

SUMMARY

- ❖ **Independent auditor's report on the review of interim financial information**
- ❖ **Interim statements of financial position**
- ❖ **Interim statements of income**
- ❖ **Interim statements of comprehensive income**
- ❖ **Interim statements of changes in equity**
- ❖ **Interim statements of cash flows**
- ❖ **Interim statements of value added – supplementary information**
- ❖ **Notes to the interim financial information**



Management Report

1Q2022

Management report for the period ended March 31, 2022 compared with the same period of 2021.
In thousands of Brazilian Reais (unless otherwise stated).

Highlights of 1Q2022



Increase in **net revenue** by **10.58%** in comparison with 1Q2021;



Increase in **Investments** by **17.50%** in comparison with 1Q2021;



Increase in **water savings** of **61 thousand**, representing **2.46%** and, **sewage** of **72 thousand**, representing **4.99%** compared to 1Q2021;



Index of sewage service changing from **65.54%** in 1Q2021 to **67.61%** in 1Q2022;



Issue of Independent Auditor's Report related to the Financial Statements for 1Q2022, **with unmodified opinion.**

1. Operating performance

In this 1Q2022, the Company expanded its water and sewage systems throughout the state reaching 97.73% of the population served with water, with an increase of 2.46% in savings in relation to the same period of 2021. As for the sewage system, served population increased from 65.54% to 67.61% at the closing of the 1Q2022, with an increase in savings of 4.98% in relation to the same period of 2021.

Table 1 – General service data

WATER - OPERATIONAL INDEXES	Unit	1Q2022	1Q2021	Var. (%)
Population w/ access to service	Thousands	5,941	5,851	1.54%
Service index	%	97.73%	97.51%	0.23%
Connections	Thousands	2,346	2,286	2.62%
Savings	Thousands	2,544	2,483	2.46%
Expansion of pipeline network	Km	32,431	31,356	3.43%
SEWAGE - OPERATIONAL INDEXES	Unit	1Q2022	1Q2021	Var. (%)
Population w/ access to service	Thousands	4,110	3,932	4.53%
Service index	%	67.61%	65.54%	3.16%
Service index (treated)	%	93.63%	93.32%	0.33%
Connections	Thousands	1,351	1,283	5.30%
Savings	Thousands	1,519	1,447	4.98%
Expansion of pipeline network	Km	14,817	13,662	8.45%

Table 2 – Volumes produced/ billed/ treated

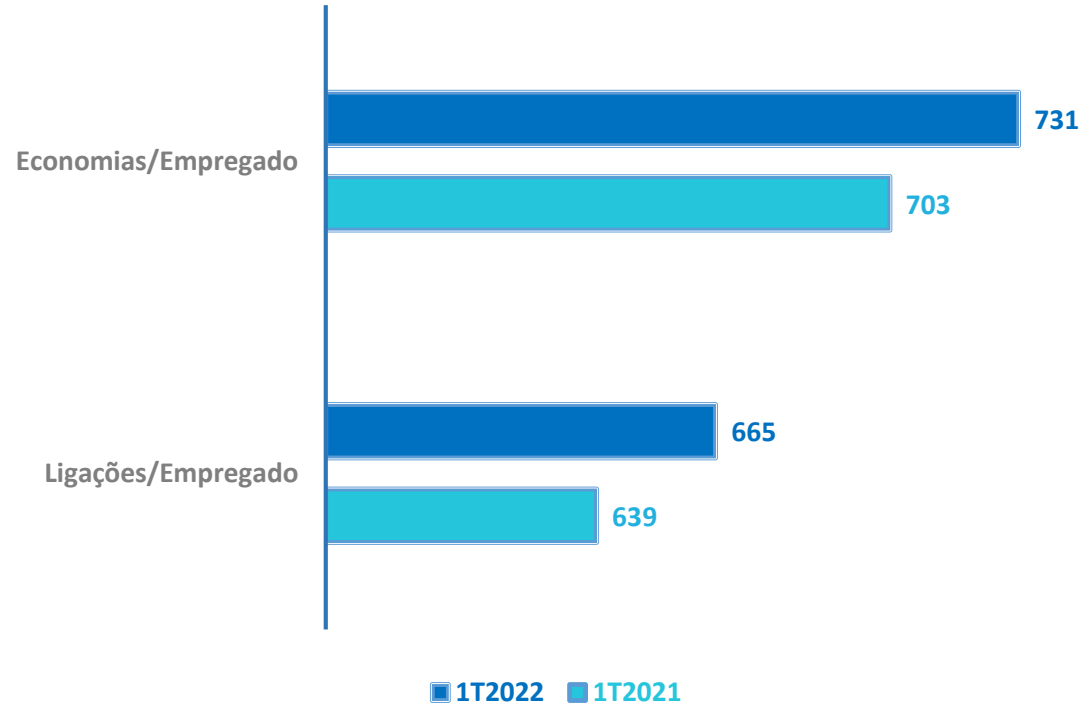
WATER - OPERATIONAL INDEXES	Unit	1Q2022	1Q2021	Var. (%)
Volume billed	thousand m ³	69,773	68,893	1.28%
Volume produced	thousand m ³	96,061	94,587	1.56%
SEWAGE - OPERATIONAL INDEXES	Unit	1Q2022	1Q2021	Var. (%)
Volume billed	thousand m ³	44,506	42,640	4.38%
Volume treated	thousand m ³	41,672	39,792	4.72%

1. Operating performance

1.1 Personnel performance

The Company currently has 5,558 employees throughout the state of Goiás, who are responsible for 4,063 thousand water and sewage savings.

The productivity of the workforce, measured by the ratio between the amount of savings (water + sewage) and the number of employees, increased from 703 savings/employees to 731 savings/employees in 1Q2022, showing an improvement in efficiency of 3.98%, primarily caused by expansion of the client portfolio in the period resulting from the increase in the number of savings, in addition to a reduction of 443 employees dismissed through the Voluntary Redundancy Program (PDV) in the months of February and March 2022.



Graph 1 - Personnel performance

2. Area of operation and Concessions

The Company operates with Water Supply and Sewage Treatment Systems in the State of Goiás, in 225 of the 246 municipalities in the state, of which 62 have Program Contracts and 163 Concession Contracts. The Company's operations guarantee a better quality of life in these municipalities, ensuring the health of Goiás' citizens.

Table 3 – Area of operation

Concession and Program Contracts	Unit	1Q2022	1Q2021	Revenue portion %
Total municipalities serviced by Saneago	Nr.	225	226	100%
Total municipalities with program contracts	Nr.	62	62	71.70%
Total municipalities with active concession contracts	Nr.	83	82	12.91%
Total municipalities with expired concession contracts	Nr.	80	82	15.39%

In the 1Q2022, the Company ended its operations in the Municipality of Buriti Alegre de Goiás, which assumed the operation of the system.

Table 4 shows that the 10 municipalities with highest billing represent 62.10% of the Company's net revenue, with Goiânia and Anápolis standing out representing 44.19% of the Company's total billings and with maturities in December/2049 and November/2050, respectively.

Table 4 – Net revenue ranking per city

Ranking	Cities	Maturity	(%) Net revenue	Contract type
1	Goiânia	12/2049	36.81%	Program
2	Anápolis	02/2050	7.45%	Program
3	Aparecida De Goiânia	11/2041	4.08%	Program
4	Valparaíso De Goiás	11/2048	2.63%	Program
5	Rio Verde	11/2041	2.42%	Program
6	Luziânia	12/2045	2.14%	Concession
7	Formosa	03/2025	2.05%	Concession
8	Itumbiara	02/2025	1.73%	Concession
9	Planaltina	04/2030	1.54%	Program
10	Trindade	11/2041	1.35%	Program
Total			62.19%	-

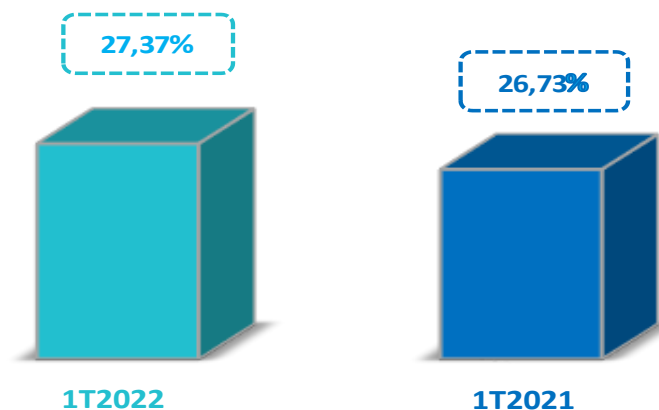
We point out that more than 71% of the Company's billings come from 62 program contracts that mature between 2037 and 2050. The average maturity of contracts is 19.5 years (calculated based on the billing % of 1Q2022).

3. Operational improvements

3.1 Loss rate

The Company reported a loss rate of 27.37% at the end of 1Q2022. According to the data collection of the National System of Information on Sanitation (SNIS - *Sistema Nacional de Informações sobre Saneamento*) for 2020, Saneago is the only regional company of the country with index below 30%.

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.

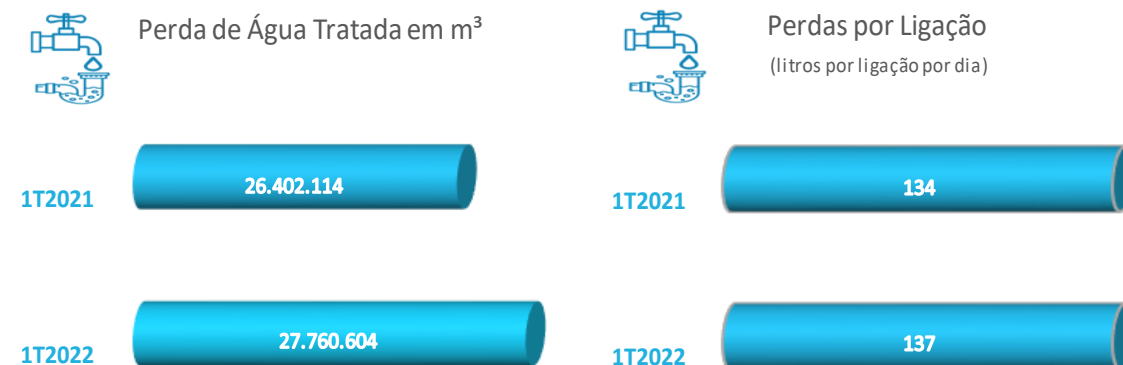


Graph 2 - Loss rate

3. Operational improvements

3.1 Loss rate

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.



Graphs 3 and 4 - Losses on treated water per m³ and per Connection

3.2 Project of energy acquisition from free energy market

As from March of the present year, the Company started to acquire electric power through the Free Energy Market. Three units are currently served by the contract in force, namely: Goiânia (Booster Cascalho), Rio Verde (Booster Abóbora and Jataí (Water collection, Water Treatment Station (ETA) and Water Lift Station (EAT)) representing 4.37% of energy consumption of the Company.

It is currently being studied the migration of 67 other Consumer Units (UC) to be annually migrated until 2025 and representing about 53.60% of all energy consumed by the Company.

3.3 Project of replacement of hydrometer park

In relation to technology improvements in the measurement of water, we also highlight the implementation of volumetric hydrometers: equipment with more efficient technology or functioning. The result is a reduction in measurement inaccuracy, reduction in the loss index on water distribution (Apparent Loss), in addition to promoting a conscious use of water by means of better control of consumption, among other benefits.

The 1st cycle of the project of volumetric meters started in March/2020 and was concluded in February/2021, with the receipt and distribution of over 220,000 hydrometers for operation.

The 2nd cycle, supposed to be started in May/2021, was compromised by the economic and financial impacts of Covid-19, which caused a shortage in raw materials and high prices of commodities. The slow regularization of supply of such equipment is expected for the first half of 2022.

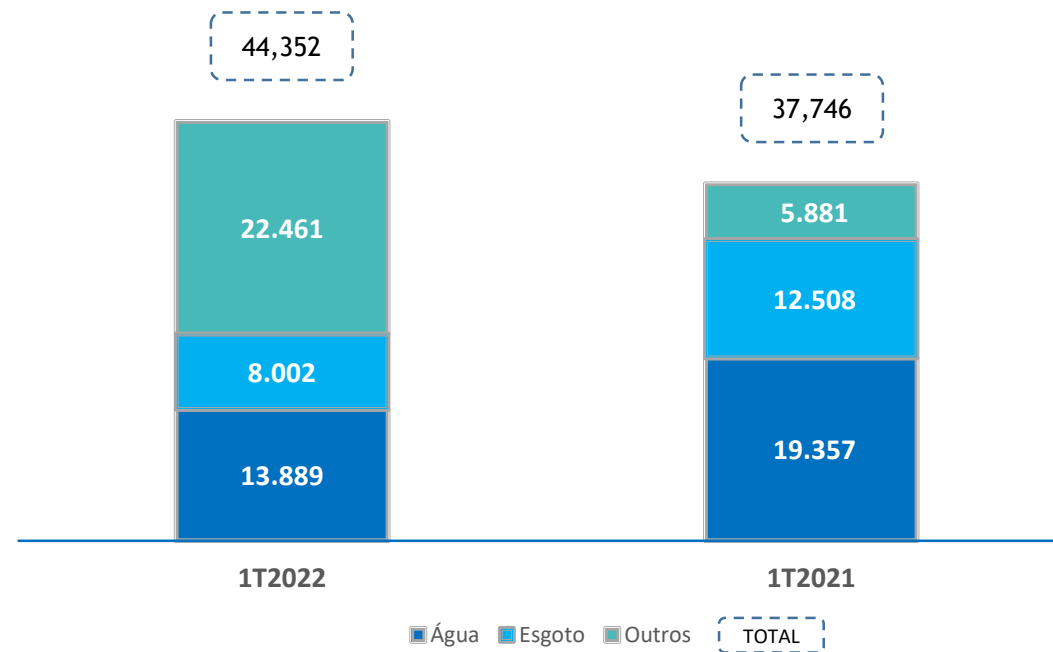
4. Investments

Investments made in 1Q2022 totaled R\$ 44,352, as shown in Graph 5. Of this amount, 31.32% was invested in water supply systems, whereas 18.04% was allocated to sewage collection and treatment systems and the remaining 50.64% invested in operational improvement programs, business development, general purpose goods and others. The high volume recorded in “Others” was due to the acquisition of R\$ 9,926 thousand in hardware and software and to the acquisition of R\$ 9,288 thousand in trucks for the operation.

4.1 Investments delivered in 1Q2022:

In this 1Q2022, the Company delivered one expansion work of SAA and SES systems, namely:

- Expansion of the Water Supply System of Uruaçu, with the implementation of a full-cycle Compact ETA, with treatment capacity of 150 L/s. Invested amount: R\$ 3,606 thousand



Graph 5 - Volume of investments per system in 1Q2022

5. Financial performance - Revenues

In 1Q2022, the Company reported an increase of 10.62% 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 in the period also stands out, that is, the increase in customers consumption mostly in public and commercial categories, with 18% and 7% increase in billed volume, respectively. These numbers reflect the full resumption of business activities in 2022, as well as the return to in-person classes in public schools.

Table 06 Revenues from Water and Sewage services

REVENUE FROM WATER AND SEWAGE SERVICES				
Revenue by type of service	1Q2022	1Q2021	Var. R\$	Var. %
Residential water services	305,481	286,510	18,971	6.62%
Social tariff	1,053	993	60	6.06%
Commercial	40,973	34,960	6,013	17.20%
Industrial	9,993	8,702	1,291	14.84%
Public	21,470	16,684	4,786	28.68%
Indirect services revenues	2,912	2,698	214	7.92%
Minimum fixed rate	73,428	66,685	6,743	10.11%
Social subvention	99	-	99	-
Total Water	455,409	417,233	38,176	9.15%
Residential sewage services	149,752	138,769	10,982	7.91%
Social tariff	492	461	31	6.76%
Commercial	32,355	27,638	4,717	17.07%
Industrial	4,742	4,198	544	12.97%
Public	12,685	11,342	1,343	11.84%
Indirect services revenues	10,521	2,681	7,840	292.42%
Minimum fixed rate	25,432	22,797	2,635	11.56%
Total Sewage	235,979	207,887	28,092	13.51%
Total gross revenue (Water + Sewage)	691,388	625,120	66,268	10.60%
Deductions	(64,658)	(58,547)	(6,111)	10.44%
Revenue from water and sewage	626,730	566,573	60,157	10.62%

6. Financial performance - EBTIDA

6.1 EBITDA

The Company's EBITDA reached R\$ 49,003 in 1Q2022 in comparison to R\$ 49,113 recorded in the same period of the previous year, totaling a reduction of 0.22% in relation to 1Q2021. In this 1Q2022, the main impact were the indemnities arising from the PDV, to which 443 employees adhered, with effective dismissal in the months of February and March 2022. The total cost of dismissals reached R\$ 139,208 thousand. The increase in energy costs also stands out resulting in an impact of 43%, due to the tariff adjustments of 14.21% in October 2021, added to the increase of 50% in energy cost arising from the 'red flag' price system.

