Leases

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

2.20 Provisions, legal obligations, court deposits and contingent assets

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

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

2.21 Other current and noncurrent liabilities

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

2.22 Benefits and defined contribution plans granted to employees

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

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

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

2.23 Segment reporting

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

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

2.24 Statement of value added

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

2.25 Restatement of balances as at March 31, 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 1st quarter 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 March 31, 2022 (Restated)

	03/31/2022	Adjustment	Restated 03/31/2022
Net revenues	653,815	6,601	660,416
Operating costs	(385,853)	-	(385,853)
Gross profit	267,962	-	274,563
Operating expenses	(247,495)	-	(247,495)
Income before financial income (loss)	20,467	-	27,068
Net financial income (loss)	12,332	(6,601)	5,731
Income before taxes	32,799	-	32,799
Current Income and Social Contribution taxes	-	-	-
Deferred Income and Social Contribution taxes	(9,545)	-	(9,545)
Net income for the period	23,254	-	23,254
Earnings per share	0.0092	-	0.0092

Statement of Value Added as at March 31, 2022 (Restated)

	03/31/2022	Adjustment	Restated 03/31/2022
Revenues	715,559	6,601	722,160
Inputs acquired from third parties	(219,555)	-	(219,555)
Gross value added	496,004	-	502,605
Withholdings	(2,805)	-	(2,805)
Net value added	493,199	-	499,800
Value added received through transfer	37,664	-	31,063
Total value added to be distributed	530,863	(6,601)	530,863
Distribution of value added	530,863	-	530,863
Personnel and Charges	349,952	-	349,952
Taxes, fees and Contribution	129,607	-	129,607
Return on debt capital	28,050	-	28,050
Return on equity capital (Income for the period)	23,254	-	23,254

3. Risk management and financial instruments

3.1 Financial risk factors

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

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

(a) Market risk

Interest rate risk

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

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

Debt Sensitivity

In determining the sensitivity to interest rate risk, the following rates were used to analyze the debt balance: CDI, SOFR and TR.

Therefore, based on current values or market expectations for the end of the period for these index values as at March 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 -03/31/2023		Scenario II		Scenario III	
		Probable scenario Rate	Value	Rate	Value	Rate	Value
CDI (Banks + Debentures)	765,720	13,65%	870,241	17,06%	896,352	20,48%	922,539
USD SOFR 3M (BID)	66,500	6,13%	70,576	7,66%	71,594	9,20%	72,618
TR (Caixa Econômica Federal)	109,201	1,95%	111,330	2,44%	111,866	2,93%	112,401
Sub Total	941,421		1,052,147		1,079,812		1,107,558
Transaction costs	(3,013)						
	938,408						
Not subject to risk							
FCO - Cezarina (a)	3,341						
	941,749						

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, in relation to December 2022, 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.

Currency	Sensitivity of debt in foreign currency - 03/31/2023					
	Exposure	Probable scenario	-25%	25%	-50%	50%
Debt in R\$ (IDB)	66,500	R\$ 5.08	R\$ 3.81	R\$ 6.35	R\$ 2.54	R\$ 7.62
Exposure in US\$	12,888	-	-	-	-	-
Debt in R\$ in the scenarios	-	65,477	49,108	81,847	32,739	8,216
Effects on income before taxation		(1,023)	(17,392)	(15,347)	33,761	(31,716)

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 for foreign currency debt, the probable scenario indicated a slight decrease in the expected amount of future debt. We point out, however, factors that have been substantially affecting Brazilian and international economy, such as the high interest rate environment due to the acceleration of inflation in Brazil and in the world, in addition to the growth of defaults and the credit risk for companies. Additionally, the global economy has been slowing down and economic and geopolitical uncertainties exist, in particular some commercial disputes and the possible resurgence of the military conflict in Ukraine - that may contribute to less global growth. Domestic factors relate to whether the Brazilian economy is able to absorb problems in the international market and if internal structural changes are

possible, in special in relation to taxation, which would allow resuming economic growth. The dollar exchange rate used for the payment due in April 2023 was R\$5.06. The projection of exchange rate for 2023 is R\$5.20.

The dollar rates of the scenarios were based on data the Brazilian Central Bank published in the FOCUS Market Report (Market Expectations) on April 24, 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.

	03/31/2023	12/31/2022
Net Financial Position		
Total loans/Debentures/Leases	1,085,177	1,103,827
(-) Cash and cash equivalents.	(38,638)	(81,606)
(-) Financial Investment (a)	(608,953)	(615,746)
(=) Net debt	437,586	406,475
(+) Total equity	3,776,111	3,677,183
(=) Total capital	<u>4,213,697</u>	<u>4,083,658</u>
Financial Leverage Index	10.38%	9.95%

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

4. Cash and cash equivalents

	03/31/2023	12/31/2022
Imprest fund	116	108
Bank checking accounts/billing	7,751	13,722
Banks - Accounts linked to construction work	259	1,926
Banks - Billing not yet released (a)	6,831	11,904
Financial investments (b)	23,681	53,946
	<u>38,638</u>	<u>81,606</u>

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

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

(b) The Company maintains in Cash and Cash Equivalents the investments expected to be used within six months.

The financial investments breakdown as follows:

	03/31/2023	12/31/2022
Banco do Brasil	1,634	1,524
BBM	5,570	3,384
Bradesco	6,353	5,927
Itaú	7,442	40,533
Safra	11	11
Vortex	2,671	2,567
	<u>23,681</u>	<u>53,946</u>

The average return on these financial investments in the 1st quarter of 2023 was 74.17% of CDI (as at December 31, 2022, it was 74.56% of CDI%).

The decrease in cash and cash equivalents is mainly due to advance payment of year-end benefit to employees, settlement of INSS on year-end bonus and payment of various suppliers, especially related to investments.

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:

	03/31/2023	12/31/2022
Itaú	22,644	45,550
Santander	586,309	570,196
	<u>608,953</u>	<u>615,746</u>

The average return on the financial investments in the 1st quarter of 2023 was 102.61% of the Interbank Deposit Rate (CDI) (100.96% of CDI as at December 31, 2022).

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

6. Marketable securities

	03/31/2023	12/31/2022
Current		
Caixa Econômica Federal	271	264
	<u>271</u>	<u>264</u>
Noncurrent		
Bradesco	-	1,153
Caixa Econômica Federal	5,720	12,645
	<u>1,010</u>	<u>13,798</u>
	<u>6,730</u>	<u>13,798</u>
	<u>7,001</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\$ 195 was recorded in marketable securities, with effective redemption in the net amount of R\$ 7,256.

The average returns on marketable securities in the 1st quarter of 2023 was 72.97% of the Interbank Deposit Rate (CDI) (79.33% of CDI as at December 31, 2022).

7. Receivables from consumers

	03/31/2023			12/31/2022		
	Private	Public	Total	Private	Public	Total
Amounts billed and not yet due	120,786	14,417	135,203	117,548	13,545	131,093
Becoming due in more than 30 days	34,126	4,282	38,408	34,540	4,404	38,944
Overdue for up to 30 days	103,414	5,337	108,751	104,733	3,763	108,496
From 31 to 60 days overdue	37,733	4,400	42,133	40,600	1,945	42,545
From 61 to 90 days overdue	14,562	177	14,739	17,348	2,135	19,483
From 91 to 120 days overdue	13,087	1,531	14,618	13,546	1,765	15,311
From 121 to 180 days overdue	23,897	3,142	27,039	21,967	2,739	24,706
From 181 to 360 days overdue	56,621	6,722	63,343	54,620	5,473	60,092
From 361 days to 5 years overdue	90,737	11,368	102,105	70,197	9,837	80,034
Overdue for more than 5 years	7,740	4,568	12,308	6,559	4,118	10,678
Collection to be identified	(74)	-	(74)	(133)	-	(133)
Estimate of amounts to be billed	98,466	7,327	105,793	101,762	7,380	109,142
(-) Discount to present value of receivables	(1,093)	(190)	(1,283)	(1,176)	(197)	(1,373)
(-) Allowance for doubtful accounts	(124,085)	(26,123)	(150,208)	(99,153)	(22,395)	(121,548)
Subtotal	<u>475,917</u>	<u>36,958</u>	<u>512,875</u>	<u>482,958</u>	<u>34,512</u>	<u>517,470</u>
Amounts receivable (noncurrent)	28,108	10,307	38,415	27,158	11,011	38,169
(-) Discount to present value of receivables	(3,829)	(1,962)	(5,791)	(3,831)	(2,161)	(5,992)
(-) Allowance for doubtful accounts	(874)	(631)	(1,505)	(796)	(682)	(1,478)
Subtotal	<u>23,405</u>	<u>7,714</u>	<u>31,119</u>	<u>22,531</u>	<u>8,168</u>	<u>30,699</u>
Total	499,322	44,672	543,994	505,489	42,680	548,169

During recognition, the amounts demonstrated above were equal to their respective fair values and do not consider fines, interest or any form of monetary adjustment payable on overdue amounts.

