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Company Details / Capital Breakdown

Number of Shares (Unit)	Last Fiscal Year 12/31/2023
Paid-in Capital	
Common	1,866,906,375
Preferred	648,639,993
Total	2,515,546,368
Treasury	
Common	0
Preferred	0
Total	0

Individual Financial Statements / Balance Sheet - Assets

(In Thousands of Reais)

Account Code	Account Description	Last Fiscal Year 12/31/2023	Penultimate Fiscal Year 12/31/2022	Antepenultimate Fiscal 12/31/2021
1	Total Assets	8,036,981	7,176,346	6,393,803
10,01	Current Assets	1,664,116	1,381,935	1,155,927
1.01.01	Cash and Cash Equivalents	59,266	81,606	138,808
1.01.01.01	Cash Assets	59,266	81,606	138,808
1.01.02	Financial Investments	815,781	615,745	430,420
1.01.02.03	Financial Investments at Amortized Cost	815,781	615,745	430,420
1.01.03	Accounts Receivable	623,820	552,847	483,302
1.01.03.01	Clients	602,855	517,470	470,243
1.01.03.01.01	Users Receivable Credits	602,855	517,470	470,243
1.01.03.02	Other Accounts Receivable	20,965	35,377	13,059
1.01.03.02.01	Other Accounts Receivable	20,694	35,113	9,699
1.01.03.02.02	Securities	271	264	3,360
1.01.04	Inventories	109,034	80,995	54,624
1.01.04.01	Inventory in Warehouse	109,034	80,995	54,624
1.01.06	Recoverable Taxes	24,913	22,133	8,030
1.01.06.01	Current Recoverable Taxes	24,913	22,133	8,030
1.01.06.01.01	Recoverable Corporate Income Tax (IRPJ)	0	0	3,171
1.01.06.01.02	Withholding Income Tax (IRRF) to Offset	7,007	7,148	2,115
1.01.06.01.03	Recoverable Social Contribution on Net Income (CSLL)	0	0	11
1.01.06.01.04	Others - Federal Revenue Office	2,733	2,733	2,733
1.01.06.01.05	IRRF Financial Investments	11,659	9,991	0
1.01.06.01.06	Social Integration Program/Social Contribution for Financing of Social Security (PIS/COFINS) Leases Credit	3,427	2,261	0
1.01.06.01.07	INSS	87	0	0
1.01.07	Prepaid Expenses	19,444	17,275	30,025
1.01.07.01	Advances to Employees	19,444	17,275	30,025
1.01.08	Other Current Assets	11,858	11,334	10,718
1.01.08.01	Non-Current Assets for Sale	0	0	3
1.01.08.03	Other	11,858	11,334	10,715

Individual Financial Statements / Balance Sheet - Assets

(In Thousands of Reais)

Account Code	Account Description	Last Fiscal Year 12/31/2023	Penultimate Fiscal Year 12/31/2022	Antepenultimate Fiscal 12/31/2021
1.01.08.03.01	Subdelegation	11,858	11,334	10,715
10,02	Non-current Assets	6,372,865	5,794,411	5,237,876
1.02.01	Non-Current Receivables	2,836,340	2,529,792	2,079,868
1.02.01.04	Accounts Receivable	1,713,853	1,484,633	1,170,599
1.02.01.04.01	Customers	37,000	30,699	29,177
1.02.01.04.02	Other Accounts Receivable	17,974	14,905	18,533
1.02.01.04.03	Subdelegation	1,651,682	1,425,231	1,111,322
1.02.01.04.04	Securities	7,197	13,798	11,567
1.02.01.07	Deferred Taxes	4,940	9,255	42,464
1.02.01.07.01	Deferred Income Tax and Social Contribution	4,940	9,255	42,464
1.02.01.08	Prepaid Expenses	269,211	243,123	185,905
1.02.01.10	Other Non-Current Assets	848,336	792,781	680,900
1.02.01.10.03	Agreement Asset - CPC 47	833,280	759,437	680,900
1.02.01.10.04	Recoverable Taxes	8,540	7,697	0
1.02.01.10.05	Subsidies Receivable	6,516	25,647	0
1.02.02	Investments	0	0	9
1.02.02.01	Equity Interest	0	0	9
1.02.02.01.04	Other Investments	0	0	9
1.02.03	Property, plant, and equipment	420,962	385,855	350,160
1.02.03.01	Fixed Assets in Operation	420,962	385,855	350,160
1.02.03.01.01	Technical Property, Plant and Equipment	420,962	385,855	350,160
1.02.04	Intangible assets	3,115,563	2,878,764	2,807,839
1.02.04.01	Intangible assets	3,115,563	2,878,764	2,807,839
1.02.04.01.01	Concession Agreement	3,115,563	2,878,764	2,807,839

Separate Financial Statements / Balance Sheet - Liabilities

(In Thousands of Reais)

Account Code	Account Description	Last Fiscal Year 12/31/2023	Penultimate Fiscal Year 12/31/2022	Antepenultimate Fiscal 12/31/2021
2	Total Liabilities	8,036,981	7,176,346	6,393,803
20,01	Current Liabilities	909,387	796,430	626,027
2.01.01	Social and Labor Obligations	141,657	140,074	118,353
2.01.01.02	Labor Obligations	141,657	140,074	118,353
2.01.02	Suppliers	205,653	177,458	129,261
2.01.02.01	Domestic Suppliers	205,653	177,458	129,261
2.01.03	Tax Obligations	64,778	57,189	42,496
2.01.03.01	Federal Tax Obligations	64,778	57,189	42,496
2.01.03.01.02	Taxes and Contributions Payable	64,778	57,189	42,496
2.01.04	Loans and Financing	285,238	263,267	184,831
2.01.04.01	Loans and Financing	23,280	27,868	44,252
2.01.04.01.01	In Local Currency	10,429	13,918	29,233
2.01.04.01.02	In Foreign Currency	12,851	13,950	15,019
2.01.04.02	Bonds	225,490	213,499	121,811
2.01.04.03	Financing by Lease	36,468	21,900	18,768
2.01.05	Other Obligations	162,433	119,118	115,840
2.01.05.02	Other	162,433	119,118	115,840
2.01.05.02.01	Dividends and Interest on Equity Payable	138,666	95,388	83,709
2.01.05.02.04	Consortia	3,480	736	0
2.01.05.02.05	Subsidies	0	0	467
2.01.05.02.06	Payments in Installments	3,500	2,018	909
2.01.05.02.07	Contractual Obligations	0	4,349	10,146
2.01.05.02.08	Contractual Advance	2,489	2,489	831
2.01.05.02.09	Subdelegation	976	349	6,386
2.01.05.02.10	Other Accounts Payable	13,322	13,789	13,392
2.01.06	Provisions	49,628	39,324	35,246
2.01.06.01	Tax Provisions for Civil and Labor Social Security	49,628	39,324	35,246
2.01.06.01.03	Provisions for Employees Benefits	49,628	39,324	35,246

Separate Financial Statements / Balance Sheet - Liabilities

(In Thousands of Reais)

Account Code	Account Description	Last Fiscal Year 12/31/2023	Penultimate Fiscal Year 12/31/2022	Antepenultimate Fiscal 12/31/2021
20,02	Non-Current Liabilities	3,042,650	2,702,733	2,410,958
2.02.01	Loans and Financing	925,704	840,560	789,913
2.02.01.01	Loans and Financing	152,617	156,648	183,626
2.02.01.01.01	In Local Currency	115,179	53,798	111,703
2.02.01.01.02	In Foreign Currency	37,438	102,850	71,923
2.02.01.02	Bonds	669,345	594,981	605,320
2.02.01.03	Financing by Lease	103,742	88,931	967
2.02.02	Other Obligations	1,710,112	1,490,409	1,159,160
2.02.02.02	Other	1,710,112	1,490,409	1,159,160
2.02.02.02.03	Payments in Installments	12,113	14,260	14,028
2.02.02.02.04	Contractual Advance	6,015	8,503	0
2.02.02.02.05	Subdelegation	1,651,682	1,425,231	1,111,322
2.02.02.02.06	Tax Obligations	30,155	31,842	31,666
2.02.02.02.07	Consortia	0	0	2,144
2.02.02.02.08	Labor Obligations	0	426	0
2.02.02.02.09	Contractual Obligations	10,147	10,147	0
2.02.04	Provisions	262,888	219,998	254,546
2.02.04.01	Tax Provisions for Civil and Labor Social Security	206,177	219,998	233,157
2.02.04.01.01	Tax Provisions	11,886	23,926	24,146
2.02.04.01.02	Provision for Labor and Social Security Contribution	139,870	79,336	101,756
2.02.04.01.04	Civil Provisions	54,421	116,736	107,255
2.02.04.02	Other Provisions	56,711	0	21,389
2.02.04.02.04	Actuarial Obligations	56,711	0	21,389
2.02.06	Unearned Profits and Revenues	143,946	151,766	207,339
2.02.06.03	Unearned Investment Subsidies	143,946	151,766	207,339
2.02.06.03.01	Subsidies	143,946	151,766	207,339
20,03	Equity	4,084,944	3,677,183	3,356,818
2.03.01	Paid-In Capital	2,515,546	2,515,546	2,515,546

Separate Financial Statements / Balance Sheet - Liabilities

(In Thousands of Reais)

Account Code	Account Description	Last Fiscal Year 12/31/2023	Penultimate Fiscal Year Year 12/31/2022	Antepenultimate Fiscal 12/31/2021
2.03.04	Profit Reserves	1,573,516	1,128,324	822,073
2.03.04.01	Legal Reserve	107,735	78,543	58,460
2.03.04.10	Reserve for Investment Plan	1,465,781	1,049,781	763,613
2.03.06	Equity Valuation Adjustments	33,311	33,313	33,315
2.03.08	Other Comprehensive Income	-37,429	0	-14,116
2.03.08.01	Other Comprehensive Income - Actuarial	-56,711	0	-21,389
2.03.08.02	Deferred IRPJ - OCI	14,178	0	5,348
2.03.08.03	Deferred CSLL - OCI	5,104	0	1,925