The EBITDA on net revenue in 1Q2022 was 7.78% in comparison to 8.63% in the same period of the previous year.

Table 7 Performance of Financial Income

Performance of Financial Income (Loss)	1Q2022	1Q2021	Var. R\$	Var. %
Total net revenue (+)	629,578	569,331	(60,247)	10.58%
Personnel (-)	(404,203)	(257,442)	146,761	57.01%
Materials (-)	(21,360)	(21,150)	210	0.99%
Third parties (-)	(51,890)	(54,453)	(2,563)	-4.71%
Electricity (-)	(75,186)	(52,538)	22,648	43.11%
General (-)	(29,740)	(4,278)	25,462	595.18%
Concession-related compensation (-)	(19,252)	(17,870)	1,382	7.73%
Tax expenses (-)	(6,818)	(5,721)	1,097	19.17%
Provisions/ Reversals (-)	27,995	(105,531)	(133,526)	-126.53%
Other revenues/ expenses (-)	(122)	(1,235)	(1,113)	-90.12%
Amortization/ Depreciation (-)	(28,535)	(29,727)	(1,192)	-4.01%
Total costs and expenses (=)	(609,111)	(549,945)	59,166	10.76%
Financial income (loss) (-)	12,332	(4,943)	(17,275)	-349.48%
Current/Deferred Income and Social Contribution taxes (IRPJ and CSLL) (-)	(9,545)	(4,592)	4,953	107.86%
Net income (=)	23,254	9,851	(13,403)	136.06%
EBTIDA	49,003	49,113	110	-0.22%
EBTIDA Margin	7.78%	8.63%	0.85%	-9.81%
Adjusted EBTIDA	149,566	154,644	5,078	-3.28%
Adjusted EBTIDA margin	23.76%	27.16%	3.40%	-12.53%

Table 7.1 EBITDA Reconciliation

EBTIDA Reconciliation	1Q2022	1Q2021	Var. R\$	Var. %
Net income	23,254	9,851	13,403	136.06%
(-) Amortization/ Depreciation	(28,535)	(29,727)	1,192	-4.01%
(-) Financial income (loss) (-)	12,332	(4,943)	17,275	-349.48%
(-) Current/ Deferred IRPJ and CSLL (-)	(9,545)	(4,592)	(4,953)	107.86%
(=) EBTIDA	49,003	49,113	(110)	-0.22%

6. Financial performance - EBTIDA

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 with total cost of R\$ 139,208 thousand. As provided for in Brazilian Securities and Exchange Commission Instruction (ICVM) No. 527, 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 the amount of R\$ 128,559.

6.2 Adjusted EBITDA

The adjusted EBITDA measured for 1Q2022, 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\$ 149,567, representing a decrease of 3.28% in comparison to the same period of the previous year. Despite the increase in net revenue by 10.58%, there was an increase in General expenses by 595%, due to the payment of R\$ 15,942 referring to a labor claim on interval between work days. Additionally, there is also a portion of amounts paid in PDV 2022 that were not classified as non-recurring.

The Adjusted EBITDA on net revenue in 1Q2022 was 23.76% compared to 27.16% calculated in the same period of the previous year.

Table 8 – Reconciliation of adjusted EBITDA:

Reconciliation of Adjusted EBITDA	1Q2022	1Q2021	Var. R\$	Var. %
EBTIDA (+)	49,003	49,113	(110)	-0.22%
Provisions/ Reversals (+)	(27,995)	105,531	(133,526)	-126.53%
Indemnities PDV 2022 - Non-recurring	128,559	-	128,559	
Adjusted EBITDA	149,567	154,644	(5,077)	-3.28%

6.3 Costs and expenses

6.3.1 Personnel – The expenses on personnel in 1Q2022 totaled R\$ 404,203 thousand, representing an increase of 57% compared to the same period in 2021. This increase was mainly due to the terminations resulting from the PDV to which 443 employees adhered, as detailed in item 6.1.1. Total cost was R\$ 139,208 thousand. Moreover, a salary adjustment was granted to workers as from October 2021 for compensation of inflation in the period of 8.9%. Also in November and December 2021, 70 employees were dismissed due to the pension reform of 2019 (Constitutional Amendment (EC) 103/2019). Excluding the non-recurring effect of the PDV – R\$ 128,559, there still an increase of 7.07% in the comparison with the 1Q2021, corresponding to the terminations of November and the base date of September.

6. Financial performance - EBTIDA

6.3.2 Electric power – The cost of electric power totaled R\$ 75,186 in 1Q2022, presenting an increase of 43.11% compared to 2021. That change is a reflection of the electric power tariff adjustment in October 2021 at an average percentage of 14.21%. However, there is also the reflection of the relief referring to Decree No. 9.642/2018, which revoked a 15% discount granted on the electricity bills of the Company. This discount has been gradually eliminated in the months of October of each year and, in October 2021, there was the reduction of another 3% on the discount.

6.3.3 Third-party services – Expenses on third-party services decreased by 4.71% in 1Q2022. This variation mainly occurred because in 2021 there were billed services of asphalt recovery in the amount of R\$ 6,210 thousand. The reduction was not higher because of the high cost in the 1Q2022 of supply cut and reconnection services for customers in default, totaling R\$ 1,772, given the that schedule of cuts in the 1Q2021 was yet beginning after being suspended since 03/2020.

6.3.4 General – General expenses had an increase of 595% in 1Q2022. This variation was mainly due to 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. Another fine in the amount of R\$ 3,000 thousand was paid to the Public Prosecutors' Office for Labor Issues (MPT) related to occupational accidents occurred between 2015 and 2019.

6.3.5 Contractual/Concession-related compensation – The amounts paid to municipal governments arising from program and concession contracts in 1Q2022 had an increase of 7.73%. The 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.

6.3.6 Tax – In 1Q2022, this group increased by 19.17%. The variation was due to the increase of 35.53% in the amounts paid of Property Tax (IPTU) of the areas belonging to the Company.

6. Financial performance - EBTIDA

6.4 – Provision/Reversal/Losses/Recovery of barred credits:

According to the table above, an increase of over 126% was observed in the credit balance between reversals and provisions in 1Q2022. The main changes were:

a) In 2021, there was an increase in the provision for civil contingencies due to a proceeding filed by the municipality of Minaçu regarding an environmental action reclassified from possible loss to probable loss in the quarter and to new labor claims totaling about R\$ 100 million, both detailed in item 28 of the notes;

b) Reversal of R\$ 16,204 related to the Profit Sharing Program (PPR) provided for at R\$ 33,635 in 2021. However, a provision of R\$ 4,306 was also added to PPR 2022, monthly.

Table 09 – Provision/ Reversal/ Losses and Recovery of Credits

Losses on barred credits	(9,969)	(15,318)	5,349	-34.92%
Provision for contingencies	18,564	(111,501)	130,065	-116.65%
Allowance for doubtful accounts	-	5,002	(5,002)	-100.00%
Provision for losses on inventories	6,994	16,286	(9,292)	-57.06%
Estimated losses on construction work	-	-	-	0.00%
Provision for profit sharing	12,405	-	12,405	0.00%
Provisions/ Reversals/ Losses and Recovery of credits	27,995	(105,531)	133,526	-126.53%

6.5 – Net financial income:

The results reported in 1Q2022 show a credit balance of R\$ 12,332. One of the main factors of this result was exchange rate gains (losses) which resulted in a debt balance of R\$ 9.033 in 2021. In view of the recent appreciation of Brazilian Real, in 1Q2022, a credit balance of R\$ 12,332 was reported. Additionally, we point out the increase in interest received, mainly from financial investments which, due to the increase in the Central Bank Overnight Rate (SELIC) in recent months, had a higher balance in comparison with 2021.

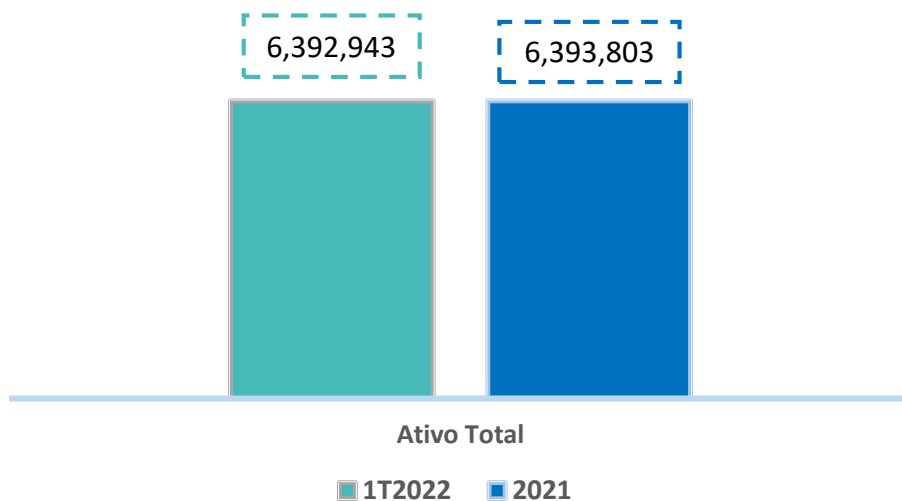
Table 10 – Net financial revenues and expenses

Net financial revenues and expenses	1Q2022	1Q2021	Var. R\$	Var. %
Interest/ Fines	27,514	20,464	7,050	34.45%
Monetary adjustment	9,590	7,694	1,896	24.64%
Discount to present value	561	(294)	855	-290.82%
Total financial revenues	37,665	27,864	9,801	35.17%
Interest/ Charges and other expenses	(37,155)	(23,383)	(13,772)	58.90%
Monetary adjustment	(1,210)	(391)	(819)	209.46%
Exchange rate gains (losses)	13,033	(9,033)	22,066	-244.28%
Total financial expenses	(25,333)	(32,807)	7,474	-22.78%
Financial income (loss)	12,332	(4,943)	17,275	-349.48%

6.6 Net income/ loss – The Company reported R\$23,254 income in 1Q2022, an increase of 136% in comparison with 1Q2021. The 1Q2021 was affected by the provision for the civil action mentioned in item 6.4, but in 2022 there was also, as mentioned in item 6.1.1, the realization of PDV 2022, which resulted in costs of R\$ 139,208 for the dismissal of 443 employees. We highlight also the increase in revenue by 10.58%, mainly due to the increase in tariff by 8.85% as from 02/03/2022.

7. Analysis of 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 2022 in comparison with the closing of the previous year.

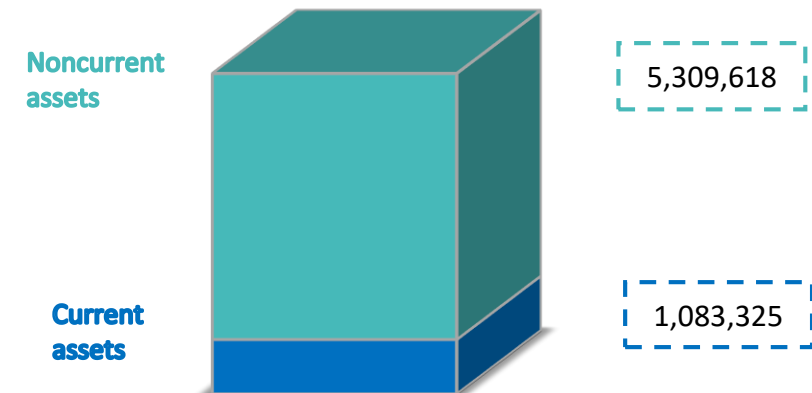


Graph 6 - Changes in total assets

In 2022, the main change in the structure of assets was in the group cash and cash equivalents, due to the disbursement of approximately R\$ 139,208 thousand for the dismissals of PDV 2022. Accordingly, there was a reduction in current liquidity, changed from 1.8464 at the closing of 2021 to 1.7716 at the closing of 1Q2022.

Additionally, there was a decrease in third-party capital by 90.47% at the closing of the year 2021 in comparison with 89.39% at the closing of 1Q2022.

7.1 Assets



Graph 7 - Structure of assets 1Q2022

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\$ 133,316, from cash and cash equivalents of approximately R\$ 569,228 at the closing of 2021 to R\$ 435,912 at the closing of 1Q2022. The main reason for the variation was the PDV 2022 in which 443 employees were terminated in February and March. The total cost of dismissals was R\$ 139,409 thousand.

7. Analysis of and Discussion about the Structure of Assets

7.2 Liabilities



Graph 8 - Breakdown of Liabilities - Equity - 1Q2022

7.2.1 Current liabilities

7.2.1.1 Debentures – Debentures classified as current presented a reduction of R\$ 19,062 as a result of amortization in the period.

7.2.1.2 Loans and financing – The account of loans and financing was reduced by 88% in relation to the balance reported for the year ended December 31, 2021. The reduction of the offset account is the result of the proximity of termination of the FIDC which caused the transfer of subordinated shares from noncurrent to current.

7.2.1.3 Dividends and Interest on Equity Capital Payable – This caption had an increase of 6.60%, reaching R\$ 89,232 in comparison with R\$ 83,709 in 2021. Part of this amount represents the income earned in 2021 for payment in 2022 and the provision for dividends to be paid in 2023, according to income earned in the period.

7.2.2 Noncurrent liabilities

7.2.2.1 Loans and financing – The account of long-term loans and financing was increased by 83% in relation to the balance reported for the year ended December 31, 2021. The increase of the offset account is the result of the proximity of termination of the FIDC that caused the transfer of subordinated shares from noncurrent to current.

7.3 Equity Due to the income determined in the period, Equity presented an increase of approximately R\$ 21,607, corresponding to a positive variation of 0.53%.

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

On July 15, 2020, Law No. 14.026/2020 was enacted amending Law No. 11.445/2007, of January 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. Moreover, the state service providers shall prove their economic and financial capacity to meet the contract obligations, according to the methodology defined in Decree No. 10.710, of May 31, 2021, ruling article 10-B of Law No. 11.445/2007.

For the validation and certification of the 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

Net Margin without depreciation and amortization¹: economic and financial index calculated through the division of net income without depreciation and amortization by operating income; debt and tax expenses;

Indebtedness Level²: 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.

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

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 will be object of discussion 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) to guarantee new business arrangements and increase its efficiency and competitive capacity, as well as establishment of partnerships and incorporation of special purpose entities, subsidiaries of local level and funds.

8. Ownership interest

In 1Q2022, the Company's major shareholder is the State of Goiás, which holds 67.22% of the Company's total shares.

Table 11 – Ownership interest

Shareholders	Common shares		Preferred shares		Total shares	
	Quantity	%	Quantity	%	Quantity	%
State of Goiás	1,336,135,806	72	354,992,364	55	1,691,128,170	67
GoiásPrev	488,016,887	26	122,637,514	19	610,654,401	24
Goiás Parcerias	42,749,681	2	170,998,719	26	213,748,400	8
Others	4,000	0	11,396	0	15,396	0
Total	1,866,906,374		648,639,993		2,515,546,367	

For 2022, a balance of R\$ 83,709 was recorded for distribution of interest on equity capital.

10. Risk Rating

On March 04, 2022, the firm Fitch Rating announced the Long-Term National Rating of Saneamento de Goiás S.A. (“Corporate”) and of its bonds to stable “A+(bra)”.

In relation to the Receivables Investment Fund of Saneamento de Goiás S.A. - Saneago Infraestrutura IV (“FIDC IV”), on February 16, 2022, Fitch Rating announced its rating to stable “AAAsf(bra)”. The FIDC rating reflects its perspective of reaching a “Corporate Rating” and takes into account the operation’s performance.