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

Balance as at 12/31/2022	(123,026)
Recognition of allowance for doubtful accounts (Note 33)	<u>(28,687)</u>
Balance as at 03/31/2023	<u><u>(151,713)</u></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

	03/31/2023	12/31/2022
Materials to be used in treatment stations	9,621	8,096
Materials to be used in pipelines	543	396
Electric materials and equipment	2,968	2,087
Tubes and connections for pipelines and water mains	43,082	44,117
Materials to be used in building pipelines	7,863	4,382
Water meters	17,421	10,460
Valves	11,038	11,173
Pumps	2,072	2,284
Sundry materials	4,638	4,378
(-) Provision for inventory losses	<u>(6,498)</u>	<u>(6,378)</u>
	<u><u>92,748</u></u>	<u><u>80,995</u></u>

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

Balance as at 12/31/2022	<u>(6,378)</u>
Recognition of net provision for inventory losses (Note 33)	<u>(120)</u>
Balance as at 03/31/2023	<u><u>(6,498)</u></u>

9. Recoverable taxes

	03/31/2023	12/31/2022
Current		
Withholding Income Tax (IRRF)	7,783	7,148
Estimate of IRRF on financial investments	13,360	9,990
PIS/COFINS on Leases	2,937	2,261
Brazilian Federal Revenue Service	<u>2,733</u>	<u>2,733</u>
	<u>26,813</u>	<u>22,132</u>
Noncurrent		
PIS/COFINS on Leases	<u>9,630</u>	<u>7,697</u>
	<u><u>9,630</u></u>	<u><u>7,697</u></u>

10. Prepaid expenses and advances

	03/31/2023	12/31/2022
Current amounts		
Advances for payment of graduate courses	27	27
Advances to suppliers	647	-
Advances for travel	784	738
Advances for vacations	860	6,572
Advances for year-end bonus	13,887	-
Contractual indemnities	<u>9,938</u>	<u>9,938</u>
	<u><u>26,143</u></u>	<u><u>17,275</u></u>
Noncurrent amounts		
Contractual indemnities	<u>240,638</u>	<u>243,123</u>
	<u><u>240,638</u></u>	<u><u>243,123</u></u>

11. Outsourcing

To assure compliance with Program Contracts executed between Saneago and the municipalities of Aparecida de Goiânia, Jataí, Rio Verde and Trindade, the Company chose to outsource sewage services through a bidding process, and contract # 1327/2013 went into effect on July 19, 2013.

Full operations began in November 2013 and the contract term ends on November 1, 2041, with contract 1327/2013 being currently managed by BRK Ambiental Goiás S.A.

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

- The regulation agency is the Control and Inspection Council of Public Services (AGR) and the consenting intervening parties are the municipalities of Aparecida de Goiânia, Jataí, Rio Verde and Trindade. In Rio Verde, the contract-related regulatory matters will be under shared responsibility of AGR and Rio Verde AMAE;
- Payment of R\$273,000 granting fees to Saneago in thirty (30) installments, annually adjusted according to the IPCA rate (National Consumer Price Index);
- Operation and expansion of collection, removal and sewage treatment systems. The water supply universalization ratio must reach at least ninety percent (90%) of the population until December 31, 2023;
- Saneago will manage the integrated commercial operation of public water supply and sewage services in the outsourced area. It is a responsibility of the outsourced service provider to register consumers, read water meters, issue and simultaneously deliver the payment invoices, cut and reconnect the water supply and micro-measurement, among other activities related to the rendering the water supply and sewage services.

Granting fees are recorded in current assets proportionally to the contract term and adjusted according to the IPCA rate, with a corresponding item to the statement of income. Current liabilities refer to matching of accounts between parties and mainly derives from subdelegate's revenues received by Saneago. Long term assets and liabilities represent investments made by the subdelegate entity not yet amortized.

Outsourcing	Current assets		Current liabilities	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Granting fees	15,514	11,334	-	349
	Noncurrent assets		Noncurrent liabilities	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Investments - Sewage system	1,613,557	1,547,015	1,613,557	1,547,015
(-) Accumulated amortization	(134,024)	(121,784)	(134,024)	(121,784)
Net investments	<u>1,479,533</u>	<u>1,425,231</u>	<u>1,479,533</u>	<u>1,425,231</u>
Total	<u><u>1,495,047</u></u>	<u><u>1,436,565</u></u>	<u><u>1,479,533</u></u>	<u><u>1,425,580</u></u>

12. Other accounts receivable

	03/31/2023	12/31/2022
Current portion		
Collateral deposits	13	18
Consortium-related amounts (a)	29,626	29,071
Sundry advances	6,388	6,399
(-) Provision for losses	(375)	(375)
	35,652	35,113
Noncurrent portion		
Contracts under legal dispute (b)	38,403	38,355
(-) Estimated credit losses	(38,403)	(38,355)
	-	-

(a) This refers to the difference in interest held in jointly-controlled businesses (note 25). The consortium members shall make adjustments (payments or receipts) at each six months for equalization.

(b) Contracts under legal dispute

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

Caldas Novas

Due to the recovery of the systems by the municipal government on June 27, 1995, Saneago filed an indemnity action, Proceeding No. 0033803.68.1995.8.09.0051. The local judge accepted the request, sentencing the municipal government of Caldas Novas to pay R\$ 37,058. On June 05, 2019, the court of Goiás revoked the lower court decision and determined the proceeding to continue on 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 instance of origin, and inadvertently closed without compliance with the decision by the court of Goiás. The company has filed a request to be called to court, so that the proceeding can be reopened and the decision by the court of Goiás can be executed and, consequently, the Company can be determined to present the amounts to be amortized, so that the amount effectively owed by the municipality can be calculated.

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 concluded for judgment.

Catalão

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

On October 04, 2021, a new expert was appointed, and Saneago presented its requirements. We await the expert analysis, expected for April 25, 2023, for the calculation of indemnity.

Buriti Alegre

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

Ipameri

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

13. Court deposits

	03/31/2023		12/31/2022	
	Qty.	Value	Qty.	Value
Civil	140	5,756	141	5,083
Tax	2	5,474	2	5,474
Labor	85	4,429	77	4,348
Total	227	15,659	220	14,905

Of the outstanding balance as at March 31, 2023, around 91% 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

	03/31/2023		03/31/2022	
	Income Tax	Social Contribution Tax	Income Tax	Social Contribution Tax
Income before Income and Social Contribution Taxes (IRPJ and CSLL)	181,575	181,575	32,799	32,799
IR and CSLL - Current Rates (25% e 9%)	(45,394)	(16,342)	(8,200)	(2,952)
Deductibility on Interest on Equity Capital	7,701	2,774	1,381	497
Nondeductible Fines	(13)	(5)	(817)	(294)
Workers' Meal Program - PAT	578	-	-	-
Loss/Recovery of nondeductible credits - Law nº 9.430/96	-	-	443	160
Management Bonus	(135)	-	-	-
Corporate Citizen Incentive - Law nº 11.770/08	69	(8)	(15)	(6)
Expenses on issue of shares	-	-	2	1
Others	(777)	(282)	161	94
IRPJ e CSLL - Effective Amounts	<u>(37,971)</u>	<u>(13,863)</u>	<u>(7,045)</u>	<u>(2,500)</u>
Total do IRPJ and CSLL	<u>(51,834)</u>		<u>(9,545)</u>	
Effective rate	<u>28.55%</u>		<u>29.10%</u>	

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

	03/31/2023			03/31/2022		
	Current	Deferred	Total	Current	Deferred	Total
Income Tax	23,321	14,650	37,971	-	7,045	7,045
Social Contribution Tax	7,572	6,291	13,863	-	2,500	2,500
Total	<u>30,893</u>	<u>20,941</u>	<u>51,834</u>	<u>-</u>	<u>9,545</u>	<u>9,545</u>