Individual Financial Statements / Statement of Income

(In Thousands of Reais)

Account Code	Account Description	Penultimate Fiscal Year Antepenultimate Fiscal Year		
		Last Fiscal Year 01/01/2023 to 12/31/2023	01/01/2022 to 12/31/2022	01/01/2021 to 12/31/2021
30,01	Revenue from Sale of Goods and/or Services	3,481,286	3,049,341	2,553,340
3.01.01	Revenue from Water and Sewage Services	3,056,420	2,751,479	2,442,420
3.01.02	Revenue from Construction	413,413	286,464	99,395
3.01.03	Revenue from Technical Services	2,353	2,298	2,425
3.01.04	Grant Sub-delegation	9,100	9,100	9,100
30,02	Cost of Goods and/or Services Sold	-1,683,965	-1,552,828	-1,239,081
3.02.01	Cost of Goods and Services Sold	-1,270,552	-1,266,364	-1,139,686
3.02.02	Construction Cost	-413,413	-286,464	-99,395
30,03	Gross Income	1,797,321	1,496,513	1,314,259
30,04	Operating Expenses/Revenues	-959,071	-924,903	-802,096
3.04.01	Selling Expenses	-316,024	-324,045	-278,235
3.04.02	General and Administrative Expenses	-547,497	-513,605	-467,766
3.04.02.01	Administrative Expenses	-512,435	-496,140	-444,373
3.04.02.02	Tax Expenses	-35,062	-17,465	-23,393
3.04.04	Other Operating Revenue	73,234	9,114	31,983
3.04.04.07	Other Revenues	73,234	9,114	31,983
3.04.05	Other Operating Expenses	-168,784	-96,367	-88,078
3.04.05.07	Other Expenses	-168,784	-96,367	-88,078
30,05	Profit/Loss Before Financial Income and Taxes	838,250	571,610	512,163
30,06	Financial Income	-20,227	-18,481	-24,188
3.06.01	Financial Revenues	145,208	140,467	119,123
3.06.02	Financial Expenses	-165,435	-158,948	-143,311
30,07	Pre-Tax Income	818,023	553,129	487,975
30,08	Income Tax and Social Contribution on Profits	-234,167	-151,493	-135,519
3.08.01	Current	-210,569	-125,554	-67,958
3.08.02	Deferred	-23,598	-25,939	-67,561
30,09	Net Income from Continued Operations	583,856	401,636	352,456
30,11	Profit/Loss for the Period	583,856	401,636	352,456

Individual Financial Statements / Statement of Income

(In Thousands of Reais)

Account Code	Account Description	Penultimate Fiscal Year Antepenultimate Fiscal Year		
		Last Fiscal Year 01/01/2023 to 12/31/2023	01/01/2022 to 12/31/2022	01/01/2021 to 12/31/2021
30,99	Earnings per Share - (Reais / Share)			
3.99.01	Basic Earnings per Share			
3.99.01.01	Common Shares (ON)	0.2321	0.15966	0.1401
3.99.01.02	Preferred Shares (PN)	0.2321	0.15966	0.1401

Individual Financial Statements / Statement of Comprehensive Income

(In Thousands of Reais)

Account Code	Account Description	Penultimate Fiscal Year Antepenultimate Fiscal Year		
		Last Fiscal Year 01/01/2023 to 12/31/2023	01/01/2022 to 12/31/2022	01/01/2021 to 12/31/2021
40,01	Net Income for the Period	583,856	401,636	352,456
40,02	Other Comprehensive Income	-37,427	14,118	15,815
4.02.02	Payment of Attributed Cost	2	2	2
4.02.03	Actuarial Gain/(Loss)	-37,429	14,116	15,813
40,03	Comprehensive Income for the Period	546,429	415,754	368,271

Individual Financial Statements / Statement of Cash Flow (Indirect Method)

(In Thousands of Reais)

Account Code	Account Description	Last Fiscal Year	Penultimate Fiscal Year	Antepenultimate Fiscal
		01/01/2023 to 12/31/2023	01/01/2022 to 12/31/2022	01/01/2021 to 12/31/2021
60,01	Net Cash – Operating Activities	814,064	669,090	806,428
6.01.01	Cash from Operations	1,012,258	784,374	627,556
6.01.01.01	Net income for the fiscal year	583,856	401,636	352,456
6.01.01.02	Depreciations and Amortizations	179,382	145,706	129,707
6.01.01.03	Fixed/Intangible Asset Write-offs	1,416	1,380	3,286
6.01.01.04	Monetary Corrections	0	-143	-280
6.01.01.05	Adjustment to Present Value (AVP) - Credits Receivable	74	-2,109	752
6.01.01.06	Charges, Monetary and Exchange Variations, Net	143,168	129,349	96,565
6.01.01.07	Capitalized Interest	-5	-134	-451
6.01.01.08	Provisions/Reversals	81,445	84,562	-15,139
6.01.01.09	Subsidies	0	-467	-35
6.01.01.10	Gain on Sale of Non-Current assets for Sale	0	0	-6,361
6.01.01.11	Deferred Taxes - IRPJ/CSLL	23,598	25,939	67,561
6.01.01.12	Earnings with Financial Investments	-676	-1,345	-505
6.01.02	Variations in Assets and Liabilities	-207,931	-110,604	185,059
6.01.02.01	Trade Receivables	-191,651	-138,947	102,223
6.01.02.02	Recoverable Taxes	1,934	-9,592	10,520
6.01.02.03	Inventories	-20,885	-17,604	23,195
6.01.02.04	Prepaid Expenses and Advances to Employees	-28,257	-44,468	7,182
6.01.02.05	Court Deposit	329	3,586	-2,422
6.01.02.07	Suppliers	28,195	48,197	11,204
6.01.02.08	Consortia	2,744	2,012	-256
6.01.02.09	Labor Obligations	1,157	22,148	8,187
6.01.02.10	Tax Obligations	5,902	14,869	33,035
6.01.02.11	Payment in Installments	-665	1,341	-5,246
6.01.02.12	Contractual Obligations	-4,349	4,350	-5,074
6.01.02.13	Subdelegation	103	-6,657	4,505
6.01.02.14	Contractual Advance	-2,488	10,161	-1,994

Individual Financial Statements / Statement of Cash Flow (Indirect Method)

(In Thousands of Reais)

Account Code	Account Description	Last Fiscal Year	Penultimate Fiscal Year	Antepenultimate Fiscal
		01/01/2023 to 12/31/2023	01/01/2022 to 12/31/2022	01/01/2021 to 12/31/2021
6.01.03	Other	9,737	-4,680	-6,187
6.01.03.01	Other Accounts Receivable	10,204	-5,077	-3,850
6.01.03.02	Other Accounts Payable	-467	397	-2,337
60,02	Net Cash – Investment Activities	-669,413	-554,948	-664,524
6.02.01	Acquisition of Fixed Assets	-31,624	-49,204	-59,249
6.02.02	Agreement Assets	-252,068	-189,809	-41,430
6.02.03	Acquisition of Intangible Assets	-193,069	-126,809	-120,536
6.02.04	Bonds and Securities	7,270	2,210	-1,276
6.02.05	Acquisition of inventory works	-1,670	-8,907	-13,667
6.02.06	Advances to suppliers	0	-297	-2,700
6.02.07	Receipt on Disposal of Property, Plant, and Equipment	0	4,774	4,700
6.02.08	Financial Investments	-200,035	-185,326	-430,420
6.02.09	Sale of Investments in shares	0	9	0
6.02.10	Adjustments PAC Subsidies	1,783	-1,589	54
60,03	Net Cash – Financing Activities	-166,991	-171,344	-171,240
6.03.02	Financing/Loans Raised	320,254	200,000	250,134
6.03.03	Amortization of Loans and Financing	-235,907	-258,205	-273,639
6.03.04	Payments of Financial Charges on Fundraising	-136,183	-131,719	-81,517
6.03.06	Federal and Municipal Subsidies	24,524	26,779	30,164
6.03.07	Redemption of Subordinated shares - FIDC (Credit Rights Investment Fund)	0	100,128	0
6.03.08	Lease-Purchase Agreement	-44,291	-24,618	-16,498
6.03.09	Dividends and Interest on Equity	-95,388	-83,709	-79,884
60,05	Increase (Decrease) in Cash and Cash Equivalents	-22,340	-57,202	-29,336
6.05.01	Opening Balance of Cash and Cash Equivalents	81,606	138,808	168,144
6.05.02	Closing Balance of Cash and Cash Equivalents	59,266	81,606	138,808

Individual Financial Statements / Statement of Changes in Equity / DMPL - 01/01/2023 to 12/31/2023**(In Thousands of Reais)**

Account Code	Account Description	Capital Stock Paid in	Capital Reserves, Granted Options and Treasury Shares	Retained Earnings	Retained Earnings or Losses	Other Comprehensive Income	Equity
50,01	Opening Balances	2,515,546	0	1,128,324	0	33,313	3,677,183
50,02	Adjustments from Previous Fiscal Years	0	0	0	0	0	0
50,03	Adjusted Opening Balances	2,515,546	0	1,128,324	0	33,313	3,677,183
50,04	Capital Transactions with Partners	0	0	0	-138,666	0	-138,666
5.04.07	Interest on Equity	0	0	0	-138,666	0	-138,666
50,05	Total Comprehensive Income	0	0	0	583,858	-37,431	546,427
5.05.01	Net Income for the Period	0	0	0	583,856	0	583,856
5.05.02	Other Comprehensive Income	0	0	0	2	-37,431	-37,429
5.05.02.06	Payment of Attributed Cost	0	0	0	2	-2	0
5.05.02.08	Actuarial Gain/Loss	0	0	0	0	-37,429	-37,429
50,06	Internal Changes in Shareholder's Equity	0	0	445,192	-445,192	0	0
5.06.04	Constitution of Legal Reserve	0	0	29,192	-29,192	0	0
5.06.05	Constitution of Reserve for Investment	0	0	416,000	-416,000	0	0
50,07	Closing Balances	2,515,546	0	1,573,516	0	-4,118	4,084,944