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 October 28, 2021, Moody’s assigned a (CFR) AA+.br Corporate Rating to Saneago, 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. Fitch Ratings - Saneago S.A

Agency	Rating	Scale	Outlook	Date
Fitch	Corporate and Debenture Issuance (4th, 5th, 6th, 8th and 9th)	A+(bra)	Stable	3/4/2022
	FIDC IV	AAAsf(bra)	Stable	2/16/2022
Moody’s	Corporate	AA+.br	Stable	10/28/2021

11. 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;
- Inclusion of environmental and social clauses in contracts with suppliers;
- Approval of a Sustainability Policy;
- Intensification of protection, safety and health measures against the pandemic;
- Review of bottlenecks at the Company that lead to recurrent court actions as a result of a lack of concern to ESG practices;
- Updating of documents regarding the rules of the Company in compliance with good ESG practices;
- Publication of the Sustainability Report according to the Global Reporting Initiative - GRI methodology;
- 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);

- Hiring a company specialized in preparing the Inventory of Greenhouse Gas Emissions;
- Access to the UN Global Compact Academy platform for training;
- Inclusion of a Sustainability section on the Investor Relations website.

Joining the Water Resilience Coalition and the Movement +Water of UN Global Compact; aiming to confirm its action towards a sustainable world and the conduction of day-to-day activities in compliance with 2030 Agenda (SDG), the Company enrolled with the Global Compact of the United Nations. 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.

11. Environmental, Social and Governance Initiative (ESG)

On April 18, 2022, the Company joined the Movement +Water, an initiative of Brazil's Network for the UN Global Compact, which proposes a cooperative journey for more control, transparency and collective actions, searching the definition of targets as a powerful manner of prompting companies with competitive advantages for transforming society towards the universalization of sanitation and water security in the country, moving further in achieving SDG 6 Clean Water and Sanitation. The targets Saneago has undertaken in relation to the Movement are:

- 99% of people with access to guaranteed clean water until 2033;
- 90% of collected and treated sewage until 2033;
- Conservation and reforestation of 50% of critical areas that help the natural production of water until 2030.

12. Effects of the Coronavirus (COVID-19) Pandemic

In view of the pandemic declared by the World Health Organization (“WHO”), related to the new Coronavirus (COVID-19), which has been affecting Brazil and several other countries bringing risks to public health and impacts to the world economy, the Company informs that all preventive measures have been put in place to mitigate risks according to guidelines established by local authorities. Such measures, aim to minimize possible effects to the health of employees, their families, partners and community, in addition to focusing the management of its business in keeping the financial liquidity of the Company and continuity of the operations necessary to face the crisis.

Thus, with the purpose of assuring better services and minimizing the impacts of the COVID-19 pandemic to people, water supply cuts of customers in default were suspended from March 19, 2020, and resumed on January 04, 2021, except for consumers of the residential social tariff category. On April 09, 2021, the suspension of supply cuts was extended to the other categories considered vulnerable, representing approximately 5.2% of billings. These correspond to the categories: i) Residential social; ii) Residential subgroups 1 and 65 (rustic houses of up to 60 m² and residential properties with small businesses) and; iii) Commercial 2 – small businesses of low consumption. Currently, the supply cut is effective for all categories.

Therefore, to date, the Company has had no material impact on its operations and settlement of rights and obligations due to COVID-19. However, considering that, like all companies, Saneago is exposed to risks arising from any legal and market restrictions that may be imposed, it is not possible to ensure that there will be no impacts on operations or that the future results will not be affected by effects that the pandemic may produce.

Management



Saneamento de Goiás S.A.
May 2022

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, 2022, which comprises the statement of financial position as at March 31, 2022, 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.

Emphasis

Virtual storeroom

We draw attention to Note 43, which discloses the events, measures and internal procedures taken by the Company's Management as a result of news published in a newspaper in January 2022, concerning the "Virtual Storeroom" agreement. Such actions, approved by members of the Company's internal governance, include the hiring, yet to occur, of an independent firm to carry out an internal investigation of alleged non-compliance with the agreement entered into for development and management of said virtual storeroom. Our opinion is not modified in respect of this matter.



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, 2022, 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.

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

Goiânia, May 12, 2022.



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	03/31/2022	12/31/2021		Note	03/31/2022	12/31/2021
Assets				Liabilities			
Current assets				Current liabilities			
Cash and cash equivalents	4	92,822	138,808	Trade accounts payable	-	134,693	129,261
Financial investments	5	343,090	430,420	Loans and financing	21.a	16,237	44,252
Marketable securities	6	848	3,360	Debentures	21.b	140,873	121,811
Receivables from consumers	7	496,453	470,243	Leases	21.d	15,182	18,768
Inventories	8	69,962	54,624	Labor liabilities	22	128,316	118,353
Recoverable taxes	9	22,826	8,030	Provision for profit sharing - Employees	34	22,840	35,246
Prepaid expenses and advances	10	33,736	30,025	Tax liabilities	23	37,067	42,496
Outsourcing	11	15,363	10,715	Installment payments	24	1,931	909
Other receivables	12	8,222	9,699	Contractual obligations	25	10,146	10,146
Noncurrent assets held for sale	13	3	3	Consortia	26	544	-
		<u>1,083,325</u>	<u>1,155,927</u>	Contract-related advance	27	332	831
				Other payables	28	13,709	13,392
				Outsourcing	11	-	6,386
				Grants	20.2	367	467
				Dividends and interest on equity capital payable	31.f	89,232	83,709
						<u>611,469</u>	<u>626,027</u>
Noncurrent assets				Noncurrent liabilities			
Securities	6	12,892	11,567	Loans and financing	21.a	168,770	183,626
Receivables from consumers	7	29,622	29,177	Debentures	21.b	558,528	605,320
Prepaid expenses	10	184,180	185,905	Leases	21.d	-	967
Outsourcing	11	1,176,404	1,111,322	Tax liabilities	23	36,587	31,666
Court deposits	14	21,025	18,491	Installment payments	24	15,785	14,028
Other receivables	12	30	42	Consortia	26	2,120	2,144
Deferred tax assets	15	32,919	42,464	Provision for legal claims	29	214,593	233,157
		<u>1,457,072</u>	<u>1,398,968</u>	Outsourcing	11	1,176,404	1,111,322
				PAC subsidies	20.1	212,750	207,339
				Actuarial obligations	30	21,389	21,389
						<u>2,406,926</u>	<u>2,410,958</u>
Investments				Equity			
Fixed assets	16	9	9	Capital stock	31.a	2,515,546	2,515,546
Contract-related assets	17	360,568	350,160	Statutory reserve	31.c	58,460	58,460
Intangible assets	18	673,517	680,900	Investment reserve	31.d	763,613	763,613
	19	2,818,452	2,807,839	Asset and liability valuation adjustment	31.e	33,314	33,315
		<u>3,852,546</u>	<u>3,838,908</u>	Retained earnings		17,731	-
				Other comprehensive income		(14,116)	(14,116)
						<u>3,374,548</u>	<u>3,356,818</u>
Total assets		<u><u>6,392,943</u></u>	<u><u>6,393,803</u></u>	Total liabilities		<u><u>6,392,943</u></u>	<u><u>6,393,803</u></u>

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

STATEMENTS OF INCOME
(In thousands of Brazilian reais)

	Note	03/31/2022	03/31/2021
Net revenues			
Revenues from water and sewage services		626,730	566,573
Revenues from construction work		24,237	22,519
Revenues from technical services		573	483
Outsourcing		2,275	2,275
	32	<u>653,815</u>	<u>591,850</u>
Costs			
Cost of services		(361,616)	(275,530)
Cost of construction work		(24,237)	(22,519)
	33	<u>(385,853)</u>	<u>(298,049)</u>
Gross profit		267,962	293,801
Administrative expenses	33	(174,242)	(96,538)
Selling expenses	33	(94,308)	(65,390)
Tax expenses		(6,818)	(5,721)
Provision/reversal - Losses/recovery of receivables	34	27,995	(105,531)
Other operating revenues/expenses		(122)	(1,235)
		<u>(247,495)</u>	<u>(274,415)</u>
Income before financial income (loss)		<u>20,467</u>	<u>19,386</u>
Net financial income (loss)	35	<u>12,332</u>	<u>(4,943)</u>
Income before taxes		<u>32,799</u>	<u>14,443</u>
Current income and social contribution taxes	15	-	(17,382)
Deferred income and social contribution taxes	15	(9,545)	12,790
Net income for the period		<u>23,254</u>	<u>9,851</u>
Earnings per share	31.g	0,00924	0,00392

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

STATEMENTS OF COMPREHENSIVE INCOME
(In thousands of Brazilian reais)

	<u>03/31/2022</u>	<u>03/31/2021</u>
Net income for the period		
Net income for the period	23,254	9,851
Other comprehensive income		
Realization of deemed cost, net of deferred taxes	1	-
Comprehensive income for the period	<u>23,255</u>	<u>9,851</u>

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

Saneamento de Goiás S.A.

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

	Capital stock	Statutory reserve	Investment reserve	Asset and liability valuation adjustment	Other comprehensive income	Retained earnings	Total equity
Balances as at January 01, 2021	2,515,546	40,837	512,487	33,315	(24,553)	-	3,077,632
Net income for the period	-	-	-	-	-	9,851	9,851
Realization of deemed cost	-	-	-	(1)	-	-	(1)
Deferred taxes on deemed cost	-	-	-	1	-	-	1
Balances as at March 31, 2021	2,515,546	40,837	512,487	33,315	(24,553)	9,851	3,087,483
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

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

STATEMENTS OF CASH FLOWS
(In thousands of Brazilian reais)

	Note	03/31/2022	03/31/2021
Net cash from operating activities		<u>(1,634)</u>	<u>142,642</u>
Cash flows from operating activities		<u>68,717</u>	<u>150,066</u>
Net income for the period		<u>23,254</u>	<u>9,851</u>
Adjustments to reconcile net income			
Depreciation and amortization		33,775	33,212
Write-off of investments, fixed assets and intangible assets - Inventory adjustments		892	920
Grant adjustments - PAC		(1,585)	-
Discount to present value of receivables	35	(562)	294
Deferred income and social contribution taxes	15.2	9,545	(12,790)
Charges on loans, financing and leases	21.c	16,165	28,198
Capitalized interest	21.c	(64)	213
State grants	20.2	(100)	-
Return on financial investments	6	(309)	(45)
Monetary restatement - Sale of noncurrent assets	12	(104)	-
Provisions/reversals	34	(12,190)	90,213
Changes in assets and liabilities		<u>(70,556)</u>	<u>(17,354)</u>
Receivables from consumers	40	(51,869)	63
Recoverable taxes		(13,149)	(144)
Inventories	40	(7,689)	4,513
Prepaid expenses and advances to employees		(1,986)	1,117
Court deposits		(2,534)	(5,040)
Trade accounts payable		5,432	(17,162)
Consortia	40	538	812
Labor liabilities		9,963	9,020
Tax liabilities		(508)	(2,099)
Installment payments		2,779	(3,334)
Outsourcing		(11,034)	(4,601)
Contract-related advances		(499)	(499)
Other		205	9,930
Other receivables	40	(112)	12
Other payables		317	9,918
Net cash from investing activities		<u>37,560</u>	<u>(40,277)</u>
Purchase of fixed assets	17.1	(18,239)	(1,799)
Contract-related assets	40	(11,599)	(12,459)
Purchase of intangible assets	19	(16,098)	(23,487)
Marketable securities	6	1,497	(2,405)
Financial investments		87,330	-
Purchase of inventory for construction work	18	(7,079)	(127)
Receipt from disposal of fixed assets		1,748	-
Net cash from financing activities		<u>(81,912)</u>	<u>(67,592)</u>
Amortization of loans and financing	21.c	(59,334)	(60,802)
Payment of finance charges on fundraising	21.c	(27,398)	(14,979)
Leases	21.c	(4,587)	(4,014)
Grants		9,407	12,203
Net increase/(decrease) in cash and cash equivalents		<u>(45,986)</u>	<u>34,773</u>
Cash and cash equivalents at beginning of year	4	<u>138,808</u>	<u>168,144</u>
Cash and cash equivalents at end of year	4	<u>92,822</u>	<u>202,917</u>

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

STATEMENTS OF VALUE ADDED

(In thousands of Brazilian reais)

	03/31/2022	03/31/2021
Revenues		
Sales of goods, products and services	690,963	624,706
Revenues from construction work	24,237	22,519
Recognition/reversal of allowance for doubtful accounts	(25,774)	5,002
Expiration/recovery of credit	15,806	(15,318)
Outsourcing	2,275	2,275
Revenues from technical services	573	483
Other revenues	7,479	2,271
	<u>715,559</u>	<u>641,938</u>
Inputs acquired from third parties		
Cost of goods and services sold	(127,229)	(101,264)
Raw material consumed	(1,029)	(1,030)
Electric power and third-party services	(66,453)	(46,297)
Cost of construction work	(24,237)	(22,519)
Recognition/reversal of inventory losses	6,994	16,286
Other expenses	(7,601)	(3,506)
	<u>(219,555)</u>	<u>(158,330)</u>
Gross value added	496,004	483,608
Deductions		
Depreciation/amortization	(33,775)	(33,212)
Provisions/reversals	30,970	(111,501)
	<u>(2,805)</u>	<u>(144,713)</u>
Net value added	493,199	338,895
Value added received through transfer		
Financial revenue	37,664	27,864
	<u>37,664</u>	<u>27,864</u>
Total value added to be distributed	530,863	366,759
Distribution of value added	530,863	366,759
Personnel and related charges		
Direct compensation	286,735	160,854
Benefits	48,764	38,376
Severance Pay Fund (FGTS)	14,453	12,934
	<u>349,952</u>	<u>212,164</u>
Taxation		
Federal taxes	113,469	117,375
Federal taxes - Deferred income and social contribution taxes	9,545	(12,790)
State taxes	1,562	1,910
Local taxes	5,031	3,744
	<u>129,607</u>	<u>110,239</u>
Return on debt capital		
Interest	25,332	32,807
Rent	2,718	1,698
	<u>28,050</u>	<u>34,505</u>
Return on debt capital	23,254	9,851
Income for the period	<u>23,254</u>	<u>9,851</u>

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

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 to 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, on November 27, 2020, a committee with representatives from different areas of the Company was organized, which is responsible for the strategies, guidelines and other sustainability matters of the Company, 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, in February 2021, Saneago enrolled with the Global Pact, 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, 2022, Saneago had executed 225 contracts, as follows: 145 in effect, of which 83 are concession contracts and 62 are program contracts, and 80 expired, representing an average percentage of 84.61% and 15.39% of net revenue, respectively.

On March 18, 2022, the Buriti Alegre system was resumed by the municipality and the rendering of services was discontinued, with average representation of 0.17% of the Company's net revenue in 2021, and a lawsuit has been filed by Saneago to obtain compensation for investments made and not amortized.

The Company has corresponding intangible and contract-related assets totaling R\$ 611,627 for expired contracts and R\$ 2,167 for Buriti Alegre, of a total amount of R\$ 3,491,969 according to Notes 18 and 19, whose realization depends on approval from the National Water Agency (ANA) for definition of the methodology used to calculate indemnities.

The average term of concession contracts and program contracts in effect, weighted by the percentage of net revenues in 2022 of contracts in effect, is 19.5 years. The contracts have the following maturities: 80 are expired, 71 contracts mature within the next 15 years, 18 mature from 15 to 20 years and 56 mature in more than 20 years.

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

Municipality	Status	Maturity date	% of net revenue	Type of contract	Term (years)
Goiânia	In effect	12/17/2049	36.81%	Program	30
Anápolis	In effect	02/27/2050	7.45%	Program	30
Aparecida De Goiânia	In effect	11/01/2041	4.08%	Program	30
Valparaíso De Goiás	In effect	11/16/2048	2.63%	Program	30
Rio Verde	In effect	11/01/2041	2.42%	Program	30
Luziânia	In effect	12/01/2045	2.14%	Program	30
Formosa	In effect	03/14/2025	2.05%	Concession	25
Itumbiara	In effect	02/23/2025	1.73%	Concession	20
Planaltina	In effect	04/01/2030	1.54%	Concession	25
Trindade	In effect	11/01/2041	1.35%	Program	30
Jataí	In effect	11/01/2041	1.33%	Program	30
Águas Lindas De Goiás	In effect	12/28/2048	1.26%	Program	30
Novo Gama	In effect	11/16/2048	1.21%	Program	30
Goianésia	Expired	06/15/2020	1.19%	Concession	25
Cidade Ocidental	In effect	11/01/2041	1.17%	Program	30
Quirinópolis	Expired	06/24/2016	1.00%	Concession	20
Inhumas	In effect	06/17/2050	0.97%	Program	30
Maturing in 01 - 15 years			6.72%		
Maturing in 16 - 30 years			9.75%		
Expired			13.20%		
			<u>100.00%</u>		

The operations of the Company are concentrated in the Municipality of Goiânia, which, as at March 31, 2022, represented 36.81% of net revenue and 32.71% of intangible assets (36.55% of net revenue and 32.51% of intangible assets as at December 31, 2021).