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

	03/31/2023				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	151,713	37,927	13,654	51,581	123,026	30,756	11,072	41,828
Discount to Present Value - Credit receivable	7,074	1,769	637	2,406	7,365	1,841	663	2,504
Provision for losses on Inventory	6,498	1,625	585	2,210	6,378	1,595	574	2,169
Provision for losses on investments	564	141	51	192	564	141	51	192
Provision for contingencies	161,423	40,355	14,528	54,883	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	123,359	30,840	11,102	41,942	128,347	32,087	11,550	43,637
Provision for profit sharing	52,299	13,075	4,707	17,782	39,324	9,831	3,539	13,370
Lease - Vehicles	(5,110)	(1,278)	(460)	(1,738)	(2,560)	(640)	(230)	(870)
CSLL Tax Losses (a)	73,071	-	6,576	6,576	84,372	-	7,593	7,593
Total	<u>609,669</u>	<u>134,149</u>	<u>54,870</u>	<u>189,019</u>	<u>645,544</u>	<u>140,293</u>	<u>58,098</u>	<u>198,391</u>
Deferred tax liabilities								
Tax Accounting Depreciation	539,838	134,960	48,585	183,545	505,813	126,453	45,523	171,976
Asset and liability valuation adjustment	50,473	12,617	4,543	17,160	50,473	12,617	4,543	17,160
	<u>590,311</u>	<u>147,577</u>	<u>53,128</u>	<u>200,705</u>	<u>556,286</u>	<u>139,070</u>	<u>50,066</u>	<u>189,136</u>
Total Deferred Taxes, net				<u>(11,686)</u>				<u>9,255</u>

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

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

losses:

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

Change in deferred taxes

Balance kept in deferred tax assets as at 12/31/2022	9,255
(+)Recognition/Realization of deferred tax assets - Statement of income	(9,372)
(+)Recognition/Realization of deferred tax liabilities- Statement of income	(11,569)
Balance kept in deferred tax assets as at 03/31/2023	(11,686)

Reversal in the statement of income as at 03/31/2023

Income before taxes	181,575
Combined rate 34%	61,736
(+/-) IRPJ/CSLL on permanent/temporary additions and deductions and tax losses	(82,677)
Deferred taxes in the statement of income	(20,941)

	Effects on Income for the year - Deferred taxes			Effects on Income for the year - Deferred taxes		
	03/31/2023			03/31/2022		
	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Allowance for Doubtful Accounts - Credits receivable	7,171	2,582	9,753	6,442	2,319	8,761
Discount to present value - Credits receivable	(72)	(26)	(98)	-	-	-
Provision for Losses on Inventory	30	11	41	(1,748)	(629)	(2,377)
Provision for contingencies	(14,644)	(5,272)	(19,916)	(4,641)	(1,671)	(6,312)
Provision for Contracts without Concession	12	4	16	-	-	-
Provision for Losses on Construction	(1,247)	(448)	(1,695)	-	-	-
Provision for profit sharing	3,244	1,168	4,412	(3,101)	(1,116)	(4,217)
Leases - Vehicles	(638)	(230)	(868)	-	-	-
Tax Losses - IRPJ (a)	-	-	-	4,155	-	4,155
Tax Losses - CSLL (a)	-	(1,017)	(1,017)	-	1,532	1,532
Total	(6,144)	(3,228)	(9,372)	1,107	435	1,542

Deferred tax liabilities						
Tax x Accounting Depreciation	8,507	3,062	11,569	(8,153)	(2,934)	(11,087)
Total Deferred Taxes, net	8,507	3,062	11,569	(8,153)	(2,934)	(11,087)
			(20,941)			(9,545)

15. Investment

The Company has shares of investment in some companies where it does not hold significant control, corresponding to R\$564, which are accounted for under the cost method. However, a provision for impairment has been recognized, as there is no perspective of realization of that investment.

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

Description	03/31/2023	12/31/2022
Comurg	515	515
Other	49	49
	564	564
Provision for losses	(564)	(564)
	-	-

16. Fixed assets

	03/31/2023	12/31/2022
General use assets	234,919	228,110
Production system - Corumbá	129,314	129,256
General use assets in construction (a)	137	290
Deemed cost of assets	64,432	64,434
General use assets - Lease-purchase operations	7,212	7,213
Contributions- Corumbá Consortium (b)	(1,751)	(2,198)
Land-title regularization	246	246
Right-of-use - vehicles (Note 16.2)	148,228	155,494
Right-of-use - software (Note 16.2)	715	-
Accumulated depreciation - Right-of-use assets (Note 16.2)	(23,193)	(57,181)
Accumulated Depreciation - General	(121,895)	(118,959)
Accumulated depreciation - Corumbá system	(1,580)	(395)
Accumulated depreciation - Deemed cost	(14,029)	(14,031)
Accumulated Depreciation - Lease-purchase operations	(6,602)	(6,424)
	416,153	385,855

(a) Breakdown of general use assets in construction:

	03/31/2023	12/31/2022
General use assets in construction	(515)	(516)
General use assets in construction - Growth Acceleration Program (PAC)	652	806
	137	290

16.1 Technical assets

The change in assets is as follows:

	Balance 12/31/2022	Additions	Write- offs	Deprec. /Amort.	Fixed assets in construction	Transfer among accounts	Contrib utions	03/31/2023
Technical fixed assets								
General use assets	228,110	7,172	(34)	-	-	(329)	-	234,919
General use assets in construction	290	-	(2)	-	-	-	-	64,432
Deemed cost of assets	64,434	-	(1)	-	-	-	-	7,212
General use assets - Leases	7,213	32	-	-	(185)	-	-	137
Land title regularization	246	-	-	-	-	-	-	246
Accumulated depreciation - General	(118,959)	-	23	(3,273)	-	314	-	(121,895)
Accumulated depreciation - Deemed cost	(14,031)	-	3	(1)	-	-	-	(14,029)
Accumulated depreciation - Leases	(6,424)	-	1	(179)	-	-	-	(6,602)
Total	160,879	7,204	(10)	(3,453)	(185)	(15)	-	164,420
Production systems - Corumbá								
Corumbá production system - Water	129,256	241	(183)	-	-	-	-	129,314
(-) Accumulated depreciation - Corumbá system	(395)	-	-	-	-	-	-	79,249
Corumbá production system - Water - Not onerous	79,249	-	-	(502)	-	-	-	(669)
(-) Government subventions/aid	(79,082)	-	-	502	-	-	-	(78,580)
(-) Accumulated depreciation - Corumbá system - Not onerous	(167)	-	-	(1,185)	-	-	-	(1,580)
Unrealized contributions - Corumbá construction (b)	(2,198)	-	-	-	-	-	447	(1,751)
Total	126,663	241	(183)	(1,185)	-	-	447	125,983
Total fixed assets	287,542	7,445	(193)	(4,638)	(185)	(15)	447	290,403

- (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.

16.2 Right-of-use assets - Leases

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

	03/31/2023	12/31/2022
Right-of-use assets - Vehicles	148,228	155,494
Right-of-use assets - Software	715	-
Accumulated depreciation- Right-of-use assets	(23,193)	(57,181)
	<u>125,750</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.	03/31/2023
Right-of-use assets - vehicles	155,494	34,150	(41,416)	-	148,228
Right-of-use assets - Software	-	715	-	-	715
Accumulated depreciation - right-of-use assets	(57,181)	-	41,416	(7,428)	(23,193)
Total	<u>98,313</u>	<u>34,865</u>	<u>-</u>	<u>(7,428)</u>	<u>125,750</u>

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

17. Contractual assets

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

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

Contractual assets	Water system	Sewage system	Work in Progress	Advance to suppliers	Total
Balance as at 12/31/22	294,906	419,440	44,794	297	759,437
Additions	44,191	5,542	-	-	49,733
Inventory adjustment	(60)	(161)	50	-	(171)
Inventory return and purchases	-	-	1,967	(297)	1,670
Transfer to storeroom	-	-	(686)	-	(686)
Allocation of Inventories in Additions	-	-	(316)	-	(316)
Fixed assets in progress	(1,278)	(32,708)	-	-	(33,986)
Transfer to intangible assets	-	(3,938)	-	-	(3,938)
Balance as at 03/31/2023	<u>337,758</u>	<u>388,176</u>	<u>45,809</u>	<u>-</u>	<u>771,743</u>