Individual Financial Statements / Statement of Changes in Equity / DMPL - 01/01/2022 to 12/31/2022**(In Thousands of Reais)**

Account Code	Account Description	Capital Stock Paid in	Capital Reserves, Granted Options and Treasury Shares	Retained Earnings	Retained Earnings or Losses	Other Comprehensive Income	Equity
50,01	Opening Balances	2,515,546	0	822,073	0	19,199	3,356,818
50,02	Adjustments from Previous Fiscal Years	0	0	0	0	0	0
50,03	Adjusted Opening Balances	2,515,546	0	822,073	0	19,199	3,356,818
50,04	Capital Transactions with Partners	0	0	0	-95,388	0	-95,388
5.04.07	Interest on Equity	0	0	0	-95,388	0	-95,388
50,05	Total Comprehensive Income	0	0	0	401,639	14,114	415,753
5.05.01	Net Income for the Period	0	0	0	401,636	0	401,636
5.05.02	Other Comprehensive Income	0	0	0	3	14,114	14,117
5.05.02.06	Payment of Attributed Cost	0	0	0	3	-2	1
5.05.02.07	Actuarial Gain	0	0	0	0	21,388	21,388
5.05.02.08	Deferred Taxes on Actuarial Gain	0	0	0	0	-7,272	-7,272
50,06	Internal Changes in Shareholder's Equity	0	0	306,251	-306,251	0	0
5.06.04	Constitution of Legal Reserve	0	0	20,083	-20,083	0	0
5.06.05	Constitution of Reserve for Investments	0	0	286,168	-286,168	0	0
50,07	Closing Balances	2,515,546	0	1,128,324	0	33,313	3,677,183

Individual Financial Statements / Statement of Changes in Equity / DMPL - 01/01/2021 to 12/31/2021**(In Thousands of Reais)**

Account Code	Account Description	Capital Stock Paid in	Capital Reserves, Granted Options and Treasury Shares	Retained Earnings	Retained Earnings or Losses	Other Comprehensive Income	Equity
50,01	Opening Balances	2,515,546	0	553,324	0	8,762	3,077,632
50,02	Adjustments from Previous Fiscal Years	0	0	0	0	0	0
50,03	Adjusted Opening Balances	2,515,546	0	553,324	0	8,762	3,077,632
50,04	Capital Transactions with Partners	0	0	0	-83,709	0	-83,709
5.04.07	Interest on Equity	0	0	0	-83,709	0	-83,709
50,05	Total Comprehensive Income	0	0	0	352,458	10,437	362,895
5.05.01	Net Income for the Period	0	0	0	352,456	0	352,456
5.05.02	Other Comprehensive Income	0	0	0	2	10,437	10,439
5.05.02.06	Payment of Attributed Cost	0	0	0	2	0	2
5.05.02.07	Actuarial Gain/(Loss)	0	0	0	0	15,813	15,813
5.05.02.08	Deferred Taxes on Actuarial Income	0	0	0	0	-5,376	-5,376
50,06	Internal Changes in Shareholder's Equity	0	0	268,749	-268,749	0	0
5.06.04	Constitution of Legal Reserve	0	0	17,623	-17,623	0	0
5.06.05	Constitution of Reserve for Investments	0	0	251,126	-251,126	0	0
50,07	Closing Balances	2,515,546	0	822,073	0	19,199	3,356,818

Individual Financial Statements / Statement of Value Added

(In Thousands of Reais)

Account Code	Account Description	Penultimate Fiscal Year Antepenultimate Fiscal Year		
		Last Fiscal Year 01/01/2023 to 12/31/2023	01/01/2022 to 12/31/2022	01/01/2021 to 12/31/2021
70,01	Revenue	3,796,262	3,304,343	2,892,139
7.01.01	Sales of Goods, Products and Services	3,375,373	3,031,892	2,691,504
7.01.02	Other Revenues	107,367	78,294	7,976
7.01.02.01	Forfeit/Recovery of Credits	33,345	48,438	-35,541
7.01.02.02	Other Revenues	62,569	18,458	31,992
7.01.02.03	Grant Sub-delegation	9,100	9,100	9,100
7.01.02.04	Revenue from Technical Services	2,353	2,298	2,425
7.01.03	Revenues referring to Construction of Own Assets	413,413	286,464	99,395
7.01.04	Provision/Reversal of Doubtful Accounts Doubtful Accounts	-99,891	-92,307	93,264
70,02	Inputs Acquired from Third Parties	-1,245,257	-1,042,838	-784,145
7.02.01	Costs of Products, Goods, and Services Sold	-468,117	-466,056	-423,110
7.02.02	Material, Energy, Third Party Services and Others	-246,502	-252,831	-200,789
7.02.03	Loss/Recovery of Asset Values	3,013	4,254	11,046
7.02.04	Other	-533,651	-328,205	-171,292
7.02.04.01	Raw Materials Consumed	-10,219	-5,976	-4,212
7.02.04.02	Construction Cost	-413,413	-286,463	-99,395
7.02.04.03	Other Expenses	-110,019	-35,766	-67,685
70,03	Gross Value Added	2,551,005	2,261,505	2,107,994
70,04	Retention	-163,949	-142,215	-218,880
7.04.01	Depreciation, Amortization, and Depletion	-179,382	-145,706	-129,708
7.04.02	Other	15,433	3,491	-89,172
7.04.02.01	Provisions/Reversals	15,433	3,491	-89,172
70,05	Net Added Value Generated	2,387,056	2,119,290	1,889,114
70,06	Added Value Received as Transfer	145,208	140,467	119,123
7.06.02	Financial Revenues	145,208	140,467	119,123
70,07	Total Added Value to Distribute	2,532,264	2,259,757	2,008,237
70,08	Distribution of Added Value	2,532,264	2,259,757	2,008,237
7.08.01	Personnel	988,545	1,055,700	916,821

Individual Financial Statements / Statement of Value Added

(In Thousands of Reais)

Account Code	Account Description	Penultimate Fiscal Year Antepenultimate Fiscal		
		Last Fiscal Year 01/01/2023 to 12/31/2023	Year 01/01/2022 to 12/31/2022	01/01/2021 to 12/31/2021
7.08.01.01	Direct Remuneration	731,225	806,123	688,321
7.08.01.02	Benefits	198,846	193,417	174,894
7.08.01.03	Guarantee Fund for Length of Service (FGTS)	58,474	56,160	53,606
7.08.02	Taxes, Fees, and Contributions	784,051	632,014	586,704
7.08.02.01	Federal	753,366	616,685	570,072
7.08.02.02	State	24,459	9,210	11,998
7.08.02.03	Municipal	6,226	6,119	4,634
7.08.03	Third Party Capital Remuneration	175,812	170,407	152,256
7.08.03.01	Interest	165,435	158,948	143,310
7.08.03.02	Rents	10,377	11,459	8,946
7.08.04	Remuneration on Equity	583,856	401,636	352,456
7.08.04.01	Interest on Equity	138,666	95,388	83,709
7.08.04.03	Retained Earnings / Loss for the Period	445,190	306,248	268,747



Financial statements December 2023



Content

1. Management Report;
2. Independent auditor's report on the financial statements;
3. Balance sheets;
4. Income statements;
5. Statements of comprehensive income;
6. Statements of changes in shareholders' equity;
7. Cash flow statements;
8. Statements of added values;
9. Management's Explanatory Notes accompanying the financial statements.

(Convenience translation into English from the original
previously issued in Portuguese)
SANEAMENTO DE GOIÁS S.A.

Independent auditor's report

Financial statements
As at December 31, 2023

SANEAMENTO DE GOIÁS S.A.

Financial statements
As at December 31, 2023

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Management report

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Management
report
4Q2023

Summary

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4Q2023 Highlights

+ R\$ 305 mi 

+ 11.04% increase in revenue in comparison to 12M22

+ R\$ 182 mi 

+ 45% increase in income in comparison to 2022

25.00% 

Loss index reduced by 1.21 p.p. in comparison to 2022

98.04% 

Service index - Water

73.33% 

Service index - Sewage

+ 7.27 p.p. 

Classic EBITDA reaching 32.46% in 12M23

Operational performance



ETA Mauro Borges no município de Goiânia

1. Operating performance

In 4Q2023, the Company expanded its water and sewage systems throughout the state, providing water to 98.04% of the population, which represents an increase of 2.56% in households in relation to the same period of 2022.

With this advance, the Company reaches a total population of 6,058 thousand inhabitants with water supply.

As for the sewage system, the population served increased from 70.73% to 73.33% by the end of 4Q2023, which represents an increase of 5.58% in households in relation to the same period of 2022.

Thus, 4,531 thousand inhabitants have access to a sewage system in the municipalities served by the Company.

General Service Data

Water - Operational indexes	Unit	12M23	12M22	Var.	Var. (%)
Population with access to service	Thousand	6,058	5,972	86	1.44%
Service index	%	98.04%	97.83%	0.21%	0.21%
Connections	Thousand	2,434	2,375	59	2.48%
Households	Thousand	2,641	2,575	66	2.56%
Expansion of pipeline network	Km	33,131	32,585	546	1.68%
Sewage - Operational indexes	Unit	12M23	12M22	Var.	Var. (%)
Population with access to service	Thousand	4,531	4,318	213	4.93%
Service index	%	73.33%	70.73%	2.60%	3.68%
Service index – Treated sewage	%	94.16%	93.83%	0.33%	0.35%
Connections	Thousand	1,499	1,420	79	5.56%
Households	Thousand	1,684	1,595	89	5.58%
Expansion of pipeline network	Km	16,383	15,970	413	2.59%

Table 1

Volume produced/billed/treated

Water – Oper. indexes	Unit	4Q2023	4Q2022	Var. %	12M23	12M22	Var. %
Water volume billed	Thousand	83,342	75,637	10.19%	311,143	297,882	4.45%
Water volume produced	Thousand	107,859	99,455	8.45%	412,282	399,578	3.18%
Sewage – Oper. indexes	Unit	4Q2023	4Q2022	Var. %	12M23	12M22	Var. %
Sewage volume billed	Thousand	54,819	49,084	11.68%	205,031	189,978	7.92%
Sewage volume treated	Thousand	51,843	45,977	12.76%	193,072	178,239	8.32%

Table 2

1.1 Personnel performance

The Company currently has 5,367 employees throughout the state of Goiás, who are responsible for 4,325 thousand households benefiting from sewage and water supply services.