New Legal Framework for 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 should 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.

In addition, with the update to 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 reached by 2033. In this second stage, contracts that did not include universalization goals should have been amended by March 31, 2022, and the Company updated 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 amendment to the law used for its incorporation (Law No. 6.680/1967) and the structuring for compliance with 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 it is entitled to compensation for assets not yet amortized, as provided for in article 36 of the Law of Concessions.

Price adjustment:

The Control and Inspection Council of Public Services of the city of Goiânia (AGR) approved, through Regulatory Resolution No. 185/21, Saneago's process of Ordinary Tariff Adjustment, with a percentage of 8.85% granted for water/sewage tariffs as from February 1, 2022. The adjustment was analyzed by Goiânia's Regulatory Agency (AR) and defined through Regulatory Resolution No. 005/2021 by such agency.

It is important to point out that the process of Tariff Adjustment 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.

Voluntary Redundancy Program (PDV)

In December 2021, the Company's Voluntary Redundancy Program (PDV) was approved and launched with initial period for enrollment of 30 days, corresponding to January 2022, which was reopened in February 2022 for 1 day.

With dismissals from February to March 2022, the program included employees retired or not, with 10 or more years of employment in the company, with the exception of employees retired through the governmental pension system after 11/13/2019.

The conditions offered for enrollment were the following:

- Full payment of all termination and severance amounts;
- 40% over the FGTS (Severance pay fund) balance;
- 15% bonus (over the reference salary*) per year of employment in the company;
- Compensation of 4 reference salaries*;
- SODEXO food voucher equivalent to 12 months (paid fully and jointly with the termination amounts);
- Health insurance benefit for 24 months

** The reference salary includes the Base Salary of the employee, plus amounts received as incorporated gratified function, incorporated double function, incorporated salary bonus, complementation of working hours, one-year and/or five-year bonus, as applicable.*

After validation of the plan's requirements and formalization, a total of 443 employees were terminated, generating a total impact of R\$ 139,208, R\$ 128,559 referring to termination benefits and the remainder to ordinary remuneration amounts due over the term of the work relationship. All terminations took place before March/2022.

Effects of the Covid-19 pandemic

The COVID-19 pandemic declared by the World Health Organization ("WHO") has been affecting Brazil and several other countries, bringing risks to public health and impacts to the world economy. At the Company, all preventive measures have been put in place to mitigate risks according to guidelines established by local authorities. They aim to minimize effects to the health of employees, their families, partners and community and at the same time maintain operations and businesses.

Starting December 14, 2020, according to State Decree 9.751/2020, employees who had been working remotely resumed work at the offices of the Company and only specific groups continue working from home. As at March 31, 2022, the Company had 5,293 active employees hired under the standards of the Consolidation of Labor Laws (CLT), of which 886 are workers of the administrative area and 285 continue working remotely.

Sanitation is considered an “essential service” in keeping the quality of life of people and personal hygiene, seeing frequent washing of the face and hands is one of the main prevention measures against COVID-19. In this sense, water supply cuts for customers in default were suspended in the critical period of the pandemic and resumed for all customers until the end of 2021.

In view of that scenario, the Company evaluated the following estimates in the interim financial information:

Estimated credit losses caused by COVID-19

A risk that is potentially significant to the Company in relation to Covid-19 concerns customers in default, but considering the resumption of water cuts in January 2021, the indicators are back to pre-pandemic levels. Receivables as at March 31, 2022, as well as the allowance for doubtful accounts reflect Management’s opinion about the quality and solvency of receivables.

Impairment of tangible and intangible assets

Assets have been tested for impairment and Management concluded that there is no change in the recoverable value of fixed or intangible assets as a result of the pandemic.

Fulfillment of obligations to customers and suppliers

Main supplier and customers contracts have also been assessed and it was concluded that despite the pandemic, contract-related obligations have been fulfilled and no there is no evidence of insolvency or any discontinuities.

So far, the Company has not suffered any material impact on its operations or on the fulfillment of rights or obligations resulting from COVID-19 other than those previously mentioned. However, considering that all companies are exposed to legal or market restrictions that may be imposed, it is not feasible to assure that there will be no impacts to operations or that the pandemic will not affect future results.

Approval for issuance of the interim financial information:

Issuance of the interim financial information was approved by the Board of Directors on May 12, 2022.

2. Basis of preparation and summary of main accounting practices

2.1 Statement of compliance

The interim financial information has been prepared according to Brazilian accounting practices, which encompass Laws 6.404/76 and 11.638/07, Brazilian Corporate Law, pronouncements, guidelines and accounting interpretations issued by the Committee of Accounting Pronouncements, as approved by the Brazilian Securities and Exchange Commission (CVM) and Federal Accounting Council. The financial information is also in alignment with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The interim financial information has been prepared based on historical cost and adjusted to reflect the deemed cost of plots of land, building, furniture and fixtures, machinery and equipment, vehicles and IT equipment at the date of transition to IFRS. Such assets cannot be returned to the grantor.

The Company's Management declares that all significant information is included in the interim 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 interim 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.

Estimates and assumptions that bring significant risk of adjustment to the book value of assets and liabilities in the following accounting year are mentioned below:

a) Overdue credits written-off and allowance for doubtful accounts

In 2022, the Company interrupted the recognition of effective losses on receipt of credit from customers according to tax criteria (Law 13.097/2015).

Alongside this change, it improved the methodology 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 last two years. 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.

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

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.

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 based on existing differences between accounting balances 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 15.2.

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 29.

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, 2022 and 2021, 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 book value.

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 mounts will be received.

b) Revenue from construction work

According to ICPC 01 (R1)/IFRIC 12 Concession contracts and CPC 47 / IAS 15 Construction contracts, the Company accounts for revenue and costs relating construction services or infrastructure improvements to water supply and sewage services. 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 contract-related 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, expected to be used by the Company within six months, and 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.

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.

In compliance with standard CPC 1 - Impairment of Assets (Note 2.12), fixed and intangible assets with finite useful lives are annually tested for impairment.

The useful lives of assets are described below:

Type	Economic useful life	Type	Economic useful life
Civil construction work	50	Equipment - Metering pumps	13
Dams	50	Water meters	11
Reservoirs and tanks - Concrete	50	Vehicles	11
Decanters and ponds	50	Machinery and tractors	10
Transmission Lines and electrical connections	40	Equipment - Sewage pumps	10
Pipelines	40	Treatment equipment	10
Building connections	30	Laboratory equipment	10
Water wells	25	IT equipment - Switch	10
Renewable energy systems	25	Other equipment	9
Reservoirs and tanks - Metal	20	Deemed cost (general)	25
Environmental protection and preservation - Reforestation	17	IT equipment - Servers	8
Environmental protection and preservation - Fencing	15	IT equipment - Endpoints	7
Equipment - Air conditioning	15	IT equipment - Lease	8
Equipment - Other pumps	15	Vehicles - Right-of-use	3
Macrometers	15	IT equipment - Nobreaks	2
Equipment - Motors	14	Works of art	-
Furniture and fixtures	13	Plots of land	-
Software	13	Easement of properties	-

*Economic useful lives

Based on a study prepared in 2021 by an independent firm, the economic useful lives of fixed assets 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 on 12/20/2021 and implemented still in 2021, causing changes to the depreciation rate of equipment (treatment and laboratory equipment, motors and pumps) and, mainly, of environmental preservation equipment, which was broken down into reforestation and fencing, going from 8 years to 17 and 15 years, respectively.

a) Program and concession contracts

The infrastructure linked to program and concession contracts is governed by standard ICPC 01 - Concessions - when: (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) Saneago has rights over the 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 such payment, usually because the contract is enforceable by law; (V) the Company is entitled to collect the 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 6 municipalities in this situation, which represents 2.96% of the Company's total revenues. We point out the failed attempt by 2 municipalities, representing around 1.04% 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, in view of the regulatory uncertainties - and 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 - they await the regionalization of the sanitation services in the state. 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 grants related to assets are received, but not all condition have been fulfilled yet, they are recognized in the statement of financial position as liabilities, according to balance stated in note 20.1. When the established condition of construction work is met, they are reclassified by deducting the book value 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.

The government subsidy related to revenues, when received and with obligations not yet met, is recognized in the statement of financial position in a liability account, as per the balance shown in Note 20.2. When the condition established is complied with, i.e., the billing of customers included in the Social Tariff program, such values are recognized in revenue.

c) Software usage licenses

Purchased software usage 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 book values will not be recovered in the future.

2.12 Impairment of non-financial assets

Fixed 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 book value 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 book value 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.

Construction work stopped for more than one year and without expectation of cash generation is also tested for impairment and direct and indirect costs fully accrued for. In the event of resumption of work, losses incurred are determined and recognized in the statement of income. As at March 31, 2022, the amount of provision for impairment related to stopped work was R\$128,347 (RS128,347 as at December 31, 2021).

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 year (maximum amount to be distributed) in accordance with values disclosed in Note 34. Its effective realization depends on approval from 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 (allowance for doubtful accounts, contingencies, 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 income.

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 book value 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 interim 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 maintains contracts. 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 interim 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.

3. Risk management and financial instruments

3.1 Financial risk factors

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

- a) Market risk (interest rate and foreign currency rate fluctuations)
- b) Credit risk
- c) Liquidity risk
- d) Risks associated with concession/program contracts

(a) Market risk

Interest rate risk

Saneago is exposed to fluctuations in the interest rates of loans, financing, debentures, and short-term financial investment. That could impact payments and receiving of amounts, as well as cash flows. Such rates are the Benchmark Rate (TR), the London Interbank Offered Rate (LIBOR), the Interbank Deposit Rate (CDI) or inflation indexes, such as the National Consumer Price Index (IPCA).

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 analyzed: IPCA, CDI, LIBOR and TR. Thus, based on current value as at March 2022 or on market projections for the end of the year, three scenarios were simulated - the probable scenario considers either maintenance of current values or expected evolution of rates, whereas scenarios II and III consider appreciation of rates by 25% and 50%, respectively.

Rates	Debt sensitivity - 03/31/2022						
	Exposure	Probable scenario		Scenario II		Scenario III	
		Rate	Value	Rate	Value	Rate	Value
IPCA (FIDC IV)	81,322	7.65%	87,543	9.56%	89,098	11.48%	90,653
CDI (Banks + Debentures)	711,520	11.65%	794,413	14.56%	815,136	17.48%	835,859
USD LIBOR 3M (IDB)	74,412	1.04%	81,812	1.30%	83,662	1.56%	85,512
TR (a) (Caixa Econômica Federal)	116,937	0.21%	117,179	0.26%	117,239	0.39%	117,390
Subtotal	984,191		1,080,947		1,105,135		1,129,414
Subordinated shares	(94,160)						
Transaction costs	(9,657)						
	880,374						
Not subject to risk							
FCO - Cezarina and Silvânia (a)	4,034						
	884,408						

a) Contract with fixed interest.

Exchange rate risk

Saneago is exposed to fluctuation in exchange rates of financial operations denominated in foreign currencies that affect its cash flows. 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 or currency forward contracts (NDF). 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 and current values as at March 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.

Sensitivity of debt in foreign currency - 03/31/2022						
Currency	Exposure	Probable scenario	-25%	25%	-50%	50%
Debt in R\$ (IDB)	74,412	R\$ 5.00	R\$ 3.75	R\$ 6.25	R\$ 3.13	R\$ 7.50
Exposure in US\$	14,177	-	-	-	-	-
Debt in R\$ in the scenarios	-	70,885	53,164	88,607	44,303	106,328
Effects on income before taxation	-	3,526	21,248	-14,195	30,108	-31,916

Sensitivity of foreign debt - IDB

In relation to contract 1414/OC 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.

The sensitivity analysis prepared as at March 31, 2022, indicates a slight decrease in the expected amount of future debt as a result of the recent decrease in exchange rates. However, there has been an increase in interest rates and inflation in Brazil, as well as appreciation of foreign currencies in relation to the Brazilian real, mainly due to the Covid-19 pandemic, which has been significantly affecting Brazilian and international economy. Abroad, the global economy has been slowing down and economic and geopolitical uncertainties exist, in particular some commercial disputes 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 BRL to USD exchange rate used for the payment due in October 2021 was R\$ 5.52. As for the one due in April 2022, the rate was R\$ 4.76. The projection of exchange rate for 2022 is R\$ 5.00.

The dollar rates of the scenarios were based on data the Brazilian Central Bank published in the FOCUS Market Report (Market Expectations) on April 22, 2022.

(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. As a result of the Covid-19 pandemic, cuts were suspended from March 19, 2020, to January 3, 2021. This suspension was maintained only for customers in the special category and other categories deemed as vulnerable, and it was in effect until the end of 2021. Such practice is not applicable to government customers, but 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). This is guaranteed by law, as described 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 turn, corresponds to total loans and financing, less cash and cash equivalents. Total capital is determined through the sum of equity as demonstrated in the statement of financial position with net debt.

	03/31/2022	12/31/2021
Net Financial Position		
Total loans/Debentures	884,408	955,009
(-) Cash and cash equivalents.	(92,822)	(138,808)
(-) Financial investments (a)	(343,090)	(430,420)
(=) Net debt	448,496	385,781
(+) Total equity	3,374,548	3,356,818
(=) Total capital	3,823,044	3,742,599
Financial leverage index	11.73%	10.31%

(a) Financial investments with immediate liquidity according to Note 5.

4. Cash and cash equivalents

	03/31/2022	12/31/2021
Imprest fund	229	60
Bank checking accounts/billing	890	12,218
Banks - Accounts linked to construction work	950	5,842
Banks - Billing not yet released (a)	9,222	12,724
Short-term financial investment (b)	81,531	107,964
	92,822	138,808

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) Short-term financial investment is broken down below:

	03/31/2022	12/31/2021
B. Brasil	581	568
BBM	5,382	1,771
Bradesco	4,976	2,112
Itaú	62,765	103,503
Safra	10	10
Santander	7,817	-
	81,531	107,964

The average return on financial investments in the first quarter of 2022 was 79.80% of the Interbank Deposit Rate (CDI) (91.89% of CDI as at December 31, 2021).

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

The financial investment with BBM and Bradesco refers to a contract demand for the issuance of the 5th, 6th, 8th and 9th series of debentures and is monthly operated in the amortization of obligations.

The other investments are to meet other short-term commitments and are kept in the Cash and Cash Equivalents group according to the Company's expected use within six months.

5. Financial investments

These refer to investments with immediate liquidity to meet short-term commitments. They differ from investments allocated to Cash and Cash Equivalents only in terms of the perspective of its use by the Company, which is after six months, and are composed as follows:

	03/31/2022	12/31/2021
Itaú	-	85,130
Santander	343,090	345,290
	<u>343,090</u>	<u>430,420</u>

The average return on these financial investments in the first quarter of 2022 was 99.44% of CDI (104.82% of CDI as at December 31, 2021).

The fluctuation in balances is due to the use of funds to settle obligations related to the Company's PDV, as mentioned in Note 1.

6. Marketable securities

	03/31/2022	12/31/2021
Current		
Banco do Brasil	599	586
Caixa Econômica Federal	249	2,774
	<u>848</u>	<u>3,360</u>
Noncurrent		
Bradesco	1,050	-
Caixa Econômica Federal	11,842	11,567
	<u>12,892</u>	<u>11,567</u>
	<u>13,740</u>	<u>14,927</u>

These are contract demands with guarantee reserves for contracts maturing after 12 months 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.

Of the total net decrease in marketable securities, R\$ 309 refers to return on financial investments with no cash effect, with effective redemption of R\$ 1,497.

The average return on marketable securities in the first quarter of 2022 was 89.38% of CDI (74.57% of CDI as at December 31, 2021).