18. Intangible assets

	03/31/2023	12/31/2022
Water systems	2,761,086	2,744,719
Sewage systems	2,970,171	2,932,241
General use assets	27,205	25,415
Software (licenses)	56,055	52,671
Accumulated amortization	(2,902,044)	(2,874,274)
Contributions to realize - Águas Lindas	28,801	29,771
Provision for impairment	(123,359)	(128,347)
"Operação Decantação" (Note 42)	(113,564)	(113,564)
Land-title regularization	53,448	53,764
Non-onerous assets - water supply	70,063	67,994
Non-onerous assets - sewage	77,549	88,374
	<u>2,905,411</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 (a)	Deprec. Amort.	Contribution	Fixed assets in progress	Fixed assets and subventions	Transf. between accounts	03/31/2023
Intangible assets in use									
Water system	2,744,719	14,551	(66)	-	-	1,831	-	52	2,761,086
Sewage system	2,932,241	4,937	-	-	-	32,899	-	94	2,970,171
General use assets	25,415	1,634	(27)	-	-	-	-	183	27,205
Accumulated amortization	(2,874,274)	-	49	(27,504)	-	-	-	(314)	(2,902,044)
Software (licenses)	70,611	5,749	-	-	-	-	-	-	76,361
Amortization of software (licenses)	(17,940)	-	-	(2,367)	-	-	-	-	(20,306)
Contributions to realize - Águas Lindas	29,771	-	-	-	(970)	-	-	-	28,801
Provision for losses (impairment)	(128,347)	-	4,988	-	-	-	-	-	(123,359)
"Operação Decantação" (Note 42)	(113,564)	-	-	-	-	-	-	-	(113,564)
Land-title regularization	53,764	251	(8)	-	-	(559)	-	-	53,448
Non-onerous intangible assets - Water supply	10,699	-	-	-	-	-	-	-	10,699
Non-onerous intangible assets - Sewage	38,326	-	-	-	-	14,773	-	-	53,099
(-) Government subsidies/grants	(47,760)	-	-	356	-	-	(14,773)	-	(62,176)
Amortization of non-onerous assets	(1,265)	-	-	(356)	-	-	-	-	(1,622)
Total	2,722,396	27,122	4,936	(29,871)	(970)	48,944	(14,773)	15	2,757,799
Intangible assets in progress - Non-onerous									
Non onerous assets - water supply	67,994	2,069	-	-	-	-	-	-	70,063
Non-onerous assets - sewage	88,374	10	-	-	-	(14,773)	-	3,938	77,549
Total	156,368	2,079	-	-	-	(14,773)	-	3,938	147,612
Total intangible assets	2,878,764	29,201	4,936	(29,871)	(970)	34,171	(14,773)	3,953	2,905,411

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

From the net balance written off, R\$48 refers to the remaining residual assets of Ipameri municipalities, transferred to Other Accounts Receivable as described in Note 12.

19. Government subsidies

The balances of the Fixed and intangible assets include those obtained with own funds and/or purchased with funds transferred by the Brazilian Federal Government through the Growth Acceleration Program (PAC), in addition to other considerations from the granting power in specific contracts.

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

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

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

When the purpose agreed upon in the contract has not been achieved;

When a report on the rendering of accounts is not presented within the required time limit, whether a partial or final one;

When the funds are used for other purposes and not the one established in the contract;

When the amounts from financial investment are used in violation to the term, purpose or consideration established in the contract.

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

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.

The transfers recorded in liabilities are shown below:

City	Agreement	12/31/2022	Inflows	Work concluded/ Others	Transf. between accounts	03/31/2023
			PAC			
Formosa	0218016-87	3	-	-	-	3
Sto. Antônio do Descoberto	0218331-07	389	-	-	-	389
Cristalina	0226017-65	309	-	-	-	309
Goiânia - Meia Ponte	0226025-62	6,110	12,576	-	-	18,686
Luziânia	0218328-52	-	4,233	-	(4,233)	-
Novo Gama	0226015-46	130	-	-	-	130
Novo Gama	0226018-79	972	-	-	-	972
Goiânia - Vila Adélia	0226024-57	7,294	-	-	-	7,294
Goiânia	0350788-10	40,423	-	-	-	40,423

City	Agreement	12/31/2022	Inflows	Work concluded/ Others	Transf. between accounts	03/31/2023
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	58,769	2,964	-	(15,778)	45,955
Anápolis SES	0408691-99	17,672	1,233	(13,893)	-	5,012
Other Agreements	Sundry	36	-	-	-	36
Total PAC		142,208	24,020	(13,893)	(20,011)	132,324

Other Federal Programs						
Auditora João Leite	1524/01	773	-	-	-	773
Auditora João Leite	0187/06	1,472	-	-	-	1,472
Amaralina - FUNASA	25	248	-	-	-	248
Nerópolis - ANA-PRODES	68/15	4,601	(4,601)	-	-	-
Pires do Rio - ANA PRODES	68/15	1,976	-	-	-	1,976
Campos Verdes FUNASA/SECIMA	TC650/20	383	-	-	-	383
Total Other Federal Programs		9,453	(4,601)	-	-	4,852

Municipal subventions						
Itapirapuã	1283/2014	51	-	-	-	51
Itapuranga	1210/2014	54	-	-	-	54
Padre Bernardo	Sundry	-	178	-	-	178
Total Municipal Subventions		105	178	-	-	283
Grand Total		151,766	19,597	(13,893)	(20,011)	137,459

a) The transfers recorded in assets are shown below:

City	Agreement	12/31/2022	Concluded units	Transf. between accounts	03/31/2023
Anápolis SES	0408691-99	132	880	-	1,012
Goiânia Jd Petrópolis SES	0408678-27	15,696	-	(15,499)	197
Goiânia	0350788-10	5,307	-	-	5,307
Luziânia	0226026-76	4,512	-	(4,512)	-
Total PAC		25,647	880	(20,011)	6,516

20. Loans and financing

IDB (Inter-American Development Bank)

Interest is paid every six months in April and October at the rate IDB establishes. The rate on October 11, 2022, still calculated at LIBOR rate was 4.25% p.a., and in a subsequent event the installment paid on April 11, 2023, was calculated using SOFR rate at 6.13% p.a. Amortization is also half-yearly made. It began on October 11, 2008, and will end on October 11, 2027.

Debentures - 5th Issuance

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

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

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

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

The financial index to be annually fulfilled for the 5th Issuance is a ratio between net debt and adjusted EBITDA lower or equal to 3.0. As at December 31, 2021, that ratio had been achieved.

Debentures - 6th Issuance

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

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

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

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

The financial index to be annually fulfilled and established for the 6th Issuance is a ratio of net debt to adjusted annual EBITDA lower or equal to 3.0. As at December 31, 2022, the ratio had been reached.

Debentures - 8th Issuance

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

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

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

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

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

Debentures 9th Issuance

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

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

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

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

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

Debentures 10th Issuance

In June 2022, in compliance with article 59 of Law 6404 of December 15, 1976, and CVM instruction 476 of January 16, 2009, there was the tenth (10th) issuance of simple, secured debentures, not convertible into shares in a single series to be distributed in a restricted manner.

The Indenture of Issuance and the Trust Assignment Contract were entered into in accordance with the 472nd Meeting of Saneago's Board of Directors, held on May 12, 2022, and ratified based on the decisions made at the 475th Meeting of Saneago's Board of Directors, held on June 09, 2022.

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

As per clause 4.16.1 of the indenture, such operation contains covenants, which, if not fulfilled, entitles the Trustee to enforce all obligations and demand immediate payment.

The financial index established for the 10th Issuance is a ratio of net debt to adjusted annual EBITDA lower or equal to 3.0 and must be verified annually by the Issuer and monitored by the Trustee. As at December 31, 2022, the ratio had been reached.

Banco do Brasil

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

We draw your attention to the fact that the ratio is annually checked. As at December 31, 2022, the Company had satisfied the debt-service coverage ratio.