The productivity of the workforce, measured by the ratio between the number of households (water + sewage) and the number of employees, increased from 766 Households/Employees to 806 Households/Employees in 2023.

This increase shows an improvement in the efficiency of 5.22%, caused primarily by the expansion of the customer portfolio in the period due to the increase in the number of households in 2.56% - Water and 5.58% - Sewage.



Graph 1

Area of Operation and Concessions



2. Area of Operation and Concessions

2.1 Operation and Concessions

As at December 31, 2023, Saneago has 223 contracts under operation, which are distributed as follows: 62 program contracts, 80 concession contracts and 81 concession under direct rendering of service contracts, all of them maturing December 17, 2049, as per the approval of State of Goiás microregion committee.

The following table breaks down the Company's share in net revenue for each type of service contract:

Area of operation

Type of contract	West Microregion		Center Microregion		East Microregion		Total	
	No. of Municipalities	% Net revenue	No. of Municipalities	% Net revenue	No. of Municipalities	% Net revenue	No. of Municipalities	% Net revenue
Program	18	5.99%	20	45.90%	24	19.57%	62	71.46%
Concession:	31	2.88%	28	4.73%	21	5.02%	80	12.63%
Direct rendering of services	30	7.24%	35	6.73%	16	1.94%	81	15.91%
Total	79	16.10%	83	57.36%	61	26.53%	223	100.00%

Table 3

Table 4 shows that the 10 municipalities with the highest billing represent 61.62% of the Company's net revenue, among which Goiânia and Anápolis stand out, respectively representing 36.16% and 7.24% of the Company's total billing.

Top 10 Contracts – Higher Net Revenues

Ranking	Cities	% Net revenue	Type of contract
1 st	Goiânia	36.16%	Program
2 nd	Anápolis	7.24%	Program
3 rd	Aparecida De Goiânia	4.16%	Program
4 th	Valparaíso De Goiás	2.72%	Program
5 th	Rio Verde	2.45%	Program
6 th	Luziânia	2.19%	Program
7 th	Formosa	2.10%	Concession:
8 th	Itumbiara	1.72%	Concession:
9 th	Planaltina	1.49%	Concession:
10 th	Trindade	1.39%	Program
Total		61.62%	-

Table 4

Operational improvements



ETE Dr. Hélio Seixo de Britto - Goiânia

3. Operational improvements

3.1 Project of replacement of hydrometer park

The Company has a project to implement volumetric technology in its hydrometer park. The Company entered into a contract for the supply of 580,000 volumetric hydrometers, each with a maximum flow of QMax 3 m³/h, with estimated total cost of R\$ 82,285 thousand.

In 2023, 299,611 volumetric hydrometers were delivered, which were distributed to operating units, for a total investment of R\$ 41,335,997.

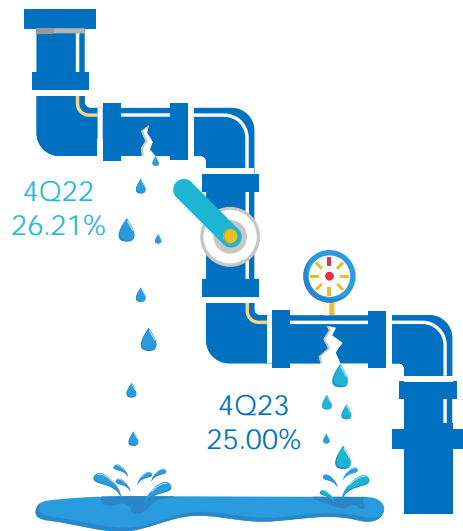
The Company expects to deliver and distribute 300,000 units in 2024. Considering the current average contract values, an investment of approximately R\$ 43,887 thousand is expected.

3.2 Loss rate

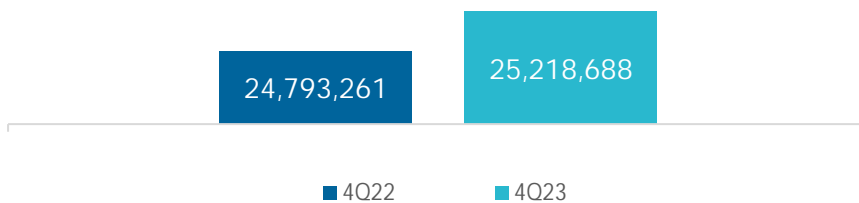
The Company reported a loss rate of 25.00% at the end of 4Q2022.

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

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

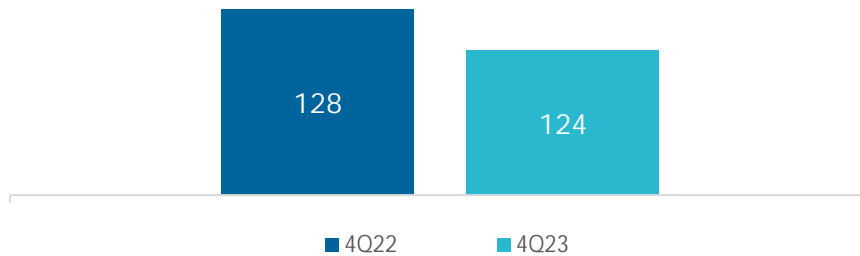


Loss of treated water per m³



Graph 2

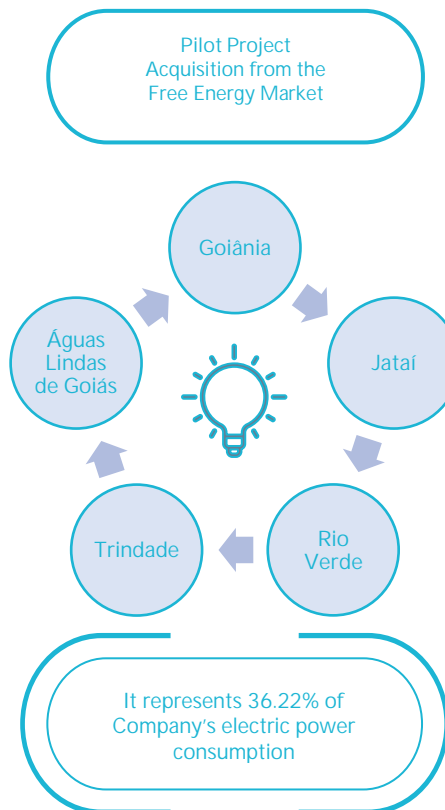
Loss per connection
(liters per connection per day)



Graph 3

3.3 Project of energy acquisition through the free energy market

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

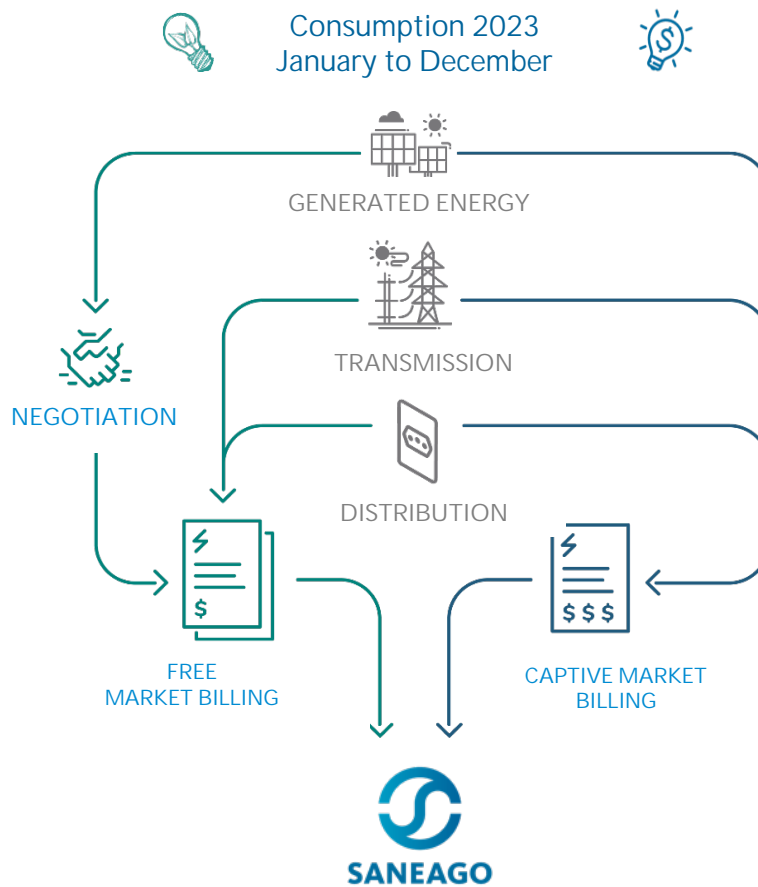


Five units are currently served by the contract in force, namely: Goiânia (Cascalho Water Lift Station (EAT), Mauro Borges Raw Water Station (EAB), João Leite EAT, Meia Ponte EAB, Ipiranga EAT, Vila Adélia EAT and Atlântico EAT), Rio Verde (Booster Abóbora), Jataí (Water collection, Water Treatment Station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

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

Between January and December 2023, the estimated savings with the new Consumer Units reached R\$ 18.8 million.