7. Receivables from consumers

	03/31/2022			12/31/2021		
	Private	Public	Total	Private	Public	Total
Amounts billed and not yet due	113,769	13,004	126,773	103,162	11,990	115,152
Becoming due in more than 30 days	34,083	5,269	39,352	39,316	9,267	48,583
Overdue for up to 30 days	99,346	7,582	106,928	91,304	4,087	95,391
From 31 to 60 days overdue	36,732	7,438	44,170	37,712	2,195	39,907
From 61 to 90 days overdue	14,443	174	14,617	18,355	1,554	19,909
From 91 to 120 days overdue	12,816	2,401	15,217	13,535	1,144	14,679
From 121 to 180 days overdue	23,712	2,260	25,972	21,641	1,773	23,414
From 181 to 360 days overdue	32,503	6,610	39,113	5,355	5,381	10,736
From 361 days to 5 years overdue	24,692	4,558	29,250	23,722	6,548	30,270
Overdue for more than 5 years	2,662	2,847	5,509	1,741	2,456	4,197
Collection to be identified	(142)	-	(142)	(100)	-	(100)
Estimate of amounts to be billed	98,888	7,398	106,286	90,782	6,782	97,564
(-) Discount to present value of receivables	(1,545)	(249)	(1,794)	(1,656)	(266)	(1,922)
(-) Allowance for doubtful accounts	(39,246)	(15,552)	(54,798)	(9,030)	(18,507)	(27,537)
Subtotal	<u>452,713</u>	<u>43,740</u>	<u>496,453</u>	<u>435,839</u>	<u>34,404</u>	<u>470,243</u>
Amounts receivable (noncurrent)	23,785	14,650	38,435	24,378	15,533	39,911
(-) Discount to present value of receivables	(4,041)	(3,077)	(7,118)	(4,167)	(3,385)	(7,552)
(-) Allowance for doubtful accounts	(713)	(982)	(1,695)	(261)	(2,921)	(3,182)
Subtotal	<u>19,031</u>	<u>10,591</u>	<u>29,622</u>	<u>19,950</u>	<u>9,227</u>	<u>29,177</u>
Total	471,744	54,331	526,075	455,789	43,631	499,420

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 12/31/2021	<u>(30,719)</u>
Recognition of allowance for doubtful accounts (Note 34)	<u>(25,774)</u>
Balance as at 03/31/2022	(56,493)

The increase in the balance of the allowance for doubtful accounts is due to the change in the criterion for effective write-off of overdue credits, alongside the improvement in the methodology for calculating the allowance, as mentioned in Note 2.3 (a). Overdue credits not written-off and not yet paid remain outstanding, and an allowance is recognized for them according to time elapsed. The change had no significant impact on income, as seen in Note 34.

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 government 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

	03/31/2022	12/31/2021
Materials to be used in treatment stations	7,709	6,666
Materials to be used in pipelines	221	8
Electric materials and equipment	2,019	1,934
Tubes and connections for pipelines and water mains	40,803	36,122
Materials to be used in building pipelines	2,894	2,483
Water meters	6,385	5,974
Valves	7,218	6,433
Pumps	2,394	1,557
Sundry materials	3,957	4,079
(-) Provision for inventory losses	(3,638)	(10,632)
	<u>69,962</u>	<u>54,624</u>

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

Balance as at 12/31/2021	<u>(10,632)</u>
Reversal (recognition) of provision for inventory losses (Note 34)	<u>6,994</u>
Balance as at 03/31/2022	(3,638)

9. Recoverable taxes

	03/31/2022	12/31/2021
Corporate income tax (IRPJ) (a)	12,273	3,171
Social contribution tax (CSLL) (a)	3,222	11
Withholding income tax (IRRF)	3,358	2,115
PIS/COFINS credits - Leases	1,240	-
Federal revenue service (b)	2,733	2,733
	<u>22,826</u>	<u>8,030</u>

- (a) It refers to accumulated income and social contribution tax losses (monthly overpayments) calculated for the quarter.

10. Prepaid expenses and advances

	03/31/2022	12/31/2021
Current amounts		
Insurance premium	84	168
Investment fund – Receivables – FIDC IV (a)	10,488	10,881
Advances for payment of graduate courses	27	27
Advances for travel	817	673
Advances for vacations	927	7,761
Advances for year-end bonus	10,896	-
Contract-related compensation (b)	6,898	6,898
Share issuance expenses	3,599	3,593
Subscriptions to periodicals and annuities	-	24
	<u>33,736</u>	<u>30,025</u>
Noncurrent amounts		
Contract-related compensation (b)	184,180	185,905
	<u>184,180</u>	<u>185,905</u>

- (a) Amortization and charges paid in advance according to the FIDC IV Regulations.

(b) Payment of a compensation for anticipated renewal of contracts with the municipalities of Goiânia, Anápolis and Águas Lindas. The amounts will be amortized in 30 years (contract term). The variation in balances arises from amortizations according to the accrual period of the contracts.

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 No. 1327/2013 went into effect on July 19, 2013.

Full operations began in November 2013 and the contract term ends on November 1, 2041. Contract No. 1327/2013 is currently operated 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;
- Payment of grants in the amount of R\$ 273,000 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 within six (6) years. The water supply universalization ratio must reach at least ninety percent (90%) of the population;
- 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.

Grants 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 the parties, arising mainly from revenues attributable to the outsourced service supplier, but received by Saneago. Noncurrent assets and liabilities correspond to the investments made by the outsourced service supplier, not yet amortized.

	Current assets		Current liabilities	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Outsourcing Grants	15,363	10,715	-	6,386
	Noncurrent assets		Noncurrent liabilities	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Investment in sewage system	1,176,404	1,111,322	1,176,404	1,111,322
Total	1,191,767	1,122,037	1,176,404	1,117,708

12. Other receivables

	03/31/2022	12/31/2021
Current portion		
Collateral deposits	18	18
Consortium-related amounts	5,213	5,019
Sundry advances	379	406
Auction credits (a)	2,987	4,631
(-) Provision for losses	(375)	(375)
	<u>8,222</u>	<u>9,699</u>
Noncurrent portion		
Contracts under legal dispute (b)	32,765	32,765
(-) Estimated credit losses	(32,765)	(32,765)
Other receivables	30	42
	<u>30</u>	<u>42</u>

(a) These refer to credits arising from auction of land without use, according to the operation mentioned in Note 13. R\$ 104 referring to monetary adjustment to such receivables was recorded.

(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

Seeing the government of that municipality took back the control over systems on June 27, 1995, Saneago's Management filed an action for damages (Case # 0033803.68.1995.8.09.0051). The local judge considered grounded the request for compensation, sentencing the municipality of Caldas Novas to pay the amount of R\$ 37,058. In a judgment held on 06/05/2019, the court of Goiás revoked the first instance decision and determined the proceeding to continue in the instance of origin, with inversion of the burden of proof on Saneago, in order to verify the existence of the amounts to be amortized. In April 2020, the proceedings were sent to the STJ for judgment of a special appeal Saneago's lawyers had filed. On May 6, 2020, the appeal was sent to the STJ's Chairman for judgment. On October 2, 2020, that court agreed to hear the special appeal, but upheld the ruling 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.

Catalão

That municipality took back the control of the systems by means of a court order and Saneago was not successful in reversing that order. Action 37532.36.2016.8.09.0029 has been filed. In September 2019, a request was made to the Counsel of the Municipal Superintendency of Water and Sewage of Catalão (SAE) for access to the digital proceedings. On June 2, 2020, the proceedings were concluded to be sent to the Judge, however there was a delay on the preparation of the expert analysis due to a withdrawal of the expert appointed. On 10/04/2021, a new expert was appointed, and the execution of the expert analysis is currently awaited in order to determine the amounts for compensation.

13. Noncurrent assets held for sale

In 2021, the Company's Management decided to sell 17 properties that were in a situation of idleness and are not a part of any plan or project to expand the Company's water supply and sewage systems. The Company published three bidding notices under the criterion of highest price offer, and the following bidding process is currently in progress:

Bidding process	Date of publication	Type	Number/Assets by lot	Minimum value of purchase	Process status	Winner bid
8179/2015	08/03/2021	Disposal, Similar to Auction	5 plots of land	230	In progress	-

Based on the mentioned decision and pursuant to CPC 31/IFRS 5 Noncurrent Assets Held for Sale, the assets are classified as current. There were no changes in the first quarter of 2022, as shown in the table below:

Noncurrent assets held for sale	12/31/2021	Inflows	Sales of assets	03/31/2022
Plots of land	3	-	-	3
Total	3	-	-	3

14. Court deposits

	03/31/2022	12/31/2021
Court deposits	21,025	18,491
	21,025	18,491

Of the outstanding balance as at March 31, 2022, around 92% correspond to deposits made in the last five years, with emphasis on deposits arising from proceedings 5532023-46.2019.8.09.0103, filed by the municipality of Minaçu in the amount of R\$ 6,533, 241645.61.2008.8.09.0051, filed by the municipality of Goiânia in the amount of R\$ 4,164, and 0010242-85.2016.5.18.0016, filed by the Union of Urban Workers of the State of Goiás (STIUEG), in the amount of R\$ 3,491. The change in the balance of court deposits mainly refers to process 0010242-85.2016.5.18.0016.

15. Taxes on income

15.1 Taxes on income in the Statements of Income

	03/31/2022		03/31/2021	
	IRPJ	CSLL	IRPJ	CSLL
Income before IRPJ and CSLL	32,799	32,799	14,443	14,443
IRPJ and CSLL - Effective rates	(8,200)	(2,952)	(3,611)	(1,300)
Deductibility of Interest on Equity Capital	1,381	497	-	-
Loss/Recovery of nondeductible credits - Law No. 9.430/96	443	160	471	169
Nondeductible fines	(817)	(294)	(22)	(8)
Expenses on issue of shares	2	1	(1)	-
Corporate Citizen Incentive - Law No. 11.770/08	(15)	(6)	(1)	-
Other	161	94	(234)	(55)
IRPJ and CSLL - Effective amounts	(7,045)	(2,500)	(3,398)	(1,194)
Total IRPJ and CSLL		(9,545)		(4,592)
Effective rate		29.10%		31.79%

15.2 Taxes on income - Deferred in the Statements of Financial Position

	03/31/2022				12/31/2021			
	Tax base	IRPJ (25%)	CSLL (9%)	Total	Tax base	IRPJ (25%)	CSLL (9%)	Total
Deferred tax assets								
Allowance for doubtful accounts	56,493	14,123	5,084	19,207	30,719	7,681	2,765	10,446
Provision for inventory losses	3,639	910	328	1,238	10,633	2,658	957	3,615
Provision for losses on investment	564	141	51	192	564	141	51	192
Provision for contingencies	214,593	53,648	19,313	72,961	233,157	58,289	20,984	79,273
Provision for losses on other receivables	375	94	34	128	375	94	34	128
Provision for contracts without concession	32,765	8,191	2,949	11,140	32,765	8,191	2,949	11,140
Provision for losses on construction work	128,347	32,087	11,551	43,638	128,347	32,087	11,551	43,638
Actuarial obligations	21,388	5,347	1,925	7,272	21,388	5,347	1,925	7,272
Provision for profit sharing	22,840	5,710	2,056	7,766	35,246	8,811	3,172	11,983
Income tax losses (a)	16,620	4,155	-	4,155	-	-	-	-
Social contribution tax losses (a)	225,281	-	20,275	20,275	208,258	-	18,743	18,743
Total	722,905	124,406	63,566	187,972	701,452	123,299	63,131	186,430
Deferred tax loss								
Tax vs. accounting depreciation	405,564	101,391	36,500	137,891	372,953	93,238	33,566	126,804
Asset and liability valuation adjustment	50,475	12,619	4,543	17,162	50,476	12,619	4,543	17,162
	456,039	114,010	41,043	155,053	423,429	105,857	38,109	143,966
Total deferred taxes, net				32,919				42,464

At the Company, based on studies and future perspective of growth, tax assets are limited to the lower between the amount of future income and the amount of tax to be offset through the realization of temporary differences and tax losses.

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

Year	Expected realization Estimated taxable income	IRPJ	CSLL	Sum
2022	117,007	-	3,159	3,159
2023	247,792	-	6,690	6,690
2024	248,813	-	6,718	6,718
2025	253,948	-	2,175	2,175

Change in deferred taxes in the period

Balance kept in deferred tax assets as at 12/31/2021	42,464
(+) Recognition/Realization of deferred tax assets - Statement of income	1,542
(+) Recognition of deferred tax assets - Equity	-
(-) Recognition/Realization of deferred tax liabilities - Statement of income	(11,087)
Balance kept in deferred tax assets on 03/31/2022	32,919

Reversal in the statement of income on 03/31/2022

Income (loss) before taxes	32,799
Combined rate 34%	11,152
(+ / -) IRPJ/CSLL on permanent/temporary add-backs and deductions and tax losses	(20,697)
Deferred taxes in the statement of income	(9,545)

Effect on income for the year - deferred taxes

	IRPJ	CSLL	Sum
Allowance for doubtful accounts - Receivables	6,444	2,320	8,764
Provision for inventory losses	(1,748)	(629)	(2,377)
Provision for contingencies	(4,641)	(1,671)	(6,312)
Provision for profit sharing	(3,102)	(1,117)	(4,219)
Tax losses - IRPJ	4,155	-	4,155
Tax losses - CSLL	-	1,532	1,532
Tax x Accounting depreciation	(8,153)	(2,935)	(11,088)
Total	(7,045)	(2,500)	(9,545)

16. Investment

The Company has shares of investment in some companies where it does not hold significant control, corresponding to R\$573, 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, in General Meeting No. 169, the dissolution of Saneago's ownership interest in the companies Comurg, Metrobus, Codego and Agehab, amounting to R\$ 573 thousand, was approved, and the companies involved were notified for formalization of the process.

Description	03/31/2022	12/31/2021
Comurg	515	515
Metrobus	46	46
Other	12	12
	<u>573</u>	<u>573</u>
Provision for losses	(564)	(564)
	<u>9</u>	<u>9</u>

17. Fixed assets

	03/31/2022	12/31/2021
General use assets	194,521	177,031
General use assets in construction (a)	212,769	212,030
Deemed cost of assets	64,738	64,738
General use assets - Lease-purchase operations	7,242	7,242
Contributions to realize - Corumbá Consortium	1,204	1,222
Land-title regularization	222	222
Right-of-use - vehicles (Note 17.2)	57,609	59,256
Accumulated depreciation - Right-of-use assets (Note 17.2)	(45,286)	(41,448)
Accumulated Depreciation - General	(112,259)	(110,122)
Accumulated depreciation - Deemed cost	(14,281)	(14,280)
Accumulated Depreciation - Lease-purchase operations	(5,911)	(5,731)
	<u>360,568</u>	<u>350,160</u>

(a) Breakdown of general use assets in construction:

	03/31/2022	12/31/2021
General use assets in construction	152,726	152,147
General use assets in construction - Growth Acceleration Program (PAC)	60,043	59,883
	<u>212,769</u>	<u>212,030</u>

17.1 Technical assets

Changes in assets are as follows:

Technical assets	Balance 12/31/2021	Addition	Deprec./Amort.	Capital contributions	Transfer between accounts	Balance 03/31/2022
General use assets	177,031	17,500	-	-	(10)	194,521
General use assets in progress	212,030	739	-	-	-	212,769
Assets - deemed cost	64,738	-	-	-	-	64,738
General use assets - lease	7,242	-	-	-	-	7,242
Unrealized capital contributions - Cons. Corumba	1,222	-	-	(18)	-	1,204
Property title compliance	222	-	-	-	-	222
General accumulated depreciation	(110,122)	-	(2,201)	-	64	(112,259)
Accumulated depreciation - deemed cost	(14,280)	-	(1)	-	-	(14,281)
Accumulated depreciation - lease	(5,731)	-	(180)	-	-	(5,911)
	<u>332,352</u>	<u>18,239</u>	<u>(2,382)</u>	<u>(18)</u>	<u>54</u>	<u>348,245</u>

17.2 Right-of-use assets - Leases

The requirements of standard CPC06 (R2)/IFRS16 have been applied starting January 1, 2019, as described in Note 21d.

	03/31/2022	12/31/2021
Right-of-use assets - vehicles	57,609	59,256
Accumulated depreciation- Right-of-use assets	(45,286)	(41,448)
	<u>12,323</u>	<u>17,808</u>

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

Fixed assets - Right of use	Balance 12/31/2021	Addition	Deprec./Amort.	Balance 03/31/2022
Right of use - vehicles	59,256	(1,647)	-	57,609
Accumulated depreciation - right of use	(41,448)	-	(3,838)	(45,286)
Total	<u>17,808</u>	<u>(1,647)</u>	<u>(3,838)</u>	<u>12,323</u>

According to decision CVM 859 of June 7, 2020, the lease-purchase operations of the Company were assessed according to the provisions of standard CPC 06 (R2). No change in contracts or in right-of-use assets was necessary in 2020 and 2021, and the operation of assets is normal, even amid the COVID-19 pandemic.