Rating

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

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

20.a Loans and financing

Bank name	Type	Contract	Commencement date	Maturity	Annual rate	Transaction Costs	Transaction costs to be recognized	Amount borrowed	Collateral	03/31/2023	12/31/2022
CEF	Financing	Various		2024	5.73% + TR	-	-	-	h)	2,037	2,479
CEF	Financing	410461-57	31/12/2013	05/14/2037	8.5% + TR	-	-	132,760	c)	4,515	4,543
CEF	Financing	0410526-20	31/12/2013	04/14/2037	8.5% + TR	-	-	36,410	c)	24,617	24,769
CEF	Financing	0410517-19	02/14/2014	05/14/2037	8.5% + TR	-	-	18,265	c)	5,030	5,067
CEF	Financing	0410538-64	03/27/2015	05/14/2037	8.5% + TR	-	-	51,544	c)	37,869	38,152
CEF	Financing	26340190232-									
CEF	Financing	26340190233-	06/29/2006	04/30/2028	12% + TR	-	-	3,185	b)	1,341	1,385
CEF	Financing		06/29/2006	06/30/2030	12% + TR	-	-	39,214	b)	20,606	20,819
CEF	Financing	2635248557-66	06/30/2008	11/12/2030	8.5% + TR	-	-	6,600	b)	3,285	3,250
CEF	Financing	2634248555-47	10/09/2009	06/14/2031	9% + TR	-	-	10,000	b)	5,182	5,353
CEF	Financing	2634248548-42	12/30/2009	06/14/2031	9% + TR	-	-	11,882	b)	4,719	4,874
IDB (Inter-American Development Bank)	Financing	1414/OC	12/11/2002	10/11/2027	6.13% + USD SOFR 3M + VC	-	-	\$47,000	g)		
BRASIL	Financing	40/01033-3	12/27/2017	04/06/2023	2.9% + CDI	940	-	30,000	a)	642	2,566
BRASIL	Financing	40/00984-x	12/20/2012	01/01/2028	2.94%	-	-	6,846	d)	3,341	3,511
						<u>940</u>	<u>-</u>	<u>393,706</u>		<u>179,684</u>	<u>184,516</u>
								Current		26,238	27,868
								Noncurrent		153,446	156,648

20.b Debentures

Debentures	Beginning	Maturity	Annual rate	Transaction costs	Transaction cost to be recognized	Amount obtained	Collateral	03/31/2023	12/31/2022
Debentures - 5th Issuance	11/15/2018	11/16/2023	2.5% pa + CDI	4,296	110	250,000	e)	46,878	64,419
Debentures - 6th Issuance	09/23/2019	09/23/2024	1.2% pa + CDI	3,226	326	140,000	f)	68,373	79,725
Debentures - 8th Issuance	11/27/2020	11/27/2025	2.45% pa + CDI	1,254	158	220,000	f)	196,148	214,407
Debentures - 9th Issuance	08/25/2021	08/11/2026	1.9% pa + CDI	-	911	250,000	f)	252,194	252,195
Debentures - 10th Issuance	06/15/2022	06/15/2027	1.55% pa + CDI	-	1,508	200,000	f)	201,485	201,370
Transaction costs of Debentures								(3,013)	(3,636)
				<u>8,776</u>	<u>3,013</u>	<u>1,060,000</u>		<u>762,065</u>	<u>808,480</u>
Current								217,260	213,499
Noncurrent								544,805	594,981

Description	Balance
Loans and financing	179,684
Debentures	762,065
	<u>941,749</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	03/31/2023
2024	19,516	173,537	193,053
2025	21,812	217,222	239,034
2026	22,364	122,222	144,586
2027 onwards	89,754	33,333	123,087
Transaction cost	-	(1,509)	(1,509)
	<u>153,446</u>	<u>544,805</u>	<u>698,251</u>

20.c Change in loans and financing

	01/01/23 to 31/03/23				01/01/22 to 31/03/22			
	Fundraising	Paid Amortization	Interest and Charges Paid	Charges for the Period (a)	Fundraising	Paid Amortization	Interest and Charges Paid	Charges for the Period
Internal Financing	-	(3,383)	(1,669)	2,016	-	(3,297)	(1,971)	2,180
Inter-American Development Bank - IDB	-	-	-	(1,248)	-	-	-	(12,530)
Receivables Investment Fund Saneago INFR. IV	-	-	-	-	-	(26,866)	(4,513)	4,255
Subordinate Shares FIDIC IV	-	-	-	-	-	-	-	(2,688)
Agreements	201	(856)	(961)	1,068	-	(378)	(418)	1,393
Debentures	-	(47,127)	(28,997)	29,087	-	(28,793)	(20,496)	20,703
Transaction cost	-	-	(204)	826	-	-	-	2,818
Total	<u>201</u>	<u>(51,366)</u>	<u>(31,831)</u>	<u>31,749</u>	<u>-</u>	<u>(59,334)</u>	<u>(27,398)</u>	<u>16,131</u>

(a) An amount of R\$ 5 was capitalized from charges in the period of 2023 and R\$ 64 in 2022.

20.d Lease

Total lease liabilities recognized in the financial information as at March 31, 2022 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	31/01/2023	Balance as at 12/31/2021	Receipt	Appropriation of interest	Payments	12/31/2022
110,831	38,418	3,467	(9,288)	143,428	19,735	114,148	1,566	(24,618)	110.831
			Current	29,297				Current	21,900
			Non-current	114,131				Non-current	88,931
				<u>143,428</u>					<u>110,831</u>

Statement of noncurrent amounts per maturity		03/31/2023
2024		23,567
2025		33,357
2026		36,069
2027 onwards		21,138
		<u>114,131</u>

As at March 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	152,565	166,718
Recognition of interest 1Q 2023	3,467	3,161
Balance current liabilities at 03/31/2023	29,297	29,226
Balance noncurrent liabilities at 03/31/2023	114,131	128,975

21. Employees' pay and related charges

	03/31/2023	12/31/2022
Current		
Alimony and contract termination amounts	105	70
Private pension plan (PREVSAN)	21	35
Health Assistance Program (CAESAN)	2,997	2,987
SESI and SENAI	1,511	3,109
Vacations payable	65,249	65,033
Year-end bonus payable	12,649	
FGTS on vacations and year-end bonus	10,130	11,641
Social Security Contribution (INSS) applicable to salaries	18,065	36,272
Provision for INSS on vacations and year-end bonus	22,435	18,730
Voluntary Redundancy Program	1,738	1,728
Profit sharing	467	469
	<u>135,367</u>	<u>140,074</u>
Noncurrent		
Voluntary Redundancy Program	-	426

22. Taxes payable

	03/31/2023	12/31/2022
Current		
Contribution for Social Security Funding (COFINS)	14,611	14,180
Social contribution tax	2,849	2,416
INSS on services payable	1,724	1,531
Corporate Income Tax (IRPJ)	7,731	7,209
Withholding Income Tax (IRRF) applicable to payroll and services	8,085	16,527
Tax on Services (ISS)	1,593	1,411
Federal tax debt to be paid in installments (a)	12,757	10,542
Contribution to the Social Integration Program (PIS)	3,146	3,048
Withholding of Federal Contributions	484	325
	<u>52,980</u>	<u>57,189</u>
Noncurrent		
Federal tax debt to be paid in installments (a)	<u>37,535</u>	<u>31,842</u>

(a) Debt payable to the Brazilian Federal Revenue Service

Description	Beginning	End	Number of installments	03/31/2023	12/31/2022
I INSS	09/2017	01/2030	149	7,237	7,325
II PIS/COFINS	08/2021	07/2026	60	26,770	27,997
III INSS 10120-18	03/2022	02/2027	60	6,832	7,062
IV INSS 3324-2023	03/2023	02/2028	60	9,453	-
				<u>50,292</u>	<u>42,384</u>
Current				12,757	10,542
Noncurrent				37,535	31,842

I) INSS - Social Security Debts

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

II) Taxes on Sales (PIS and COFINS)

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

III) Social Security Tax - (INSS)

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

IV) INSS

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

23. Amounts to be paid in installments

Description	Beginning	End	Number of installments	Adjustment	03/31/2023	12/31/2022
AGR - Control and Inspection I Council T.A.0255/15	12/2015	12/2030	180	a)	9,878	10,072
AGR - Control and Inspection II Council T.A.054/18	05/2018	04/2033	180	a)	3,907	3,956
Public Prosecutor's Office - III Labor	15/2022	03/2025	36	-	2,000	2,250
					<u>15,785</u>	<u>16,278</u>
Current					2,049	2,018
Noncurrent					13,736	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
	13,780

II) AGR - Control and Inspection Council of Public Services

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

III) Public Prosecutors' Office for Labor Issues

On March 04, 2022, an agreement was reached between Saneago and the Public Prosecutors' Office for Labor Issues regarding proceeding 0010469-20.2021.5.18.0010, as compensation for damages caused to the diffuse and collective rights of workers. Saneago will settle the balance of three million Brazilian Reais (R\$ 3,000,000.00) in 36 monthly installments of R\$ 83.