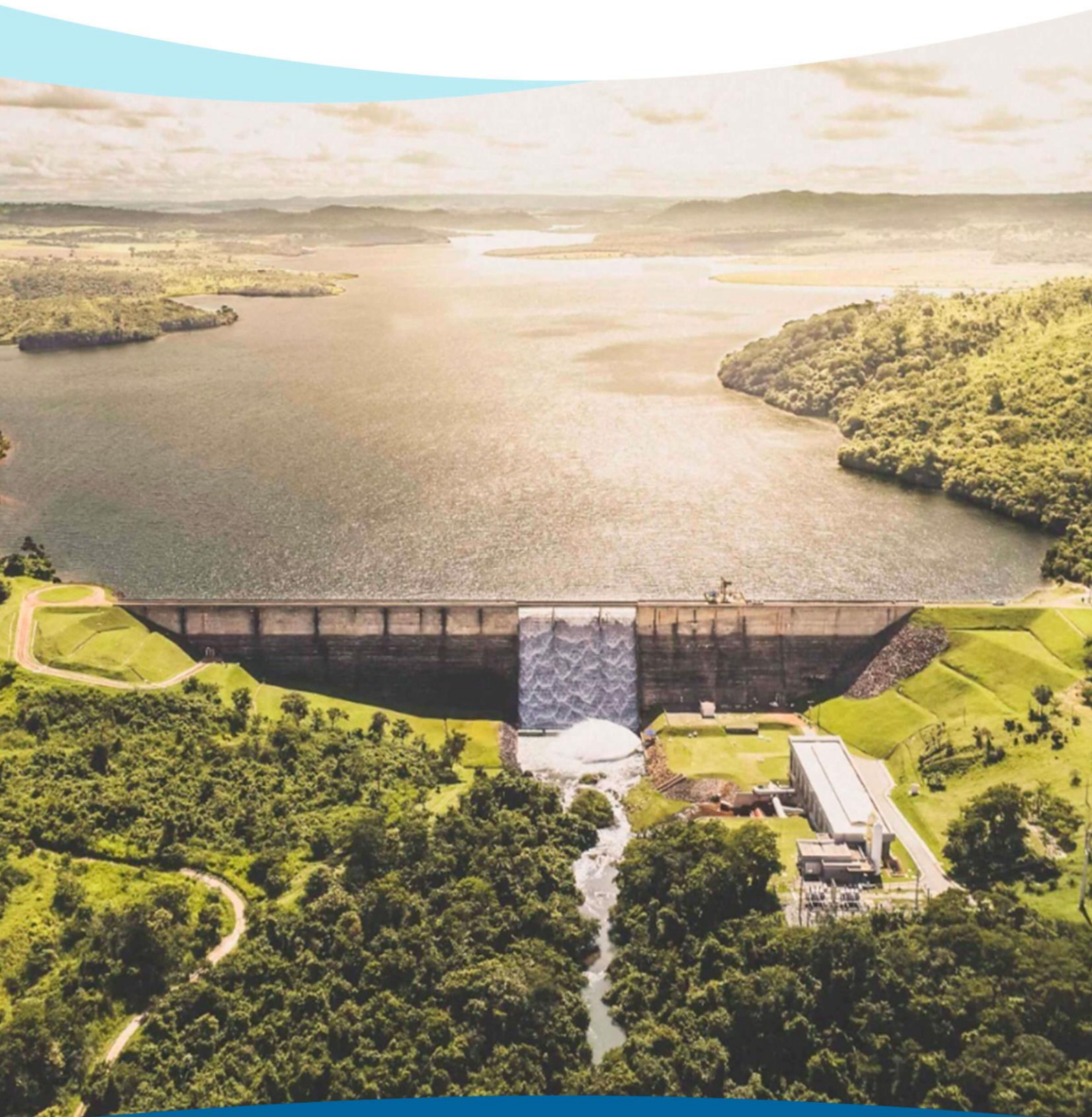
Future actions: The migration of another 42 UCs is included in the strategic energy management plan, to be annually migrated until 2025 and representing about 56.08% of all energy consumed by the Company.



Estimated savings

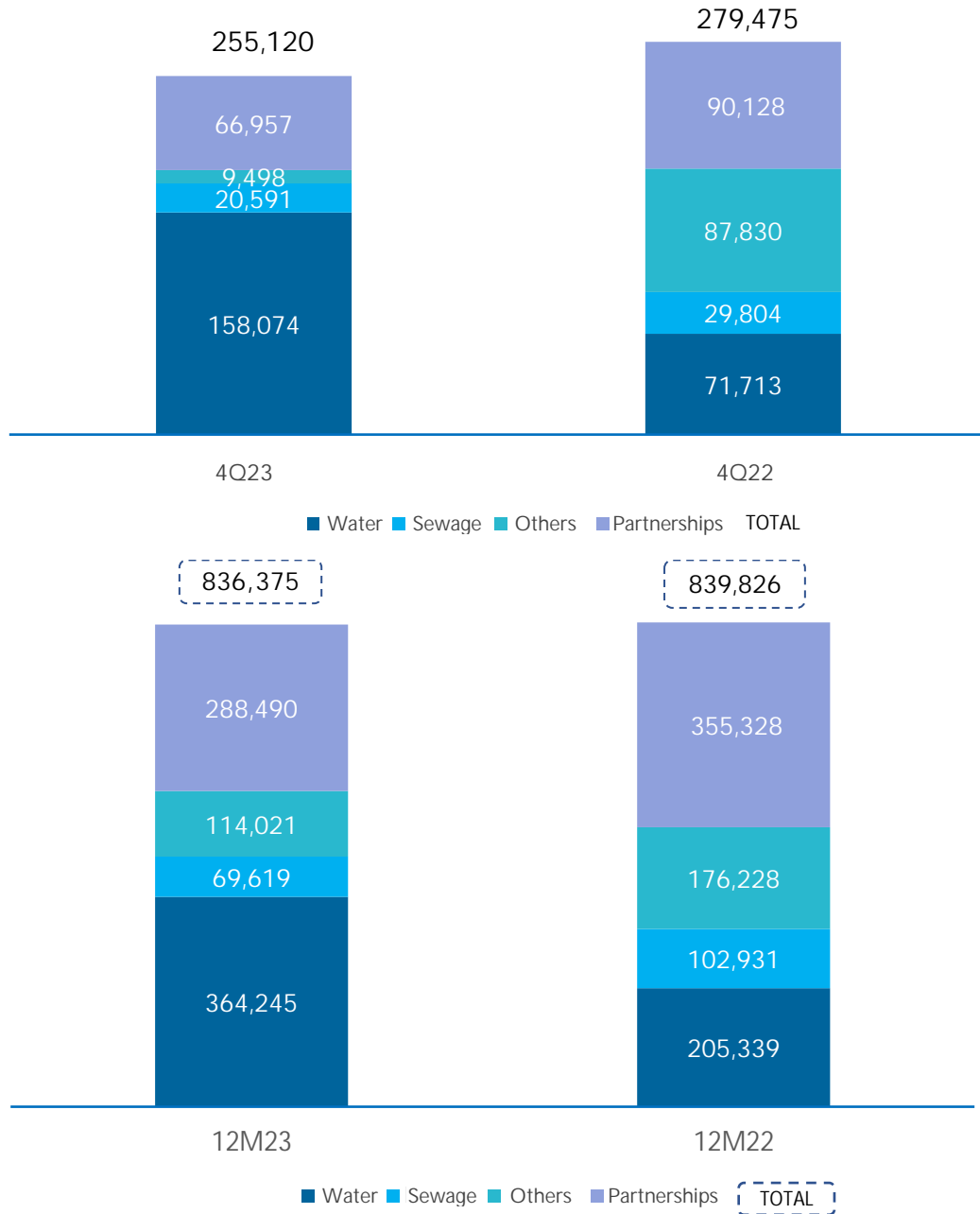
12M2023 | R\$ 18,847,609

Investments



4. Investments

Investments made in 4Q2023 totaled **R\$ 255,120 thousand**, as shown in Graph 4. Of this amount, 61.96% was invested in water supply systems, 8.07% was allocated to sewage collection and treatment systems, 3.72% was invested in operational improvement programs, general purpose goods and others, and 26.25% was invested through Partnerships. In 12M23, this represented an accumulated total of **R\$ 836,375 thousand**.



Graphs 4 and 5

The main difference observed was the increase in investments in Water Systems, from R\$ 205,339 thousand to R\$ 364,245 thousand in 2023, which is mainly due to the realization of the contracts entered into in the end of 2022. We also point out the realization of R\$ 55,864 in water system construction work by the outsourcing company BRK, in the municipalities of Rio Verde, Aparecida de Goiânia and Jataí, in compliance with the Conduct Adjustment Agreement entered into by the parties, as described in item 6.1.1.4. However, in relation to the group "Others", there was the record of Lease agreements of Vehicles, with no purchase option, in the amount of R\$48,425 thousand accounted for as per Technical Pronouncement (CPC) 06.

Breakdown of investments

INVESTMENTS	1Q23	2Q23	3Q23	4Q23	12M23
WATER	61,361	67,667	77,143	158,074	364,245
Water main - Untreated	2,036	1,312	274	81	3,703
Water main - Treated	11,608	11,210	11,666	27,963	62,447
Collection	1,174	1,519	4,219	15,532	22,444
Wastewater lift station	12,829	8,537	14,926	14,614	50,906
Water line	7,142	13,528	13,351	14,111	48,132
Water network	12,837	14,246	12,428	14,729	54,240
Treated water storage	4,969	11,183	11,584	42,858	70,594
Wastewater treatment	8,766	6,132	8,695	28,186	51,779
SEWAGE	10,641	10,161	28,226	20,591	69,619
Sewage lift station	806	1,458	478	93	2,835
Interceptor/emissary	123	142	26	3,165	3,456
Sewer line	133	6	13	17	169
Sewer network	3,752	2,981	2,353	2,225	11,311
Sewage treatment	5,827	5,574	25,356	15,091	51,848
OTHERS	49,248	33,068	22,207	9,498	114,021
Right-of-use of vehicles	34,150	11,852	-	2,423	48,425
Software (licenses)	6,463	12,301	1,455	2,030	22,249
Machinery, tractors and the like	4,190	3,022	8,742	29	15,983
Equipment	2,394	2,518	11,391	4,905	21,208
Furniture and fixtures	1,554	2,430	444	-	4,428
Others	497	945	175	111	1,728
Grand total	121,249	110,896	127,578	188,164	547,885

Table 5

In addition to the lease, we highlight the acquisition, in 4Q2023, of trucks and backhoes for city operations, in the amount of R\$ 15,983 thousand. Another significant investment of the category "Other" refers to cyber security software for data protection in the Company and other software to modernize Company's systems in the amount of R\$ 22,249 thousand.