18. Contract-related assets

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

Contract-related 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.

Contract assets	Balance 12/31/21	Addition	Adv. to suppliers	Inventory adjustment	Inventory returns and purchases	Transfer to storeroom	Investment/ Return of inventories	Construction of fixed assets	Transfer between accounts	Balance 03/31/22
Water systems	218,252	4,083	-	-	-	-	-	(1,025)	165	221,475
Sewage systems	415,004	7,579	-	-	-	-	-	(27,071)	2,407	397,919
Inventory of construction work	44,944	-	-	54	9,779	(1,590)	936	-	-	54,123
Advances to suppliers	2,700	-	(2,700)	-	-	-	-	-	-	-
	<u>680,900</u>	<u>11,662</u>	<u>(2,700)</u>	<u>54</u>	<u>9,779</u>	<u>(1,590)</u>	<u>936</u>	<u>(28,096)</u>	<u>2,572</u>	<u>673,517</u>

19. Intangible assets

	03/31/2022	12/31/2021
Water systems	2,662,590	2,656,056
Sewage systems	2,873,130	2,846,653
General use assets	17,866	15,387
Software (licenses)	51,493	48,844
Accumulated amortization	(2,798,109)	(2,773,011)
Contributions to realize - Águas Lindas	54,654	54,697
Provision for impairment	(128,347)	(128,347)
"Operação Decantação" (Note 41)	(118,494)	(118,494)
Land-title regularization	46,117	45,369
Non-onerous assets - water supply	51,704	51,424
Non-onerous assets - sewage	105,848	109,261
	<u>2,818,452</u>	<u>2,807,839</u>

Changes in intangible assets in the period are as follows:

Intangible assets	Balance 12/31/2021	Addition	Write- off	Depreciation/ amortization	Capital contribution	Transfer between accounts	Construction work and subsidy	Balance 03/31/2022
Water systems	2,656,056	7,121	(1,860)	-	-	4	1,269	2,662,590
Sewage systems	2,846,653	(904)	-	-	-	10	27,371	2,873,130
General use assets	15,387	2,479	-	-	-	-	-	17,866
Accumulated amortization	(2,773,011)	-	914	(25,948)	-	(64)	-	(2,798,109)
Software (Licenses)	63,352	4,255	-	-	-	-	-	67,607
Software amortization (Licenses)	(14,508)	-	-	(1,606)	-	-	-	(16,114)
Unrealized capital contributions - Águas Lindas	54,697	-	-	-	(43)	-	-	54,654
Provision for losses (Impairment)	(128,347)	-	-	-	-	-	-	(128,347)
Decantation operation "Operação Decantação" (Note 41)	(118,494)	-	-	-	-	-	-	(118,494)
Property title compliance	45,369	1,292	-	-	-	-	(544)	46,117
Non-onerous intangible assets - Water	3,417	-	-	-	-	(4)	2,284	5,697
Non-onerous intangible assets - Sewage	13,514	-	-	-	-	-	131	13,645
(-) Government subsidies/grants	(16,616)	-	-	125	-	-	(2,411)	(18,902)
Amortization of non- onerous assets	(315)	-	-	(125)	-	-	-	(440)
Total	<u>2,647,154</u>	<u>14,243</u>	<u>(946)</u>	<u>(27,554)</u>	<u>(43)</u>	<u>(54)</u>	<u>28,100</u>	<u>2,660,900</u>
Intangible assets in progress - non-onerous								
Non-onerous - Water	51,424	411	-	-	-	-	(131)	51,704
Non-onerous - Sewage	109,261	1,444	-	-	-	(2,573)	(2,284)	105,848
Total	<u>160,685</u>	<u>1,855</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,573)</u>	<u>(2,415)</u>	<u>157,552</u>
Total intangible assets	<u>2,807,839</u>	<u>16,098</u>	<u>(946)</u>	<u>(27,554)</u>	<u>(43)</u>	<u>(2,627)</u>	<u>25,685</u>	<u>2,818,452</u>

20. Government subsidies

20.1 Fixed and Intangible Assets

The balances of the fixed assets 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).

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.

Amounts transferred by municipalities are listed below:

City	Contract	12/31/2021	PAC program	Concluded work/Other	03/31/2022
Formosa	0218016-87	3	-	-	3
Stº Antônio do Descoberto	0218331-07	389	-	-	389
Cristalina	0226017-65	309	-	-	309
Goiânia - Meia Ponte	0226025-62	4,566	-	-	4,566
Luziânia	0218328-52	1,467	-	(1,467)	-
Planaltina	0218330-94	64	-	(64)	-
Valparaíso	0218343-40	46	-	(46)	-
Novo Gama	0226015-46	130	-	-	130
Novo Gama	0226018-79	972	-	-	972
Goiânia - Vila Adélia	0226024-57	7,294	-	-	7,294
Luziânia	0226026-76	69,610	-	-	69,610
Luziânia	0231460-45	57	-	(57)	-
Goiânia	0350788-10	40,315	-	-	40,315
Stº Antônio do Descoberto	0350796-17	1,054	-	9	1,063
Pirenópolis	0350884-88	3,709	-	(2,285)	1,424
Aparecida de Goiânia	0351738-28	8,170	868	-	9,038
Goiânia Jd Petrópolis SES	0408678-27	38,360	8,539	-	46,899
Anápolis SES	0408691-99	21,144	-	-	21,144
Other Contracts	Sundry	36	-	-	36
Total PAC		197,695	9,407	(3,910)	203,192

City	Contract	12/31/2021	PAC program	Concluded work/Other	03/31/2022
Other Programs					
Aduutora João Leite	1524/01	729	-	45	774
Aduutora 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
Vianópolis	1288/14	131	-	(131)	-
Itapirapuã	1283/2014	51	-	-	51
Itapuranga		53	-	-	53
Total Other Programs		9,644	-	(86)	9,558
Grand Total		207,339	9,407	(3,996)	212,750

Social Water Program

On December 16, 2021, the state government of Goiás created the Social Water Program, by means of law No. 21.203/2021. The program establishes a subsidy of up to 80% of the water bill to families living in the state of Goiás, served by Saneago, that are in situations of economic vulnerability. Customers who have no economic capacity to pay for the full cost of the services of water supply and collection and treatment of sewage are primarily considered as beneficiaries of the social tariff, in the terms of article 55 of law 14.939/2004.

The program will last for 12 months, and it is financed by the state of Goiás, by means of transfers to Saneago and tariff subsidies proposed by it and approved by the regulatory agency, as per item II, article 31 of Federal Law No. 11.445, of January 5, 2007. In 2021, R\$ 502 were transferred, and as at March 31, 2022, subsidies amount to R\$ 135 were granted, of which R\$ 100 referring to 2022. The outstanding balance as at 03/31/2022 represents the values already transferred by the state not yet applied in the program and to be amortized in accordance with the granting of the subsidy.

21. Loans and financing

Inter-American Development Bank (IDB)

Interest is paid every six months in April and October at the rate IDB establishes every three months. The rate on October 8, 2021, was 0.96% for that half-year period and 1.93% per annum. 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 6.404 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 established for the 5th Issuance is the ratio of net debt to adjusted EBITDA

lower than 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 established for the 6th Issuance is the ratio of net debt to adjusted EBITDA lower than or equal to 3.0, to be annually checked by the Issuer and followed up by the Trustee. The financial ratios related to debt coverage until December 31, 2021, were complied with.

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 eighth (8th) 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 the ratio of net debt to adjusted EBITDA lower than or equal to 3.0, to be annually checked by the Issuer and followed up by the Trustee. The financial ratios related to debt coverage until December 31, 2021, were complied with.

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 debentures, 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 established for the 9th Issuance is the ratio of net debt to adjusted EBITDA lower than or equal to 3.0, to be annually checked by the Issuer and followed up by the Trustee starting December 31, 2021. The financial ratios related to debt coverage until December 31, 2021, were complied with.

Fund of Investment in Receivables (FIDC IV)

During a meeting held on June 5, 2017, and as established in Article 50, paragraph (e) of the Regulations of the Fund, new covenants were set for Saneago, establishing a debt-service coverage ratio to be complied with or otherwise that may imply in anticipated payment of the debt. They have been in effect since the closing of the 2nd half of 2017.

The financial ratios related to debt coverage until December 31, 2021, verified biannually, were complied with.

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, 2021, the Company had satisfied the debt-service coverage ratio.

Rating

As per the Notice to the market disclosed on March 04, 2022, in compliance with the provisions of article 157, paragraph 4, of Law No. 6.404/1976 and CVM Instruction No. 358/2002, Fitch Rating Brasil Ltda. confirmed the "A+(bra)" rating assigned to the 5th, 6th, 8th and 9th issuance of the Company's debentures, with expectation of stability.

On February 16, 2022, also pursuant to the Notice to the market, Fitch Rating Brasil Ltda confirmed the change in the "AA+sf(bra)" rating assigned to the single-series issuance of senior shares of the Fund for Investment in Receivables - FIDC Saneago IV to "AAAsf(bra)", with expectation of stability.

21.a Loans and financing

Bank name	Type	Contract	Commencement date	Maturity	Annual rate	Transaction costs	Transaction costs to be recognized	Amount obtained	Collateral	03/31/2022	12/31/2021
BRASIL	Loan	330701235	12/27/2017	01/06/2026	2.9% + CDI	940	24	30,000	a)	8,321	10,082
IBM	Loan	Lease-purchase agreement	07/28/2016	07/27/2021	3.48% + CDI	-	-	-	c)	-	-
FIDC IV	Loan	FIDC	12/15/2015	12/15/2022	3.13% + CDI or IPCA + 8.90%	47,828	5,835	600,000	i)	81,322	108,445
Subordinated shares FIDC IV	Loan	Subordinated shares				-	-	-		(94,160)	(91,473)
CEF	Financing	Various		2024	5.73% + Benchmark rate (TR)	-	-	-	k)	3,734	4,147
CEF	Financing	410461-57	12/31/2013	05/14/2037	8.5% + TR	-	-	132,760	d)	4,627	4,669
CEF	Financing	0410526-20	12/31/2013	04/14/2037	8.5% + TR	-	-	36,410	d)	25,227	25,459
CEF	Financing	0410517-19	02/14/2014	05/14/2037	8.5% + TR	-	-	18,265	d)	5,175	5,226
CEF	Financing	0410538-64	03/27/2015	05/14/2037	8.5% + TR	-	-	51,544	d)	38,993	39,381
CEF	Financing	26340190232-94	06/29/2006	04/30/2028	12% + TR	-	-	3,185	c)	1,666	1,936
CEF	Financing	26340190233-07	06/29/2006	06/30/2030	12% + TR	-	-	39,214	c)	23,564	22,142
CEF	Financing	2635248557-66	06/30/2008	11/12/2030	8.5% + TR	-	-	6,600	c)	3,388	3,510
CEF	Financing	2634248555-47	10/09/2009	06/14/2031	9% + TR	-	-	10,000	c)	5,529	5,799
CEF	Financing	2634248548-42	12/30/2009	06/14/2031	9% + TR	-	-	11,882	c)	5,035	5,197
Inter-American Development Bank (IDB)	Financing	1414/OC	12/11/2002	10/11/2027	1.89% + Exchange rate fluctuation (VC)	-	-	\$ 47,000	j)	74,412	86,942
BRASIL	Financing	40/01033-3	09/10/2012	04/01/2022	10.00%	-	-	2,360	f)	1	32
BRASIL	Financing	40/00984-x	12/20/2012	01/01/2028	2.94%	-	-	6,846	f)	4,032	4,205
Transaction costs	Loan	Transaction costs				-	-	-		(5,859)	(7,821)
						48,768	5,859	996,066		185,007	227,878
								Current		16,237	44,252
								Noncurrent		168,770	183,626

21.b Debentures

Debentures	Beginning	Maturity	Annual rate	Transaction costs	Transaction cost to be recognized	Amount obtained	Collateral	03/31/2022	12/31/2021
Debentures - 5th Issuance	11/15/2018	11/16/2023	2.5% p.a. + CDI	4,296	619	250,000	g)	117,036	134,497
Debentures - 6th Issuance	09/23/2019	09/23/2024	1.2% p.a. + CDI	3,226	931	140,000	h)	113,899	125,211
Debentures - 8th Issuance	11/27/2020	11/27/2025	2.45% p.a. + CDI	1,254	481	220,000	h)	220,470	220,489
Debentures - 9th Issuance	08/25/2021	08/11/2026	1.9% p.a. + CDI	2,314	1,767	250,000	h)	251,794	251,588
Transaction costs of debentures								(3,798)	(4,654)
				<u>11,090</u>	<u>3,798</u>	<u>860,000</u>		<u>699,401</u>	<u>727,131</u>

Current 140,873 121,811
Noncurrent 558,528 605,320

Description	Balance
Loans and financing	185,007
Debentures	<u>699,401</u>
	884,408

- a) 20% of the debt amount collected at the end of each month;
- b) 150% of the amount collected of each installment not yet due;
- c) Pledge of the assets to the Financial Agent;
- d) A reserve corresponding to 3 times the monthly debt-service coverage ratio.
- e) R\$ 2 million from the amount collected + adjustment;
- f) 10% of the debt amount collected at the end of each month;
- g) 120% of the amount collected of each installment not yet due;
- h) 110% of the amount collected of each installment not yet due;
- i) 45% of the amount collected;
- j) Suretyship of the state of Goiás;
- k) No collateral.

Statement of noncurrent amounts per maturity		03/31/2022
2023		183,122
2024		211,457
2025		171,123
2026 onwards		163,240
Transaction costs		(1,645)
		<u>727,298</u>

21.c Change in loans and financing

	01/01/22 to 03/31/22					01/01/21 to 03/31/21				
	Funds raised	Amortizations paid	Interest paid	Charges for the period	Capitalized interest	Funds raised	Amortizations paid	Interest paid	Charges for the period	Capitalized interest
Internal financing	-	(3,297)	(1,971)	2,180	-	-	(3,410)	(1,977)	1,981	-
Inter-American Development Bank - BID	-	-	-	(12,530)	-	-	-	-	9,938	-
Banco IBM - Lease	-	-	-	-	-	-	(172)	(68)	68	-
Fundo Inv. Dir.Cred. Saneago INFR. IV	-	(26,866)	(4,513)	4,255	-	-	(26,865)	(6,568)	6,540	(29)
Subordinated shares - FIDC IV	-	-	-	(2,688)	-	-	-	-	(544)	-
Agreements	-	(378)	(418)	1,393	-	-	(332)	(423)	1,013	-
Debentures	-	(28,793)	(20,496)	20,703	(64)	-	(30,023)	(5,943)	5,761	(184)
Transaction cost	-	-	-	2,818	-	-	-	-	2,698	-
Subtotal	-	(59,334)	(27,398)	16,131	(64)	-	(60,802)	(14,979)	27,455	(213)
Lease - Vehicles	-	(4,587)	-	34	-	-	(4,014)	-	743	-
Total	-	(63,921)	(27,398)	16,165	(64)	-	(64,816)	(14,979)	28,198	(213)

21.d Lease of vehicles

Total lease liabilities recognized in the interim financial information as at March 31, 2022, and December 31, 2021, pursuant to standard CPC 06(R2)/IFRS 16 - Leases, can be reconciled as follows:

Description	Balance 12/31/2021	Entry	Recognition of interest	Payments	Transfer	03/31/2022	12/31/2021
Vehicles	19,735	-	33	(4,586)	-	15,182	19,735
					Current	15,182	18,768
					Noncurrent (a)	-	967
						<u>15,182</u>	<u>19,735</u>

(a) This refers to installment of a contract with maturity in January 2023.