24. Contractual obligations

	Description	Beginning	End	Number of installments	03/31/2023	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
					10,147	14,496
	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 March 31, 2023 two installment payments were made. The outstanding balance payable is recorded in noncurrent, as there is no prospect of payment of the two remaining installments in the next 12 months.

II) Municipality of Santo Antônio do Descoberto

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

25. Jointly controlled enterprises - Consortium

Current liabilities	03/31/2023	12/31/2022
Águas Lindas Consortium (a)	661	736
	<u>661</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 February 28, 2023, Caesb held 40.30% and Saneago 59.70%, (as at December 31, 2022, Caesb held 41.10% and Saneago 58.90%) and the difference is currently recognized in Saneago's current assets.. The amount recognized in current liabilities according to the table above refers to the matching of accounts between the parties and arises mainly from consortium revenues received by Saneago.

The equity values of the consortium recognized by the Company in its financial statements as at February 28, 2023, are as follows:

Statement of financial position - Aguas Lindas Consortium					
	02/28/2023	11/30/2022		02/28/2023	11/30/2022
Assets			Liabilities		
Current assets			Current liabilities		
Cash and cash equivalents	1,654	2,226	Contributions to be realized - Suppliers	3,943	3,598
Receivables from consumers	20,247	20,047	Employees' pay and related charges	619	1,054
Other receivables	-	186	Other payables	2,030	4,130
Prepaid expenses	1,894	1,894		6,592	8,782
Storeroom	420	513			
	<u>24,215</u>	<u>24,866</u>			
Noncurrent assets			Noncurrent liabilities		
Long-term realizable assets			Other payables	10,147	10,147
Receivables from consumers	1,430	1,302	Provision for lawsuits	-	48
Prepaid expenses	47,034	47,508		10,147	10,195
	<u>48,464</u>	<u>48,810</u>			
Fixed assets and intangible assets			Equity		
Fixed assets	94	100	Participation Fund - Saneago	135,403	121,242
Intangible assets	99,493	86,138	Participation Fund - Caesb	91,399	80,289
Contractual assets	75,934	87,249	Income reserve	4,659	26,655
	<u>175,521</u>	<u>173,487</u>		231,461	228,186
Total Assets	<u>248,200</u>	<u>247,163</u>	Total Liabilities	<u>248,200</u>	<u>247,163</u>

b) Corumbá Consortium

Saneago and Caesb organized Corumbá Consortium on September 17, 2009. It is enrolled with the registry of legal entities (CNPJ) under number 18.801.675/0001-03 and is headquartered at Rua Recife, Quadra 184 Lote Área Especial, Parque Marajó, in the municipality of Valparaíso de Goiás. Its organization is based on articles 278 and 279 of Law 6.404 of December 15, 1976, and it was set to run for a period of thirty (30) years, renewable for equal and successive periods.

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

It is conducted by a managing council with ten equally divided members representing the companies and an Executive Management with two officers.

This consortium fits the definition of a joint operation. According to CPC 19 items 14 and 15, the parties that jointly control the business have rights over assets and obligation for liabilities. As per the bylaws, participation of the consortium members is equal in 50%, but it is disproportional. On February 28, 2023, Caesb held 49.94% and Saneago 50.06% interest in it, (as at December 31, 2022, Caesb held 49.85% and Saneago 50.15%). The difference was recognized in Saneago's current assets (Note 12).

Below are the equity values of the consortium recognized by the Company in its financial statements as at February 28, 2023:

Statement of financial position - Corumbá Consortium					
	02/28/2023	11/30/2022		02/28/2023	11/30/2022
Assets			Liabilities		
Current assets			Current liabilities		
Other receivables	3,661	-	Contributions to be realized - Suppliers	1,652	1,542
Storeroom	294	67	Labor liabilities	232	232
	<u>3,951</u>	<u>67</u>		<u>1,884</u>	<u>1,781</u>
Noncurrent assets					
Long-term assets					
Fixed assets			Equity		
General use assets	221,361	13,426	Participation Fund - SANEAGO	218,547	221,978
Construction in progress	208,465	420,357	Participation Fund - CAESB	218,028	220,963
	<u>429,826</u>	<u>433,783</u>	Loss for the period	(3,682)	(10,645)
				<u>432,893</u>	<u>432,296</u>
Total assets	<u>433,777</u>	<u>434,077</u>	Total liabilities	<u>434,777</u>	<u>434,077</u>

26. Contractual advances

The Brazilian Central Bank authorized the hiring of a private bank institution to process the payment of salaries, vacations, travel advances, pension plans and similar ones of Saneago's employees according to the conditions established in the invitation to bid and its attachments. The contracted service provider paid an amount of R\$ 12,444 to Saneago for the assignment of the services, in one installment. The term of the contract is sixty (60) months starting June 1, 2022. The outstanding balance of R\$ 10,370 as at March 31, 2023 (R\$ 2,489 in current liabilities and R\$ 7.881 in noncurrent liabilities), refers to 50 installments in the amount of R\$ 207 thousand corresponding to the period from April/2023 to May/2027 (R\$ 10.992 as at December 31, 2022 corresponds to the period from January/2023 to May/2027).

27. Other payables

	03/31/2023	12/31/2022
Current		
Guarantees	579	604
Expropriation process (a)	-	2,100
Provision for contractual compensation (b)	6,580	6,744
Provision for suppliers	4,493	2,588
Contractual compensation (c)	1,752	1,752
Other payables	1	1
	<u>13,405</u>	<u>13,789</u>

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

28. Provision for lawsuits

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

	03/31/2023	12/31/2022
Civil proceedings	36,444	115,276
Tax proceedings	13,662	25,349
Labor claims	109,899	77,912
AGR - Agência Goiana de Regulação	1,418	1,461
	<u>161,423</u>	<u>219,998</u>

Changes to the provisions were as follows:

	Balance 12/31/2022	Payments of provisioned lawsuits	Recognized Provisions/ Reversals	Balance 03/31/2023
Civil proceedings (a)	115,276	(2,879)	(75,938)	36,444
Tax proceedings (a)	25,349	(10,699)	435	13,662
Labor claims	77,912	(1,306)	31,869	109,899
AGR - Agência Goiana de Regulação	1,461	-	(57)	1,418
Total	<u>219,998</u>	<u>(14,884)</u>	<u>(43,691)</u>	<u>161,423</u>

The main proceedings provided for as at March 31, 2023 are as follows:

Nature	Proceeding	Description	Author	Estimate
Labor	0011614-8.2016.5.18.0004	Class action - Weekly paid rest time	STIUEG	22,600
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
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
Labor	0010243-24.2021.5.18.0007	Class action - Payment of rest time between working days	STIUEG	5,500
Labor	0010242-39.2021.5.18.0007	Class action - Payment of rest time between working days	STIUEG	4,800
Labor	0010348-13.2021.5.18.0003	Proceeding - Payment of the effects of pay-in-lieu of notice, vacation pay and year-end bonus	STIUEG	3,300
				<u>110,268</u>

Causes rated as possible

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

	03/31/2023		12/31/2022	
	Estimated value	Qty	Estimated value	Qty
Environmental	132,799	28	132,669	29
Civil	67,922	651	68,820	696
Criminal	5	2	-	1
Regulatory	6,314	41	6,068	35
Labor	73,840	130	76,579	132
Tax	623,285	7	623,285	7
		<u>904,165</u>	<u>859</u>	<u>900</u>

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

Proceeding	Plaintiff	Nature	Value
0057557-58.2003.8.09.0051	Municipality of Goiânia	Tax	367,300
0281694-13.2009.8.09.0051	Municipality of Goiânia	Tax	255,703
0350138-73.2008.8.09.0103	Minas Municipal Government	Environmental	65,966
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	Minas Municipal Government	Environmental	22,122
0011388-6.2021.5.18.0011	STIUEG	Labor	15,000
0025114-40.2009.8.09.0117	Eco Engenharia Ltda.	Civil	14,194
0215530-65.2004.8.09.0011	Prosecution Office of Goiás	Environmental	12,247
0288088-98.2010.8.09.0116	Prosecution Office of Goiás	Civil	11,430
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
			<u>852,791</u>

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 March 31, 2023.

29. Employee benefits

29.a - Defined benefit pension plan

The retirement pension plan 001 managed by PREVSAN is of the defined benefit type, financed by contributions of active participants and assisted by Saneago as sponsor. According to regulations of the plan, the monthly contribution of the Sponsor is equal to the ones of employees, maintaining a one-to-one parity.