We highlight the amount of R\$ 288,490 thousand invested by the Company by means of Private Partnerships for the expansion of sewage services in Rio Verde, Aparecida de Goiânia, Trindade and Jataí, according to Note 11.

4.1 Main Constructions Concluded in 2023

During 2023, the Company completed several investments in the Water Supply Services (SAA) and Sewage Systems (SES). Although construction work has not necessarily begun in 2023, final delivery of the working service to the population served occurred during that year.

- **Expansion of the Sewage System of Goiânia** - Implementation of 87.6 km of Collectors and Collection networks. We made **6,497 new connections** available. The population served by the sewage system in Goiânia reached **98.78%**. Investment: **R\$ 19.2 million**;
- **Expansion of the Sewage System in Anápolis** – Expansion of the sewage system with the interceptor sewer of Góis Basin. Implementation of **6,826 new residential lines** and **146 km of network**. The population served by the sewage system in Anápolis reached **83.05%**. Investment: **R\$ 18.6 million** ;
- **Expansion of the Sewage System of Luziânia** - Implementation of 133 km of collection network. We made **3,232 new connections** available. Investment: **R\$ 18 million** ;
- **Expansion of the Sewage System of Goiânia** - Implementation of 73 km of collection networks in the West region, making available **4,693 residential lines**. Investment: **R\$ 13.8 million**;
- **Expansion of the Sewage System of Goiatuba** - Implementation of 68 km of collection networks, making available **3,404 residential lines**. Investment: **R\$ 12.2 million**;
- **Expansion of the Sewage System of Goiânia** - Implementation of 48 km of collection networks. We made **3,314 new connections** available. Investment: **R\$ 10.8 million** ;
- **Expansion of the Water Supply System of Novo Gama** – Expansion of the water supply system by installing five (5) tube wells, one compact 21 m³/h wastewater lift station (ETA), four (4) standpipes and one (1) elevated tank, as well as extension of the water network by 29km, making **541 new connections** available. Investment: **R\$ 9.6 million**;
- **Expansion of the Water Supply System of Padre Bernardo** – Implementation of supply systems in Vendinha and Monte Alto by installing one (1) wastewater lift station, one (1) standpipe and one (1) elevated tank, as well as expansion of the water network by 74 km. Investment: **R\$ 7.5 million**;
- **Expansion of the Sewage System of Cachoeira Dourada** - Implementation of 48 km of collection networks, making available **630 residential lines**. Investment: **R\$ 5.8 million**;
- **Expansion of the Water Supply System of Anápolis** – Expansion and improvement of the Calixtópolis and Recanto do Sol Treated Water Storage Center, as well as improvements to the distribution network and influence areas. Investment: **R\$ 5.8 million**;

- **Expansion of the Water Supply System of Anápolis** – Implementation of the Airport Treated Water Storage Center, distribution networks, electrical installations and system automation. Investment: **R\$ 5.6 million**;
- **Expansion of the Sewage System of Pirenópolis** - Implementation of 25 km of collection networks. We made **325 new connections** available. Investment: **R\$ 5.2 million**;
- **Expansion of the Sewage System in Inhumas** – Expansion of the sewage collection networks with 1.5 km of new networks. The population served by the sewage system in Inhumas reaches **80.87%**. Investment: **R\$ 4.7 million**;
- **Expansion of the Water Supply System of Cachoeira Dourada** – Expansion of the distribution network in 13.2 km, making available **1,152 residential lines**. Investment: **R\$ 1.7 million**.

4.2 Expansion scenario in 2024

The Company has a total of R\$ 605 million in contracted construction work, with R\$ 390 million for expansion of the Water Supply System and R\$ 215 million for expansion of the Sewage Services. Of this total, R\$ 356 million shall be delivered in 2024. The main construction work being carried out is the following :

4.2.1 - Water Supply Systems (SAA):

- **Water supply system of Goiânia (Cristina Connection and João Leite Booster)**, implementation of João Leite Booster and the Treated Water Main (DN 1200), which will connect the both of Goiânia's water producing systems (João Leite and Meia Ponte). Investment amount is **R\$ 64 million**;
- **Water supply system of Goiânia (Expansion of the SAA – Batch No. 2 – Northwest Region)**, this refers to 7.6 Km of Treated Water Mains (DN 800 to DN 1200), Paineiras, Recanto, Solar Ville 2 and Floresta Treated Water Storage Centers (CRs), and Liberdade and Vera Cruz boosters, in the city of Goiânia. Investment amount is **R\$ 45 million**;
- **Expansion and improvements to the Water Treating Station of Anápolis**, which comprises the installation of two new water treatment modules, one residue treatment unit and other units that will increase treatment capacity from 800 L/s to 1600 L/s. Investment amount is **R\$ 51.8 million**;
- **Expansion of the Water Supply System of Águas Lindas de Goiás**, which comprises the execution of the Treated Water Storage Centers of Bonitas, Planalto, Quedas and Querência, as well as the water distribution networks and mains in their respective areas of influence. Investment amount is **R\$ 33.0 million**;
- **Implementation of the Water Supply System of Campos Lindos District, in Cristalina Municipality**, consisting of the execution of 14 wells, 02 Treated Water Storage Centers (Alphaville and Marajó), a lifting station, modular water treatment stations, mains, water distribution networks and household connections. Investment amount is **R\$ 24.9 million**;
- **Expansion of the Water Supply System of Goiânia**, includes the implementation of Booster ETAG, with total pumping capacity of 4,800 L/s. Investment amount is **R\$ 21.0 million**;

- Expansion of the Water Supply System of São Luís de Montes Belos, includes the implementation of a new raw water collection unit in Ribeirão Santa Rosa, increasing water production to 117 L/s. Investment amount is **R\$ 22.6 million**.

4.2.2 - Sewage Systems (SES):

- Expansion of Sewage Treatment Station Dr. Hélio Seixo de Britto, in Goiânia, including the implementation of a secondary treatment using an activated sludge system. Investment amount is **R\$ 124 million**;
- Expansion of the Sewage System of Novo Gama. Implementation of SES Santa Maria, including the Sewage Lifting Station and Sewage Treatment Station. Investment amount is **R\$ 72.4 million**;
- Expansion of the Water Supply System of Rio Verde, comprising the implementation of a new Water Treatment Station in Rio Verdinho, whose nominal treatment capacity is of 800 L/s. Investment amount is **R\$ 61.8 million**.
- Expansion of the Sewage System of Anápolis. Conclusion of the expansion of the Sewage Treatment Station. Investment amount is **R\$ 55 million**;

Financial Performance - Revenue



Sistema Produtor Corumba no município de Luziânia

5. Revenue

5.1 Revenue

In 4Q2023, the Company reported an increase of **18.42%** in revenue from Water and Sewage services.

In 12M23, this represented an accumulated total of **11.04%**. This result mainly reflects the 7.02% tariff adjustment as of April 01, 2023.

Additionally, the **4.45%** increase in the volume of water billed in the period also stands out, i.e., there was increase in customer consumption mostly in the residential and commercial categories. We also highlight the increase of **2.56%** in households for water services and of **5.58%** in households for sewage services.

Revenue from Sewage and Water Supply Services

Revenue by type of service	4Q2023	4Q2022	Var. %	12M23	12M22	Var. %
Residential water services	408,708	332,167	23.04%	1,483,960	1,328,841	11.67%
Social tariff	2,508	2,175	15.31%	9,607	6,721	42.94%
Commercial	56,900	46,709	21.82%	209,099	184,097	13.58%
Industrial	15,027	11,800	27.35%	53,874	47,451	13.54%
Public	31,243	24,765	26.16%	113,303	99,308	14.09%
Indirect revenue from services	9,960	9,236	7.84%	36,952	33,616	9.92%
Minimum fixed rate	80,870	74,668	8.31%	315,538	296,949	6.26%
Social subvention	-	603	-100.00%	-	2,159	-100.00%
Water total	605,216	502,123	20.53%	2,222,333	1,999,142	11.16%
Residential sewage services	195,047	164,894	18.29%	726,232	646,182	12.39%
Social tariff	1,026	829	23.77%	3,798	2,707	40.30%
Commercial	42,900	36,558	17.35%	159,226	142,048	12.09%
Industrial	5,885	5,291	11.23%	22,136	20,742	6.72%
Public	19,002	15,931	19.28%	69,514	61,569	12.90%
Indirect revenue from services	15,204	14,954	1.67%	58,563	57,379	2.06%
Minimum fixed rate	29,758	26,756	11.22%	115,600	104,153	10.99%
Outsourcing	2,275	2,275	0.00%	9,100	9,100	0.00%
Sewage total	311,097	267,488	16.30%	1,164,169	1,043,880	11.52%
Technical services	582	463	25.70%	2,353	2,298	2.39%
Total gross revenue (water+sewage)	916,895	770,074	19.07%	3,388,855	3,045,320	11.28%
Deductions	(90,682)	(72,351)	25.34%	(320,981)	(282,444)	13.64%
Revenue from water and sewage	826,213	697,723	18.42%	3,067,874	2,762,876	11.04%

Table 6

Financial Performance - EBITDA



6. EBITDA

6.1 EBITDA

The Company's EBITDA reached **R\$ 298,875** in 4Q2023 in comparison to R\$ 194,438 recorded in the same period of the previous year, totaling an increase of 53.71% in relation to 4Q2022. In 12M23, the accumulated EBITDA reached R\$ 995,903 thousand, **43.07%** higher than that recorded in 12M22.