22. Employees' pay and related charges

	03/31/2022	12/31/2021
Current		
Salaries payable	21	-
Alimony and terminations	8,923	124
Private pension plan (PREVSAN)	1,689	1,710
Health Assistance Program (CAESAN)	3,168	3,173
Payroll loans	121	-
SESI and SENAI	1,599	1,487
Vacation pay	54,403	63,695
Year-end bonus payable	10,716	-
Severance pay fund (FGTS) on vacation pay and year-end bonus	9,392	11,262
INSS payable on salaries	19,209	18,237
Provision for INSS on vacation pay and year-end bonus	18,754	18,345
	128,316	118,353

23. Taxes payable

	03/31/2022	12/31/2021
Current		
Tax on sales (COFINS)	14,165	12,776
INSS on rendering of services	2,353	2,271
IRRF on payroll and services	6,345	15,249
Tax on services (ISS)	1,184	1,057
Installment payments to Federal Revenue Service (a)	9,695	7,925
Tax on sales (PIS) payable	3,049	2,710
Withholdings of Federal Contributions	276	508
	37,067	42,496
Noncurrent		
Installment payments to Federal Revenue Service (a)	36,587	31,666

(a) Debt payable to the Brazilian Federal Revenue Service

	Description	Beginning	End	Number of installments	03/31/2022	12/31/2021
I	INSS	09/26/2017	01/26/2030	149	7,536	7,433
II	PIS/COFINS	08/31/2021	07/31/2026	60	31,116	32,158
III	INSS	03/28/2022	02/25/2027	60	7,630	-
					46,282	39,591
	Current				9,695	7,925
	Noncurrent				36,587	31,666

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) PIS/COFINS

In August 2021, Saneago paid PIS and COFINS referring to proceedings 10120-005929/2003-73 and 10120-005927/2003-84, respectively, in installments 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 the Central Bank Overnight Rate (SELIC), for federal government bonds.

III) INSS

In March 2021, 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.

24. Amounts to be paid in installments

	Description	Beginning	End	Number of installments	Adjustment	03/31/2022	12/31/2021
I	AGR - Control and Inspection Council T.A.0255/15	12/10/2015	12/10/2030	180	a)	10,620	10,792
II	AGR - Control and Inspection Council T.A.054/18	05/10/2018	04/10/2033	180	a)	4,096	4,139
III	Public Prosecutors' Office for Labor Issues	04/15/2022	03/15/2025	36	-	3,000	-
	Other					-	6
						<u>17,716</u>	<u>14,937</u>
	Current					1,931	909
	Noncurrent					15,785	14,028

a) Adjustment and monthly interest of 1% p.m.

I) AGR - Control and Inspection Council of Public Services

Based on Law 18.109 of July 25, 2013, amended by Law 18.957 of July 16, 2015, on December 10, 2015, the Company's Management executed instrument # 255/15 relating an installment debt payment plan.

The amount includes the remaining balances relating instruments 024/2011 and 0102/2013 regarding the Control and Inspection Fee (TRCF) of previous periods and tax assessment notices for non-fulfillment of regulatory requirements.

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

II) AGR - Control and Inspection Council of Public Services

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

III) Public Prosecutors' Office for Labor Issues

On March 04, 2022, an agreement was reached between Saneago and the Public Prosecutors' Office for Labor Issues regarding proceeding 0010469-20.2021.5.18.0010, as compensation for damages caused to the diffuse and collective rights of workers. Saneago will settle the balance of three million Brazilian Reais (R\$ 3,000,000.00) in 36 installments of 83,333.00 each, due on the 15th of every month.

25 Contract-related obligations

Description	Beginning	End	# of installments	03/31/2022	12/31/2021
I Municipality of Águas Lindas	12/28/2018	10/11/2019	4	10,146	10,146
				10,146	10,146

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 03/31/2022, in compliance with the stage of completion of the work, two installments were paid.

26. Jointly controlled enterprises - Consortium

Current liabilities	03/31/2022	12/31/2021
Águas Lindas Consortium (a)	544	-
	544	-
Noncurrent liabilities	03/31/2022	12/31/2021
Corumbá Consortium (b)	2,120	2,144
	2,120	2,144

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, municipality of 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. As at February 28, 2022, Caesb holds 47.36% and Saneago 52.64% of the consortium, (47.65% and 52.35% as at December 31, 2021, respectively), and the difference is recognized in Saneago's current assets, as detailed in Note 12. The amount recognized in current liabilities, as shown in the table above, refers to settlement of accounts and mainly derives from the consortium's revenues received by Saneago.

Below are the consortium's book values, recognized by the Company in its interim financial information as at February 28, 2022:

Statement of Financial Position - Águas Lindas Consortium					
	02/28/2022	12/31/2021		02/28/2022	12/31/2021
Assets			Liabilities		
Current assets			Current liabilities		
Cash and cash equivalents	1,221	2,134	Contributions to be realized - Suppliers	4,223	3,568
Receivable from consumers	18,425	16,822	Employees' pay and related charges	552	493
Prepaid expenses	677	677	Other payables	11,477	11,477
Storeroom	361	350		16,252	15,538
	20,684	19,983			
Noncurrent assets			Noncurrent liabilities		
Long-term assets			Provision for lawsuits	41	41
Receivable from consumers	1,156	1,172		41	41
Court deposits	-	-			
Prepaid expenses	17,475	17,587			
	18,631	18,759			
Fixed assets and intangible assets			Equity		
Fixed assets	92	95	Participation Fund - SANEAGO	94,451	96,253
Intangible assets	87,438	87,735	Participation Fund - CAESB	84,990	87,616
Contract-related assets	72,914	72,876	Income reserves	4,025	
	160,444	160,706		183,466	183,869
Total assets	199,759	199,448	Total liabilities	199,759	199,448

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.

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. It was set to run for a period of thirty (30) years, renewable for equal and successive periods. As at February 28, 2022, Caesb holds 50.47% and Saneago 49.53% of the consortium, (50.34% and 49.66% as at December 31, 2021, respectively), and the difference is recognized in Saneago's noncurrent liabilities, as shown in the table above.

Below are the consortium's book values, recognized by the Company in its interim financial information as at February 28, 2022:

Statement of Financial Position - Corumbá Consortium					
	02/28/2022	12/31/2021		02/28/2022	12/31/2021
Assets			Liabilities		
Current assets			Current liabilities		
Storeroom	99	67	Contributions to be realized - Suppliers	1,868	1,910
	<u>99</u>	<u>67</u>	Labor liabilities	-	-
				<u>1,868</u>	<u>1,910</u>
Noncurrent assets					
Long-term assets					
Fixed assets			Equity		
General use assets	13,290	13,261	Participation Fund - SANEAGO	217,431	216,965
Construction work in progress	394,140	392,911	Participation Fund - CAESB	221,540	219,956
Construction work in progress - PAC	<u>32,752</u>	<u>32,592</u>	Loss for the year	<u>(558)</u>	
	<u>440,182</u>	<u>438,764</u>		<u>438,413</u>	<u>436,921</u>
Total assets	<u>440,281</u>	<u>438,831</u>	Total liabilities	<u>440,281</u>	<u>438,831</u>

27. Contract-related 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\$9,970 to Saneago for the assignment of the services in one installment. The term of the contract is sixty (60) months starting June 1, 2017. The outstanding balance of R\$ 332 as at March 31, 2022, refers to 2 installments in the amount of R\$166 thousand corresponding to the period from April/2022 to May/2022 (balance of R\$ 831 related to 5 installments of the same amount as at December 31, 2021).

28. Other payables

	03/31/2022	12/31/2021
Current		
Guarantees	667	667
Other payables (a)	<u>13,042</u>	<u>12,725</u>
	<u><u>13,709</u></u>	<u><u>13,392</u></u>

(a) These mainly refer to the provision for concession-related compensation owed to municipal governments, in addition to other accrued expenses not yet billed.

29. Provision for lawsuits

The Company is a party to several civil, tax and labor proceedings classified as probable loss and provided for in accordance with CVM Resolution 594/09 and CPC 25, as follows:

	03/31/2022	12/31/2021
Civil actions	109,661	105,757
Tax-related court cases	24,060	24,146
Labor complaints	79,445	101,756
AGR - Control and Inspection Council of the State of Goiânia	1,427	1,498
	214,593	233,157

Change in provisions:

	Balance 12/31/2021	Payment of legal claims provided for	Recognition/ reversal of provisions	Balance 03/31/2022
Civil actions (a)	105,757	(5,242)	9,146	109,661
Tax-related court cases (a)	24,146	(7,683)	7,597	24,060
Labor complaints	101,756	(19,620)	(2,691)	79,445
AGR - Control and Inspection Council of the State of Goiânia	1,498	-	(71)	1,427
Total	233,157	(32,545)	13,981	214,593

According to the rating of legal counselors and evaluation of the Company's Management, the most relevant causes are the following:

a) Minaçu

Refers to an environmental-related fine of 2002, which has been added to the enforceable debt of the municipality and has been challenged in court. The motion to stay execution filed was denied, however there was chance of reversal of that ruling through an appeal. It was previously rated as a possible loss, but it was changed to a probable loss based on the fact that the appeal was denied on January 15, 2021, and on the low likelihood of success. Payment is expected to be made in the medium term and in cash. Dation in payment or installment payment of the tax credit requires approval from the municipal legislative authority.

b) STIUEG

In March 2021, STIUEG (Union of Urban Workers of the State of Goiás) filed three collective actions discussing the rest time of the Company's system operators in the period from March from 2016 to February 2021. The action rating is based on previous unsuccessful actions (corresponding to the period from 2011 to February 2016) and continuation of the same scenario. Management has applied procedures to avoid future litigation in similar situations.

In addition to the main provisioned lawsuits mentioned above, in the second quarter of 2021, a provision was reversed in the amount of R\$10,000 thousand relating to undue water meter collection filed by the Federal Public Prosecution Office. It was agreed that indemnity in the amount of R\$6,825 thousand would be paid, which has already been settled.

The main proceedings provided for as at March 31, 2022, are the following:

Type	Proceedings	Description	Plaintiff	Estimate
Civil	0421373-37.2007.8.09.0103	Tax foreclosure - enforceable debt certificate - AMA Minaçu proceeding	Municipal government of Minaçu	75,123
Labor	0011614-8.2016.5.18.0004	Class action claiming weekly paid rest time	STIUEG	23,000
Labor	0010341-76.2021.5.18.0017	Class action claiming payment of rest time between working days	STIUEG	17,250
Tax	0026826-44.2018.4.01.3500	Tax Assessment Notice	Regional Chemistry Committee	11,455
Tax	10120.744616/2020-35	Tax foreclosure	Federal revenue service	10,699
Labor	0010242-39.2021.5.18.0007	Class action claiming payment of rest time between working days	STIUEG	8,800
Labor	0010242-85.2016.5.18.0016	Class action claiming payment of rest time between working days	STIUEG	8,703
Labor	0010243-24.2021.5.18.0007	Class action claiming payment of rest time between working days	STIUEG	5,500
Labor	0011237-62.2015.5.18.0007	Class action claiming compensation for cleaning of uniforms	STIUEG	3,450
Labor	0010348-13.2021.5.18.0003	Proceeding - Payment of effects of stand-by time, vacation pay and year-end bonus	STIUEG	3,300
Consumer	5475038-91.2018.8.09.0006	Proceeding - Declaration of inexistence of debts (Revision of Accounts)	Condomínio Res. Sta Maria	2,601
				169,881

Causes rated as possible

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

	03/31/2022		12/31/2021	
	Estimated value	Qty	Estimated value	Qty
Environmental	45,026	33	44,916	32
Civil	89,307	695	90,870	764
Regulatory	555	40	766	41
Labor	46,443	103	28,376	92
Tax	689,667	11	675,838	12
	870,998	882	840,766	941

The main proceedings classified as possible are the following:

Proceeding	Plaintiff	Matter	Amount
0057557-58.2003.8.09.0051	Municipality of Goiânia	Tax	367,300
0281694-13.2009.8.09.0051	Municipality of Goiânia	Tax	255,703
0350138-73.2008.8.09.0103	Municipality of Minaçu	Tax	65,966
5182910-61.2019.8.09.0051	Public Prosecutor's Office of Goiás - Attorney general	Environmental	25,050
0350155-12.2008.8.09.0103	Municipality of Minaçu	Civil	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	Public Prosecutor's Office of Goiás - Attorney general	Environmental	12,247
0400750-30.2015.8.09.0051	Saalva - Associação Dos Amigos Do Residencial Aldeia Do Vale	Civil	9,000
0010217-89.2022.5.18.0007	STIUEG	Labor	8,000
0010092-88.2022.5.18.0018	STIUEG	Labor	5,000
0010206-66.2022.5.18.0005	STIUEG	Labor	5,000
5379008-22.2018.8.09.0126	SOBRADO CONSTRUCAO LTDA	Civil	4,000
0250140-93.2009.8.09.0137	Public Prosecutor's Office of Goiás - Attorney general	Environmental	4,000
0010290-17.2020.5.18.0012	STIUEG	Labor	3,957
0279704-45.2015.8.09.0093	Municipality of Jataí	Civil	3,092
			819,631

30. Employee benefits

30.a - Defined benefit pension plan

The retirement pension plan 001 (Defined Benefit) is 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 opting for 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, 2021:

	In R\$
Total assets	1,150,563
(-) Operating liabilities	(12,927)
(-) Administrative funds	(35,853)
(-) Investment funds	(2,942)
(=) Plan coverage equity	1,098,841
(+/-) Adjustment to market value (BD installment)	(17,057)
(=) Fair value of the plan's assets	1,081,784
Proportion of the Company's obligations	100%
Fair value of assets	1,081,784

And net assets/liabilities are the following:

Determination of net liabilities (assets)	12/31/2021
1 Deficit/(Surplus) determined	
1 Actuarial obligations determined	1,103,173
2 Fair value of the plan's assets	(1,081,784)
3 Deficit/(Surplus) determined	21,389
2 Asset ceiling effect and additional liabilities	
1 Asset ceiling effect	-
2 Additional liabilities	-
3 Asset ceiling effect and additional liabilities	-
3 Net liabilities/(assets) resulting from the provisions of CPC 33 (R1)	
1 Net liabilities/(assets) determined (A 1.3 + A 2.3)	21,389

As seen in the table above, the existing pool of funds of the plan as at October 31, 2021, was not enough to assure the pensions of the plan. The actuarial liability in 2021 was R\$ 21,389.

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 2021, for calculation of the weighted average of future payments of benefit of the plan, the following hypotheses and actuarial assumptions were used:

Assumption	12/31/2021
Actual rate of actuarial discount	5.48%
Expected actual return on assets	5.48%
Actual rate of salary growth	3.20%
Actual growth of the plan's benefits during receipt/HCCTR (in Health)	0.00%
Benefit capacity factor	98.00%
Salary capacity factor	5.03%
Estimated inflation	10.79%
Nominal discount rate	10.79%
Expected nominal return on the plan's assets	8.39%
Nominal rate of salary growth	5.03%
Nominal growth of the plan's benefits during receipt	BR-EMSsb-2015, divided by gender
General death rate	MI-85, divided by gender
Death of disabled people	TASA 27
People becoming disabled	1.50% p.a. Linear

30.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.

30.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, 2022, they corresponded to R\$ 8,667 (R\$ 4,532 as at March 31, 2021), and it was not necessary to calculate actuarial liabilities.