At the Company, after-employment benefits provided to employees that choose Retirement Pension Plan 001 are the following: Retirement pension for disabled workers, retirement pension for time of service or contribution, retirement for age, special retirement plan, annual bonus and deferred proportional benefit. They take into account other actual benefits paid, equivalent to an average of the contributions made to the plan and the value of the benefit paid by government program.

In the preparation of the study, actuarial calculations were made for the reference date of October 31, 2022:

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

Net Liabilities/Assets are as follows:

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

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

Assumptions used in the calculation of liabilities and projections

The assumptions and actuarial methods adopted were those set forth in standard CPC 33(R1) addressing when and how the cost to provide the benefits to employees must be recognized by the employer, as well as data that must be disclosed in the financial information. As demanded in the norm, the projected unit credit method was adopted to calculate actuarial liabilities. In 2022, for calculation of the weighted average of future payments of benefit of the plan, the following hypotheses and actuarial assumptions were used:

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

29.b. - Defined contribution pension plan

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

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

29.c. - Health assistance program

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

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

CAESAN's Program has the characteristic of a defined contribution plan. To meet the provisions of CVM Decision CVM 695/12, accounting of obligations of that type of program is determined through the amount of contributions Saneago made to it. As at March 31, 2023, they corresponded to R\$ 10,003 (R\$ 8,667 as at March 31, 2022), not being necessary to calculate actuarial liabilities.

30. Equity

a) Capital Stock

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

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

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

Shareholder	03/31/2023					
	# of ordinary shares	%	# of preferred shares	%	Total # of shares	%
State of Goiás	1,336,135,801	71.5695%	354,992,364	54.7287%	1,691,128,165	67.2271%
State Social Security Fund	488,016,887	26.1404%	122,637,514	18.9069%	610,654.401	24.2752%
Cia de Inv. E Parcerias Goiás	42,749,681	2.2899%	170,998,719	26.3627%	213,748.400	8.4971%
Others	4,005	0.0002%	11,396	0.0018%	15,401	0.0006%
Total	1,866,906,374	100.00 %	648,639,993	100.00%	2,515,546,367	100.00 %

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

b) Payment of capital

Between December 31, 2022, and March 31, 2023, there was no payment of 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 has to be destined for the recognition of an investment reserve.

e) Asset and liability valuation adjustment

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

Asset and liability valuation adjustment	03/31/2023	12/31/2022
Asset and liability valuation adjustment	50,473	50,473
Deferred taxes on deemed cost (Note 14.2)	(17,160)	(17,160)
	<u>33,313</u>	<u>33,313</u>

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 to 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 will be distributed as Interest on equity capital, according to the following table, and paid until 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
Income recognized directly in equity	2
Recognition of legal reserve (5%)	(20,082)
Adjusted profit distributable	<u>381,556</u>
Mandatory dividends (25%)	<u>95,388</u>
Interest on capital added to dividends	<u>95,388</u>
Total proceeds distributed to shareholders as at 12/31/2022	<u><u>95,388</u></u>

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

Calculation of dividends and interest on equity capital payable	
Income (loss) for 1Q2023	129,741
Income (loss) recognized directly in equity	-
Recognition of statutory reserve (5%)	(6,487)
Adjusted profit distributable	<u>123,254</u>
Mandatory dividends (25%)	<u>30,813</u>
Interest on capital added to dividends	<u>30,813</u>
Total proceeds distributed to shareholders as at March 31, 2023	<u><u>30,813</u></u>

Type of share	Quantity	Percentage	Total compensation	Earnings per share
Ordinary shares	1,866,906,374	74.21%	22,293	0.0119
Preferred shares	<u>648,639,993</u>	<u>25.79%</u>	<u>8,520</u>	<u>0.0131</u>
	2,515,546,367		30,813	

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%	96,287	0.0516
Preferred shares	<u>648,639,993</u>	25.79%	<u>33,454</u>	0.0516
	2,515,546,367		129,741	

31. Net operating revenue (expenses)

Gross revenue	03/31/2023	03/31/2022 (Restated)
Water supply and sewage services	734,516	697,889
Technical services	591	573
Subsidy - Social Tariff	-	100
Outsourcing	2,275	2,275
Revenue from construction work	<u>71,166</u>	<u>24,237</u>
Total	<u>808,548</u>	<u>725,074</u>
Taxes and returns		
Contribution to the Social Integration Program (PIS)	(12,177)	(11,458)
Contribution for Social Security Funding (COFINS)	(56,090)	(52,775)
Returns and rebates	<u>(445)</u>	<u>(425)</u>
	<u>(68,712)</u>	<u>(64,658)</u>
Net operating revenue	<u><u>739,836</u></u>	<u><u>660,416</u></u>

32. Costs and expenses by nature

	03/31/2023				03/31/2022			
	Cost	Administrative	Selling	Total	Cost	Administrative	Selling	Total
Personnel	(165,093)	(94,466)	(30,579)	(290,138)	(211,186)	(143,616)	(49,400)	(404,202)
Materials	(24,654)	(1,796)	(163)	(26,613)	(20,331)	(907)	(122)	(21,360)
Electric power	(58,535)	(620)	-	(59,155)	(74,293)	(893)	-	(75,186)
Third-party services	(29,682)	(10,196)	(19,915)	(59,793)	(20,691)	(11,317)	(19,883)	(51,891)
Income from concession	-	-	(21,740)	(21,740)	-	-	(19,252)	(19,252)
General expenses	(1,506)	(3,965)	(2,774)	(8,245)	(13,473)	(10,683)	(5,585)	(29,741)
Amortization	(27,468)	(2,420)	(13)	(29,901)	(25,952)	(1,593)	(9)	(27,554)
Depreciation	(2,251)	(2,133)	(74)	(4,458)	(898)	(5,100)	(42)	(6,040)
Depreciation of lease PIS and COFINS credit on depreciation and amortization	5,547	-	14	5,561	5233	-	6	5,239
	<u>(303,667)</u>	<u>(123,126)</u>	<u>(75,267)</u>	<u>(502,060)</u>	<u>(361,616)</u>	<u>(174,242)</u>	<u>(94,308)</u>	<u>(630,166)</u>
Construction costs	<u>(71,166)</u>				<u>(24,237)</u>			
	<u>(374,833)</u>				<u>(385,853)</u>			

(a) In 2022, caption "Personnel" was affected by expenditures amounting to R\$ 139,208 with the Company's PDV.

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

	03/31/2023	03/31/2022
Recognition/reversal of provision for contingencies (e)	58,575	18,564
Net recognition/reversal of allowance for doubtful accounts (b)	(28,687)	(25,774)
Recognition/reversal of provision for profit sharing for employees (c)	(12,975)	12,406
Recognition/reversal of provision for inventory losses	(120)	6,994
Provisions/ Reversals of losses on construction (Note 18 a)	4,988	-
Losses/Reversals of Concessions (d)	(48)	-
Net recognition/reversal of provisions	21,733	12,190
Losses/recovery of barred credits (a)	7,077	15,805
Net recognition/reversal of provisions	28,810	27,995

- (a) It refers to the recovery of credits written off for reaching the statute of limitation and payment by the customer.
- (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) In 2022, there was the reversal of the provision related to the Profit Sharing for 2021 due to the reaching of targets. The amount recorded in 2023 refers to the provision for the current period.
- (d) It refers to the write-off of residual assets from districts in the municipality of Ipameri transferred to Other accounts receivable, as detailed in Note 12.
- (e) The reversal in the period of 2023, mainly refers to a proceeding from the Municipal Government of Minaçu related to the execution of a tax debt in the amount of R\$75,123. The proceeding provided for in 2021, was considered ungrounded in court. The other party may still appeal to the Appeal Court (STJ), however, considering the favorable decision so far to Saneago's defense, the likelihood of loss was reviewed from probable to remote.