In 4Q2023, the main impacts were:

- Increase in Net Revenue of 18.42% resulting from both the 7.02% tariff adjustment as of April 01, 2023, and the 2.56% increase in households benefiting from water supply services and 5.58% increase in households benefiting from sewage services.
- Reversal of R\$ 119,923 thousand from civil court proceedings against Minaçu Municipality (R\$ 75,123 thousand) and against the Workers Union (R\$ 44,800 thousand). The latter realized as an expense in Other Expenses group;
- Reduction of energy costs by R\$ 22,170 thousand, mainly due to the migration of 36.22% of the company's energy source to the Free-Energy Market.

The EBITDA on net revenue in 4Q2023 was **36.17%** in comparison to 27.87% in the same period of the previous year.

Performance of Financial Income (Loss)

Performance of Financial Income (Loss)	4Q2023	4Q2022	Var. %	12M23	12M22	Var. %
Total net revenue (+)	826,213	697,723	18.42%	3,067,874	2,762,876	11.04%
Personnel (-)	(325,593)	(291,586)	11.66%	(1,206,143)	(1,259,589)	-4.24%
Materials (-)	(32,324)	(25,440)	27.06%	(118,963)	(97,913)	21.50%
Third parties (-)	(69,526)	(58,752)	18.34%	(246,741)	(225,366)	9.48%
Electricity (-)	(64,318)	(59,392)	8.29%	(239,588)	(261,757)	-8.47%
General (-)	(10,379)	(7,590)	36.75%	(29,248)	(26,588)	10.00%
Concession-related compensation (-)	(27,515)	(23,746)	15.87%	(100,675)	(90,875)	10.78%
Tax expenses (-)	(4,404)	(2,922)	50.72%	(35,062)	(17,465)	100.76%
Provisions/Reversals (-)	(5,675)	(44,453)	-87.23%	(81,445)	(84,562)	-3.69%
Credit Losses/Recovery (-)	11,934	9,757	22.31%	33,345	48,438	-31.16%
Other revenues/expenses (-)	462	839	-44.93%	(47,450)	(51,129)	-7.20%
Amortization/depreciation (-)	(42,171)	(34,958)	20.63%	(157,653)	(124,461)	26.67%
Total costs and expenses (=)	(569,509)	(538,243)	5.81%	(2,229,623)	(2,191,267)	1.75%
Financial income (loss) (-)	(1,186)	(4,411)	-73.11%	(20,227)	(18,481)	9.45%
Current/Deferred Income and Social Contribution taxes (IRPJ and CSLL) (-)	(77,972)	(41,428)	88.21%	(234,167)	(151,493)	54.57%
Net income (=)	177,546	113,641	56.23%	583,856	401,636	45.37%
EBITDA	298,875	194,438	53.71%	995,903	696,071	43.07%
EBITDA margin	36.17%	27.87%	29.81%	32.46%	25.19%	28.85%
Adjusted EBITDA	306,715	229,134	33.86%	1,062,235	863,759	22.98%
Adjusted EBITDA margin	37.12%	32.84%	13.04%	34.62%	31.26%	10.75%

Table 7

EBITDA Reconciliation

EBITDA Reconciliation	4Q2023	4Q2022	Var. %	12M23	12M22	Var. %
Net income	177,546	113,641	56.23%	583,856	401,636	45.37%
(-) Amortization/depreciation	(42,171)	(34,958)	20.63%	(157,653)	(124,461)	26.67%
(-) Financial income (loss) (-)	(1,186)	(4,411)	-73.11%	(20,227)	(18,481)	9.45%
(-) Current/Deferred IRPJ and CSLL	(77,972)	(41,428)	88.21%	(234,167)	(151,493)	54.57%
(=) EBITDA	298,875	194,438	53.71%	995,903	696,071	43.07%

Table 8

6.1.1 Non-recurring items

6.1.1.1 Personnel and charges

In the months of February and March, 2022, the Company dismissed 433 employees through the 2022 Voluntary Redundancy Program (PDV). As per CVM Resolution No. 156/22, the Company classified the indemnity costs, excluding the regular budget, as non-recurring, and removed its effects on the calculation of Adjusted EBITIDA, totaling R\$ 131,566 thousand.

In November 2023, the Company entered into a Collective Bargain Agreement (ACT) with the Worker's Union, which provides that a cash bonus of R\$ 2,528 should be paid in November. This cash bonus was paid for indemnity purposes, and it is not expected to occur again in the next ACT. Therefore, the Company understands there are no recurring effects in the Company's financial statements and margins. Total installment amount was R\$ 11,300 thousand.

In December 2023, the Company entered into a Legal Agreement with the Worker's Union to call for the termination of a labor proceeding regarding the calculation of weekly paid days off. It was agreed that the Company would pay R\$ 42,691 thousand, which includes legal costs and fees. The Company understands that this payment should not be considered for future margin forecasting purposes.

6.1.1.2 Tax

In June 2023, the Company recognized R\$ 4,133 thousand as non-recurrent, referring to the Regulatory and Inspection Fees charged by the city of Rio Verde on sewage services. These fees refer to the period from 2020 to 2022, and were paid for services rendered in the city by the subdelegate, BRK Ambiental, whom, in 2023, requested to Saneago that those values be reimbursed. The values were classified as non-recurring. Those relating to 2023 were not classified as non-recurring.

6.1.1.3 Legal and Court

Also in November, the Company recognized expenses of R\$ 10,805 thousand as loss of suit fees from legal proceedings that questioned ICMS (State VAT) credits in electricity billings. Due to the non-recurring nature of this proceeding, Management understand this amount has no significant effect in the Company's projections and margins.

6.1.1.4 Other revenues/expenses

In October, November and December, the Company recognized under Contractual penalties a total of R\$ 55,864 thousand, from penalties applied to outsourcing company BRK Ambiental, relative to operations in Aparecida de Goiânia, Jataí and Rio Verde. This amount was transferred to the Company by means of construction work performed to the Water System's infrastructure in the outsourcing municipalities. Management understands this revenue to be non-recurring, therefore it was not considered for adjusted margin calculations.

6.2 Adjusted EBITDA

Pursuant to Article 7 of CVM Regulatory Instruction No. 156, the Company informs that, from 2023 on, it began adopting the presentation of the balance of Provisions/Reversals, and of Credit Loss/Recovery, along with the group Other revenues/Other expenses, for adequacy of its framework to CPC Technical Pronouncement CPC 26 (R1) – Presentation of Financial Statements. The information is still detailed in Note 33 – Other revenues/Other expenses.

The adjusted EBITDA measured for 4Q2023, 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\$ 306,715 thousand**, representing an increase of **33.86%** in comparison to the same period of the previous year. In 12M23, the accumulated Adjusted EBITDA was **R\$ 1,062,235 thousand**.

This raise was affected by the 11.04% increase in Net Revenue for the 12M23 resulting from both the 7.02% tariff adjustment as of April 01, 2023, and the **2.56%** increase in households benefiting from water supply services and **5.58%** benefiting from sewage services. We also point out the reduction in expenses with personnel of R\$ 53,446 thousand, in comparison to 2022, when disbursements were performed in regard to the 2022 PDV, mentioned in item 6.1.1.1.

Adjusted EBITDA Reconciliation

EBITDA Reconciliation	4Q2023	4Q2022	Var. %	12M23	12M22	Var. %
EBITDA (+)	298,875	194,438	53.71%	995,903	696,069	43.07%
Provisions/Reversals (+)	(5,675)	(44,453)	-87.23%	(81,445)	(84,562)	-3.69%
Credit Losses/Recovery (+)	11,934	9,757	22.31%	33,344	48,438	-31.16%
PDV 2022 – Non-recurring	-	-	-	-	(131,566)	-100.00%
Regulatory and Inspection Agency of the City of Rio Verde (AMAE) – Non-recurring	-	-	-	(4,133)	-	-
BRK Penalty – Non-recurring	(50,697)	-	-	(50,697)	-	-
ICMS (State VAT) – Loss of suit fees	10,805	-	-	10,805	-	-
ACT Cash Bonus - 2023	11,300	-	-	11,300	-	-
Labor claim – Worker's Union	42,691	-	-	42,691	-	-
Adjusted EBITDA	316,580	247,514	27.90%	755,519	634,625	19.05%

Table 9

The Adjusted EBITDA on net revenue (adjusted EBITDA margin) in 4Q2023 was **37.12%**, compared to 32.84% calculated in the same period of the previous year. In 12M23, the accumulated percentage reached **34.62%**.

6.3 Costs and expenses

6.3.1 Personnel

Expenses on personnel measured in 4Q2023 amounted to R\$ 325,593 thousand, representing an increase of 11.66% in comparison with the same period of 2022. Personnel costs were affected by the inflationary adjustment offered to the workers from November 2023 of 3.74%, as well as regular growth and career plan, hence the increase in costs. Additionally, the workers were offered a cash bonus of R\$ 2,528, as defined by the agreement. In the 12M23 accumulated analysis, the variation was 4.24%, mainly from indemnities from 2022 PDV, through which 443 employees were dismissed in 1Q2022 at a cost of R\$ 142,215 thousand, and also for terminations due to mandatory retirements.

6.3.2 Electricity

Electric power cost totaled R\$ 64,318 in 4Q2023, presenting an increase of 8.29% compared to 2022. In the 12M23 accumulated analysis, the variation was -8.47%.

Among the most important factors for this variation, we highlight the following:

- Negative tariff adjustment applied in 10/22/2023 by Equatorial of -5.3%;

- Free-Energy market adjustment as from 12/10/2023 of 4.62%;
- Expansion of Company's water production by 4.45% in 2023, leading to an increase of 8.87% in KWH consumption;
- Transfer of more than 10 consumer units to the Free-Energy Market in March 2023, along with an estimated yearly savings of R\$ 18,847 thousand, as per item 3.2.
- Enactment of Statute 194/2022, limiting the charge of ICMS in electric power at 17%, in July 2022. The previous tax rate applied was 29%.

6.3.3 Materials

There was a 27.06% increase in expenses on materials in 4Q2023, reaching R\$ 32,324 thousand. In 12M23, this represented an accumulated total of R\$ 118,963 thousand. The main factor for this elevation was the increase in costs of water treatment materials of 30%, as well as the increase in consumption from the 4.45% rise in the volume of water production in 4Q2023.