31. 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 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	03/31/2022					
	No. of common shares	%	No. of preferred shares	%	Total no. 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%
Other	4,005	0.0002%	11,396	0.0018%	15,401	0.0006%
Total	1,866.906,374	100.00 %	648,639,993	100.00000%	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, 2021, and March 31, 2022, 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	03/31/2022	12/31/2021
Asset and liability valuation adjustment	50,476	50,477
Deferred taxes on deemed cost (Note 15.2)	(17,162)	(17,162)
	<u>33,314</u>	<u>33,315</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, which be paid in up to 60 days from the date in which it is declared in an Ordinary 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 total amount distributed as interest on equity capital is shown in the table below:

Calculation of dividends and interest on equity capital payable	
Income (loss) for the first quarter of 2022	23,254
Income (loss) recognized directly in equity	1
Recognition of Statutory Reserve (5%)	(1,163)
Adjusted profit distributable	<u>22,092</u>
Mandatory dividends (25%)	<u>5,523</u>
Interest on capital added to dividends	<u>5,523</u>
Total proceeds distributed to shareholders as at March 31, 2022	<u><u>5,523</u></u>

Type of shares	Quantity	Percentage	Total remuneration	Remuneration per share
Common shares	1,866,906,374	74.21%	3,996	0.00214
Preferred shares	<u>648,639,993</u>	25.79%	<u>1,527</u>	0.00235
	2,515,546,367		5,523	

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
Common shares	1,866,906,374	74.21%	17,258	0.0092
Preferred shares	648,639,993	25.79%	5,996	0.0092
	<u>2,515,546,367</u>		<u>23,254</u>	

32. Net operating revenue (expenses)

Gross revenue	03/31/2022	03/31/2021
Water supply and sewage services	691,288	625,120
Technical services	573	483
Social Tariff Subsidy	100	-
Outsourcing	2,275	2,275
Revenue from construction work	24,237	22,519
Total	718,473	650,397
Taxes and returned items		
Contribution to the Social Integration Program (PIS)	(11,458)	(10,369)
Contribution for Social Security Funding (COFINS)	(52,775)	(47,765)
Products returned and rebates	(425)	(413)
	<u>(64,658)</u>	<u>(58,547)</u>
Net operating revenue (expenses)	653,815	591,850

33. Costs and expenses by type

	03/31/2022				03/31/2021			
	Cost	Administrative	Selling	Total	Cost	Administrative	Selling	Total
Personnel	(211,186)	(143,616)	(49,400)	(404,202)	(150,415)	(76,118)	(30,907)	(257,440)
Materials	(20,331)	(907)	(122)	(21,360)	(20,120)	(901)	(129)	(21,150)
Electric power	(74,293)	(893)	-	(75,186)	(51,901)	(638)	-	(52,539)
Third-party services	(20,691)	(11,317)	(19,883)	(51,891)	(29,109)	(9,768)	(15,577)	(54,454)
Concession-related compensation	-	-	(19,252)	(19,252)	-	-	(17,870)	(17,870)
General expenses	(13,473)	(10,683)	(5,585)	(29,741)	(1,004)	(2,418)	(857)	(4,279)
Amortization	(25,952)	(1,593)	(9)	(27,554)	(25,477)	(1,702)	(6)	(27,185)
Depreciation	(898)	(5,100)	(42)	(6,040)	(960)	(4,855)	(31)	(5,846)
Depreciation of lease operations	(25)	(133)	(21)	(179)	(24)	(138)	(19)	(181)
PIS/COFINS credit on depreciation and amortization	5,233	-	6	5,239	3,480	-	6	3,486
	<u>(361,616)</u>	<u>(174,242)</u>	<u>(94,308)</u>	<u>(630,166)</u>	<u>(275,530)</u>	<u>(96,538)</u>	<u>(65,390)</u>	<u>(437,458)</u>
Construction cost	(24,237)			(24,237)	(22,519)			(22,519)
	<u>(385,853)</u>			<u>(385,853)</u>	<u>(298,049)</u>			<u>(298,049)</u>

34. Recognition/reversal of provisions and credit recovery/loss

	03/31/2022	12/31/2021
Recognition/reversal of provision for contingencies	18,564	(111,500)
Net recognition/reversal of allowance for doubtful accounts (b)	(25,774)	5,001
Recognition/reversal of profit sharing - employees (c)	12,406	-
Recognition/reversal of provision for inventory losses	6,994	16,286
Net recognitions/reversals	12,190	(90,213)
Net losses/Recovery of barred credits (a)	15,805	(15,318)
Net recognitions/reversals	27,995	(105,531)

- (a) These refer to effective write-offs of overdue credits receivable, which in 2022, as mentioned in Note 2.13 (a), started to be carried out according to business criteria to the detriment of tax criteria since the latter do not provide an actual indication of overdue credits. Accordingly, a greater volume of credits previously written-off were recorded as recovered.
- (b) These refer to estimates used for recognition of the allowance for doubtful accounts according to the criteria of expected losses. After the methodology was improved on as mentioned in Note 2.13 (a), losses started being estimated using the provision matrix technique, and an allowance is recognized for outstanding credits according to time elapsed. At the same time, as credits are no longer written-off according to the tax criteria described in item (a) above, possible outstanding credits not actually overdue are provided for according to time elapsed.

It is important to point out that the net difference between estimated and actual losses resulting from the improvement in the methodology had no relevant impact on income compared to the same quarter of the previous year, as seen above. However, the Company understands that the change provides more relevant information by differentiating the effective loss on write-off of overdue credits from estimated losses, which is an expectation and can be reversed.

- (c) There was reversal of the provision for profit sharing recognized in 2021, in the amount of R\$ 14,732, according to goals achieved, as it was not effectively realized. In addition, a provision for profit sharing was recognized in 2022, in the amount of R\$ 2,326.

35. Net financial income (loss)

	03/31/2022	03/31/2021
Financial revenues		
Interest, fines and returns (a)	27,512	20,464
Monetary adjustment	9,590	7,694
Discount to present value	562	(294)
	37,664	27,864
Financial expenses		
Interest/fines/charges and other expenses (b)	(37,155)	(23,383)
Monetary adjustment	(1,210)	(391)
Exchange rate losses (c)	13,033	(9,033)
	(25,332)	(32,807)
Net financial income (loss)	12,332	(4,943)

- (a) The variation in revenue is the result of an increase in the return on financial investments.
- (b) Increase in interest and fines in 2022 in comparison with 2021 is mainly due to charges related to the installment payment plans approved by the Brazilian Federal Revenue Service in August/2021 and March/2022 (see Note 23).
- (c) The variation in exchange rate losses refers to IDB contract 1414/OC executed with in 2002

and is a reflex of the current scenario of exchange instability. In the first quarter of 2021, there was an increase in the USD to BRL exchange rate of 7.06%, from R\$5.16 to R\$5.53. In the first quarter of 2022, there was a decrease of 15.86%, from R\$5.63 to R\$4.74 as at 03/31/2022.

36. Obligations undertaken

Currently, 62 of 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	Maturity	Amount to be invested	Amount invested until 03/31/2022 - Saneago	Amount invested until 03/31/2022 - BRK Ambiental	Total amount invested
Adelândia	01/16/2048	525	109	-	109
Águas Lindas de Goiás	12/28/2048	309,022	2,268	-	2,268
Anápolis	02/27/2050	525,925	31,599	-	31,599
Anicuns	04/10/2048	42,785	6,678	-	6,678
Aparecida de Goiânia	11/01/2041	988,848	193,418	692,885	886,303
Aporé	04/6/2048	7,682	280	-	280
Aragoiânia	12/26/2042	27,926	1,279	-	1,279
Araguapaz	03/16/2048	5,210	932	-	932
Avelinópolis	01/22/2046	1,724	244	-	244
Barro Alto	12/26/2042	32,703	1,862	-	1,862
Brazabrantes	02/06/2044	8,056	1,491	-	1,491
Cachoeira Alta	07/27/2045	26,167	910	-	910
Caldazinha	08/02/2048	1,070	278	-	278
Campestre de Goiás	01/06/2046	645	315	-	315
Campinaçu	08/12/2045	13,146	9,750	-	9,750
Cavalcante	12/28/2048	1,612	2,116	-	2,116
Cezarina	12/17/2042	23,352	15,073	-	15,073
Cidade Ocidental	11/01/2041	243,394	18,062	-	18,062
Cristalina	02/07/2044	58,952	20,321	-	20,321
Davinópolis	05/04/2048	506	109	-	109
Diorama	07/24/2047	1,091	29	-	29
Divinópolis	10/05/2047	675	186	-	186
Flores de Goiás	08/14/2044	4,221	350	-	350
Goiandira	10/03/2048	1,457	139	-	139
Goiânia	12/17/2049	3,419,897	242,628	-	242,628
Guarani de Goiás	09/15/2040	962	598	-	598
Guarinos	02/16/2048	1,383	143	-	143
Hidrolândia	08/03/2046	9,737	2,599	-	2,599
Indiara	04/30/2044	32,180	1,749	-	1,749
Inhumas	06/17/2050	79,176	4,750	-	4,750
Israelândia	11/24/2039	3,300	129	-	129
Itajá	12/19/2042	2,328	347	-	347
Itapaci	12/28/2048	56,172	848	-	848
Itapuranga	12/28/2048	8,063	7,862	-	7,862
Jataí	11/01/2041	114,116	33,599	119,444	153,043
Jussara	12/26/2046	5,759	825	-	825
Luziânia	12/01/2045	366,853	28,415	-	28,415
Mambai	03/07/2046	1,689	473	-	473
Minaçu	02/06/2044	57,857	9,990	-	9,990
Morrinhos	11/30/2040	46,917	18,265	-	18,265
Morro Agudo de Goiás	05/02/2046	1,198	408	-	408
Mozarlândia	12/28/2046	1,894	1,139	-	1,139
Nazário	05/04/2048	2,280	242	-	242
Novo Gama	11/16/2048	253,055	4,976	-	4,976
Palmelo	10/29/2042	1,039	164	-	164
Perolândia	12/21/2048	499	182	-	182
Petrolina de Goiás	10/20/2041	6,797	7,653	-	7,653
Pires do Rio	11/03/2038	10,529	23,793	-	23,793
Posse	06/12/2047	19,945	9,665	-	9,665
Rio Verde	11/01/2041	249,889	57,413	205,410	262,823

Santa Cruz de Goiás	06/28/2043	1,497	308	-	308
Santo Antônio da Barra	12/29/2045	3,977	419	-	419
Santo Antônio de Goiás	12/02/2045	15,868	814	-	814
Santo Antônio do Descoberto	06/10/2046	55,686	22,834	-	22,834
São Domingos	12/28/2048	1,334	298	-	298
São João D'aliança	05/31/2049	3,033	1,680	-	1,680
São Luís de Montes Belos	12/19/2042	41,928	5,858	-	5,858
São Miguel do Passa Quatro	12/18/2049	8,686	298	-	298
Trindade	11/01/2041	169,222	21,477	158,665	180,142
Uirapuru	12/28/2048	699	71	-	71
Uruaçu	12/28/2048	44,341	4,332	-	4,332
Valparaíso de Goiás	11/16/2048	389,652	3,589	-	3,589
		<u>7,816,131</u>	<u>828,631</u>	<u>1,176,404</u>	<u>2,005,035</u>

37. Insurance

On July 05, 2021, 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 was 336 thousand paid 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.

38. Related-party transactions

As required according to item 9, of standard CPC 05(R1) and CVM Decision 642 of October 7, 2010, we list below the entities that are related to Saneago.

38.1 State of Goiás

a) Non-dependent relation

Saneago is in the condition of a non-dependent state company, or in other words, it does not receive any financial funds to pay payroll costs, general costs general or capital from the controller, the Government of the state of Goiás, except for funds for shareholding increase.

b) Participation in financing operations

The state of Goiás participates as guarantor in the loan agreement executed between the Company and the Inter-American Development Bank (IBD), besides offering collateral to financing contracts executed with Caixa Econômica Federal and BNDES.

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 the first quarter of 2022, the gross revenue the Company received from that State was R\$ 68,362 (R\$ 35,535 in the first quarter of 2021).

The balances of debts due and not yet due of those agencies are the following:

	03/31/2022	12/31/2021
Amounts billed not yet due	6,185	5,522
Falling due in more than 30 days	620	4,435
Overdue for up to 30 days	4,567	1,615
From 31 to 60 days overdue	5,483	358
From 61 to 90 days overdue	1	376
From 91 to 120 days overdue	1,592	364
From 121 to 180 days overdue	751	481
From 181 to 360 days overdue	3,666	3,222
From 361 days to 5 years overdue	3,473	6,375
Overdue for more than 5 years	2,828	2,435
Estimate of amounts to be billed	3,595	3,254
(-) Discount to present value of receivables	(25)	(27)
(-) Allowance for doubtful accounts	(10,615)	(14,459)
Subtotal	<u>22,121</u>	<u>13,951</u>
Amounts receivable (noncurrent)	1,977	2,115
(-) Discount to present value of receivables	(254)	(279)
(-) Allowance for doubtful accounts	(132)	(1,251)
Subtotal	<u>1,591</u>	<u>585</u>
Total	<u>23,712</u>	<u>14,536</u>

Considering the history of amounts received from state agencies at the Company, it was established as practice of allowance for doubtful accounts for amounts overdue for more than 90 days.

38.2 Operations with municipalities

a) The program contract with the municipality of Goiânia was executed on December 17, 2019, to be in effect until December 17, 2049. The contract establishes monthly payment of 5% of gross revenue into the Municipal Sanitation Fund. Until March 31, 2022, gross revenue in the municipality of Goiânia corresponded to R\$ 265,208, and an amount of R\$ 13,260 was deposited into the Fund.

b) As at March 31, 2022, 23 out of the 225 contracts had as compensation a percentage ranging from 2% to 5% of the amounts collected in the municipality.

c) Rendering of accounts have been prepared and debt settled through services provided by local governments to the Company. As at March 31, 2022, the balance of accounts receivable overdue and not yet due regarding the debt of municipalities with the Company was R\$ 85,977. The amount of R\$ 69 was settled after 02 rendering of account reports were prepared. (December 31, 2021 - R\$ 83,892, and 31 reports, with settlement of R\$ 1,124).

39. Compensation to Management, Fiscal Council and Statutory Committee

As at March 31, 2022, the expenses related to the compensation to members of the Board of Directors, Executive Board, Fiscal Council and Statutory Audit Committee totaled R\$ 1,785 (R\$ 1,527 as at March 31, 2021).

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) Fiscal Council

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.

40. Supplementary cash flow information

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

ASSETS	Note	12/31/2021	LIABILITIES	Note	12/31/2021
Receivables from consumers	7	26,656	Consortium	26	520
Allowance for doubtful accounts/Discount to present value	7	25,213	Transfers within equity	17.1	18
		<u>51,869</u>			<u>538</u>
Other accounts receivable	12	1,489			
Auction Credit - sales of NC Asset held for sale to rec.	12	(1,644)			
Transfer of intangible assets	19	43			
		<u>(112)</u>			
Inventories	8	(15,338)			
Transfer of contract assets	18	655			
Estimated losses on inventory/Reversals	8	6,994			
		<u>(7,689)</u>			
Contract assets	18	11,663			
Capitalization of interest	21.c	(64)			
		<u>11,599</u>			

41. "Operação Decantação"

Current situation:

The complaint brought by the Public Prosecution Office was rejected by the Federal Judge of the 11th Court of Goiânia (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 03/10/2022, the court has issued no decision contrary to the prior one.

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 misuse 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 use 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 adopted strict measures of permanent rearrangement of its Management, providing administrative and legal security to its 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 No. 123/2016 of September 6, 2016, and new members were appointed.

An independent audit firm was hired to internally investigate the irregularities mentioned in the Official Investigation, and they concluded that the bidding procedures are lawful and no breach exists that could invalidate them.

On the other hand, noncompliance was detected in the execution of construction work, what led to the adoption of measures to solve the non-compliance.

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 in EY's Report on Priority Contracts		B	74,426,982
% ratio of difference from priority payments	(B*100/A)	C	6.383 %
Extrapolation of the sample to the universe of construction work contracts (Period from 2007 to 2017) Total amount paid in all contracts mentioned in "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"		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 on contracts recorded in the statement of income		L	4,550,663
Supplementary provision restated as at January 1, 2018		(I+L)	K 53,709,052

Besides, considering the facts occurred on March 28, 2019 ("Operação Decantação 2") and April 4, 2019 ("Operação Decantação 2"), where the Federal Police executed the first investigation actions, the Company released an official letter to the market stating that:

- 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;
- 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 in the governance measures adopted after 2016, mainly by means of preparation of risk matrixes for the companies mentioned in “*Operação Decantação*” 1, 2 and 3 in order to diagnose the intrinsic risk, as well as to make Management aware of risk to Saneago from the performance of those contracts and mitigation measures have been established for the risk. For more information, see item 4.7 (Other relevant contingencies) of the Saneago Reference Form.

42. Virtual Storeroom

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

Similarly, the CGE 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, Saneago’s Executive Board collectively deliberated on the necessary corrective actions, deciding by withholding the last contractual payment and also the filing of 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 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.

The procedure for hiring of the Virtual Storeroom is being revisited by the Legal Department in order to further improve the compliance and risk management practices, collaborating on the procedure for possible changes and improvement of the standards for hiring and execution of contracts, as well as their management and monitoring.

The Board of Directors adopted the proposal by the CAE, to hire of a firm with sound reputation to perform procedures on the facts related to the “Virtual Storeroom” contract, in accordance with the independent audit guidelines. Hiring procedures are in progress as at March 31, 2022.

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.

Ricardo José Soavinski
Chairman

Hugo Cunha Goldfeld
Sales Officer

Edson Sales de Azevedo Souza
Corporate Management Officer

Paulo Rogério Bragatto Battiston
Financial and Investor Relation Officer

Mauro Aparecido Lessa de Souza
Production Officer

Fernando Cozzetti Bertoldi de Souza
Expansion Officer

Ariana Garcia do Nascimento Teles
Legal Officer

Elias Evangelista Silva
Accountant CRC/GO 13.330