34. Net financial income (loss)

	03/31/2023	03/31/2022 (Restated)
Financial revenues		
Interest/fines/income (a)	24,817	20,911
Monetary adjustment	6,678	9,590
Discount to present value	291	562
	31,786	31,063
Financial expenses		
Interest/fine/charges and other expenses (b)	(43,242)	(37,155)
Monetary adjustment	(1,103)	(1,210)
Exchange rate losses (c)	1,770	13,033
	(42,575)	(25,332)
Net financial income (loss)	(10,789)	5,731

- (a) It basically refers to return on financial investment and the change is due to the increase in the amount invested;
- (b) Increase mainly due to the finance charges related to the new lease contracts in effect as from July 2022 (see note 20.d) and increase in interest paid in debentures issued (including the 10th issuance in June 2022, note 20), indexed at DI rate, linked to Selic);
- (c) The variation seen in Group Exchange rate gains (losses) refer to Agreement BID 1414/OC of 2002 and reflects the current scenario of foreign exchange rate. In the first quarter of 2022,

we had a decrease in US dollar in relation in Real of 15.86%, from R\$ 5.63 to R\$ 4.74, and in the first quarter of 2023, a decrease of 4.93%, from R\$ 5.34 to R\$ 5.08.

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 03/31/2023 - SANEAGO	Amount invested until 03/31/2023 - BRK Ambiental	Total amount invested
Adelândia	01/16/2048	525	129	-	129
Águas Lindas de Goiás	12/28/2048	309,022	14,526	-	14,526
Anápolis	02/27/2050	525,925	94,814	-	94,814
Anicuns	04/10/2048	42,785	7,073	-	7,073
Aparecida de Goiânia	11/01/2041	988,848	206,672	869,947	1,076,619
Aporé	04/06/2048	7,682	336	-	336
Aragoiânia	12/26/2042	27,926	1,483	-	1,483
Araguapaz	03/16/2048	5,210	1,019	-	1,019
Avelinópolis	01/22/2046	1,724	281	-	281
Barro Alto	12/26/2042	32,703	2,050	-	2,050
Brazabrantes	02/06/2044	8,056	1,523	-	1,523
Cachoeira Alta	07/27/2045	26,167	953	-	953
Caldazinha	08/02/2048	1,070	375	-	375
Campestre de Goiás	01/06/2046	645	363	-	363
Campinaçu	08/12/2045	13,146	9,803	-	9,803
Cavalcante	12/28/2048	1,612	2,229	-	2,229
Cezarina	12/17/2042	23,352	15,179	-	15,179
Cidade Ocidental	11/01/2041	243,394	18,551	-	18,551
Cristalina	02/07/2044	58,952	24,796	-	24,796
Davinópolis	05/04/2048	506	170	-	170
Diorama	07/24/2047	1,091	99	-	99
Divinópolis	10/05/2047	675	322	-	322
Flores de Goiás	08/14/2044	4,221	467	-	467
Goianira	10/03/2048	1,457	200	-	200
Goiânia	12/17/2049	3,419,897	617,263	-	617,263
Guarani de Goiás	09/15/2040	962	634	-	634
Guarinos	02/16/2048	1,383	252	-	252
Hidrolândia	08/03/2046	9,737	3,157	-	3,157
Indiara	04/30/2044	32,180	1,940	-	1,940
Inhumas	06/17/2050	79,176	5,856	-	5,856
Israelândia	11/24/2039	3,300	137	-	137
Itajá	12/19/2042	2,328	393	-	393
Itapaci	12/28/2048	56,172	1,041	-	1,041
Itapuranga	12/28/2048	8,063	8,511	-	8,511
Jataí	11/01/2041	114,116	35,114	159,483	194,597
Jussara	12/26/2046	5,759	991	-	991
Luziânia	12/01/2045	366,853	33,084	-	33,084
Mambai	03/07/2046	1,689	529	-	529
Minaçu	02/06/2044	57,857	10,575	-	10,575
Morrinhos	11/30/2040	46,917	19,737	-	19,737
Morro Agudo de Goiás	05/02/2046	1,198	439	-	439
Mozarlândia	12/28/2046	1,894	1,295	-	1,295
Nazário	05/04/2048	2,280	590	-	590
Novo Gama	11/16/2048	253,055	15,997	-	15,997
Palmelo	10/29/2042	1,039	195	-	195
Perolândia	12/21/2048	499	275	-	275
Petrolina de Goiás	10/20/2041	6,797	7,704	-	7,704
Pires do Rio	11/03/2038	10,529	24,226	-	24,226
Posse	06/12/2047	19,945	9,952	-	9,952
Rio Verde	11/01/2041	249,889	59,463	217,329	276,792
Santa Cruz de Goiás	06/28/2043	1,497	361	-	361
Santo Antônio da Barra	12/29/2045	3,977	475	-	475
Santo Antônio de Goiás	12/02/2045	15,868	1,067	-	1,067
Santo Antônio do Descoberto	06/10/2046	55,686	23,680	-	23,680
São Domingos	12/28/2048	1,334	341	-	341
São João D'aliança	05/31/2049	3,033	1,954	-	1,954
São Luís de Montes Belos	12/19/2042	41,928	22,936	-	22,936
São Miguel do Passa Quatro	12/18/2049	8,686	335	-	335
Trindade	11/01/2041	169,222	22,899	232,774	255,673
Uirapuru	12/28/2048	699	116	-	116
Uruaçu	12/28/2048	44,341	5,535	-	5,535
Valparaíso de Goiás	11/16/2048	389,652	9,841	-	9,841
		7,816,131	1,352,303	1,479,533	2,831,836

36. Insurance

On July 05, 2022, the Company's civil liability insurance policy was renewed for twelve (12) months in relation to Managers and Directors (D&O Insurance). According to it, the insurance company will pay, on behalf of policy holders, all losses they are legally forced to pay as a result of actions brought for alleged wrongful acts during the retroactivity period or within the term of the policy, provided such loss does not exceed the maximum contracted limit of insurance, which is fifty million Brazilian reais. The total premium paid was 388 thousand, in 4 installments.

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 1st quarter 2023, the net revenue the Company received from that State was R\$ 57,669 (R\$ 62,038 in 1st quarter 2022).

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

	03/31/2023	12/31/2022
Amounts billed not yet due	6,748	6,201
Falling due in more than 30 days	518	549
Overdue for up to 30 days	1,746	673
Overdue from 31 to 60 days	1,675	449
Overdue from 61 to 90 days	-	492
Overdue from 91 to 120 days	340	443
Overdue from 121 to 180 days	851	410
Overdue from 181 to 360 days	1,319	1,287
Overdue from 361 days to 5 years	4,672	4,476
Overdue for more than 5 years	4,537	4,100
Estimate of amounts to be billed	3,460	3,458
(-) Discount to present value of receivables	(13)	(18)
(-) Allowance for doubtful accounts	(11,064)	(9,988)
Subtotal	<u>14,789</u>	<u>12,532</u>
Amounts receivable (noncurrent)	1,714	1,685
(-) Discount to present value of receivables	(202)	(207)
(-) Allowance for doubtful accounts	(105)	(104)
Subtotal	<u>1,407</u>	<u>1,374</u>
Total	<u>16,196</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 March 31, 2023, gross revenue in the municipality of Goiânia corresponded to R\$ 276,274 and an amount of R\$ 13,813 was deposited into the Fund.
- b) 36 among the 224 contracts, as at March 31, 2023, have expected remuneration between 2% and 5% of the municipality revenue. However, 7 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 March 31, 2023, the balance of accounts receivable, overdue and falling due, referring to debts from the municipalities which the Company renders services, is R\$ 92,630 and a matching of accounts was realized with an adjustment of R\$ 77 (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 March 31, 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\$ 2,423 (R\$ 1,785 as at March 31, 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 them, observing a minimum limit, for each member, of fourteen percent (14%) of the average fees attributed to Officers.

d) Statutory Audit Committee

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

39. Supplementary cash flow information

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

ASSETS	Note	03/31/2023
Receivables from consumers	7	4,175
Allowance for doubtful accounts/ reversals/discount to present value	7	(28,396)
		<u>(24,221)</u>
Other accounts receivable	12	(539)
Transfers of intangible assets - Contributions Consortium Águas Lindas	18	970
Transfers of fixed assets - Contributions Consortium Corumbá	16	(447)
Transfers of intangible assets - Ipameri	18	48
Provisions/ Reversals	33	(48)
		<u>(16)</u>
Recoverable taxes	9	(6,614)
Taxes and contributions to offset - Lease		3,553
		<u>(3,061)</u>
Inventories	8	(11,753)
Transfers of contract assets	17	686
Estimated inventory losses/ Reversal	33	(120)
		<u>(11,187)</u>
Contract assets	17	(49,733)
Allocation of inventories in addition	17	316
Capitalized interest	20.c	5
		<u>(49,412)</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 March 31, 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 recomposition 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, 2013, 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.

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

Edson Sales de Azeredo Souza
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