We also point out that the increase in fuel expenses of R\$ 1,845 thousand was due to the increase in fuel prices, as well as the increase in fuel consumption, mainly diesel used to fuel electricity generators during the drought period.

6.3.4 Third-party services

Expenses with third parties increased by 18.34% in 4Q23, and by 9.48% in 12M23. Among the most impactful factors are the agreements entered into for asphalt recovery, in the second half of 2022. This service, previously rendered by the municipal governments, is now under the Company's responsibility and was outsourced to third-party companies. Changes to expenses under System maintenance account reached R\$ 17,448 thousand. However, the other services requiring exclusive workforce (surveillance, cleaning and meter reading) were affected by yearly adjustments based on the Collective Bargaining Agreements of each workers category, increasing costs by R\$ 10,217 thousand. We call your attention to the amendment in 1Q23, in which video surveillance services were added, increasing the agreement costs.

6.3.5 General

The values of general expenses increased by 36.75% in 4Q2023 and by 10% in 12M23. The main reason for this increase was the sponsorships offered by the Company of R\$ 6,137 thousand, against R\$ 2,161 thousand in 2022, by means of the Law for Cultural Development.

6.3.6 Contractual/Concession-related compensation

Amounts paid to municipal governments arising from service and concession contracts increased by 15.87% in 4Q2023. In 12M23, this represented an accumulated total of 10.78%. This is due to the return of compensation payments in several cities within the State of Goiás, such as the municipalities of Jaraguá, Porangatu and Caiapônia. Also, there was tariff adjustment of 7.02% from April 01 2024, the main basis of calculation for compensation.

6.3.7 Tax

Tax expenses in 4Q2023 increased by 51% in relation to 4Q2022. In 12M23, this variation was 101%, reaching an accumulated total of R\$ 35,062 thousand, compared to R\$ 17,465 in 12M22. Notably, the payment of the regulatory fee for 2023 of R\$ 5,478 thousand to the Regulatory Agency of Goiânia (AR) was not charged in 2022 for legal reasons. Nonetheless, in 2023, the Company recognized the amount of R\$ 6,021 thousand, of which R\$ 4,133 thousand were accounted for as tax expenses relating to the Regulatory and Inspection Fee charged by the municipality of Rio Verde on sewage services rendered in the city between 2020 and 2022, paid by the corresponding subdelegate, BRK Ambiental, whom, in 2023, requested to Saneago that those values be reimbursed.

6.3.8 Other expenses/Other revenues

The group Other expenses and Other revenues presented a reduction of 7.19%, in 12M23. Within this group, the main changes were to Revenues from Contractual Penalties of R\$ 57,005 thousand, mainly due to the penalty applied to outsourcing companies for sewage services of R\$ 55,864, as per item 6.1.1.4. However, R\$ 42,691 thousand were recorded as indemnities and fee payment for the labor claim initiated by the Workers Union, whose payment was decided in a legal agreement. There are also incidental fees amounts of approximately R\$ 10,333 thousand. That claim was covered by a provision of R\$ 44,800 thousand.

6.4 - Provision for losses/recovery of barred credits

Provisions/Reversals

Reversals (-) Provisions, Net	4Q2023	4Q2022	Var. %	12M23	12M22	Var. %
Provision for contingencies	17,534	(7,368)	-337.98%	13,821	13,159	5.03%
Allowance for doubtful accounts	(14,511)	(21,926)	-33.82%	(99,891)	(92,307)	8.22%
Inventory valuation allowance	(136)	(1,698)	-91.99%	3,013	4,254	-29.15%
Provision for profit sharing (PPR)	(8,997)	(10,525)	-14.52%	(10,304)	(4,078)	152.59%
Estimated losses on concessions	-	(2,936)	-	(48)	(5,590)	- 99.14%
Reversal of losses on construction	435	-	-	11,964	-	-
Provisions/ Losses and Recovery of credits	(5,675)	(44,453)	-87.23%	(81,445)	(84,562)	-3.69%

Table 10

Credit Losses/Recovery

Reversals (-) Provisions, Net	4Q23	4Q22	Var. %	12M23	12M22	Var. %
Losses on barred credits	11,934	9,757	22.31%	33,345	48,438	-31.16%

Table 11

According to the table above, there was a decrease of 87.23% in the debt balance between reversals and provisions in 4Q2023 and more than 3.69% in 12M23.

The main highlights were:

- In 2023, net debtors balance was of R\$ 10,304 thousand, due to the reversal of R\$ 39,324 thousand from the payment of 2022 Profit Sharing Program and provisioning of R\$ 49,628 thousand for the payment of 2023 Profit Sharing Program.
- In 1Q2023, there was the reversal of R\$ 75,123 thousand referring to a legal proceeding from the municipality of Minaçu, which had been provisioned in 2021, and now considered ungrounded.
- Reversal of R\$ 44,800 thousand relative to the labor claim mentioned in item 6.3.8;
- Reversal of Estimated losses from construction work due to the identification of feasibility and subsequent immobilization in the accumulated amount of R\$ 11,964.

6.5 - Net Financial Income (Loss)

The results reported in 4Q2023 show a debt balance of R\$ 1,186 thousand. In 12M23, this represented an accumulated total of R\$ 20,227 thousand. For this period, the main reasons for variation were the following:

- a) Increase of earnings from financial investments of R\$ 19,767 thousand due to higher profitability of investments tied to Central Bank Overnight Rate (SELIC) index, as well as the investment of amounts from the 11th Issue of Debentures;

- b) Reduction of R\$ 955 thousand in income from exchange rate gains (losses) for the year due to the US Dollar's fluctuation.

Financial revenues and expenses, net

Financial income (loss)	4Q2023	4Q2022	Var. %	12M23	12M22	Var. %
Interest/fine	32,631	28,067	16.26%	115,156	101,169	13.83%
Monetary adjustment	10,501	9,422	11.45%	30,126	37,188	-18.99%
Discount to present value	(1,017)	310	- 427.96%	(74)	2,109	-103.49%
Total financial revenues	42,115	37,799	11.42%	145,208	140,466	3.38%
Interest/Charges and Expenses	(43,579)	(44,041)	-1.05%	(164,880)	(160,022)	3.04%
Monetary adjustment	(2,216)	(739)	199.85%	(5,684)	(5,009)	13.48%
Exchange rate gains (losses)	2,494	2,570	-2.96%	5,129	6,084	-15.70%
Total financial expenses	(43,301)	(42,210)	2.58%	(165,435)	(158,947)	4.08%
Financial income (loss)	(1,186)	(4,411)	-73.12%	(20,227)	(18,481)	9.45%

Table 12

6.6 Net income

The Company's income for 4Q2023 amounted to R\$ 177,546 thousand. In 12M23, the accumulated total was **R\$ 583,856** thousand, compared to R\$ 401,636 in 12M22, which represents an increase of **45%**. One of the main reasons for this raise was the reversal of the legal proceeding filed with the municipality of Minaçu, in the amount of R\$ 75,123 thousand, as explained in Item 6.4. Additionally, electricity costs decreased by R\$ 22,170 thousand in 12M23.

However, the increase in net revenue by 11.04% in 12M23 mainly due to the expansion in households for water services by 2.56% and households for sewage services by 5.58%, and to the 7.02% tariff adjustment as from April 01, 2023.

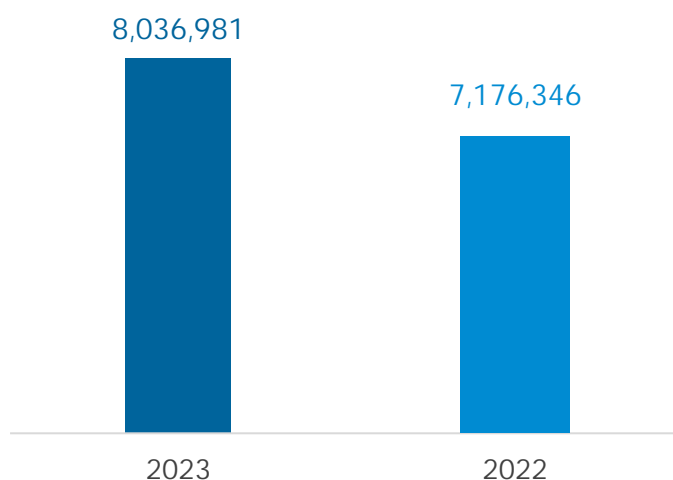
Analysis and Discussion about the Structure of Assets



7. Analysis and Discussion about the Structure of Assets

In the analysis below about the Company's equity structure, we tried to include the accounts that we understand to be the most significant and justify the change in them in 4Q2023 in comparison with that recorded at the end of the previous year.

Progression of Total Assets



Graph 6

In 4Q2023, the main change in the structure of assets was in the group cash and cash equivalents and financial investments, with a decrease of R\$ 875,047 thousand in the period.

This increase mainly arises from the Eleventh Issue of Debentures, whose gross amount is R\$ 300,000 thousand, in August. This cash increment caused the increase of the Company's current liquidity to 1.8299 from 1.7352 in the end of 2022.

As for the increase in total assets, it was also due to the increase in Intangible and Sub-delegation assets in view of investments made by the Company, of R\$ 236,822 thousand and R\$ 226,451 thousand, respectively.

Additionally, there was an increase in third-party capital (liabilities/equity) by 95.16% at the closing of 2022 in comparison with 96.74% at the closing of 2023.

7.1 Assets

Structure of Assets 2023



Graph 7

7.1.1 Current assets

7.1.1.1. Cash and cash equivalents

There was an increase of R\$ 177,695 thousand in cash and cash equivalents and financial investments, resulting in a balance of R\$ 697,352 thousand at the end of 4Q2022, compared to R\$ 875,047 thousand at the end of 4Q2023.

Among the main factors, we point out:

- Payment of dividends/interest on equity capital, as well as the Profit Sharing Program for 2022, in the amounts of R\$ 95,388 thousand and R\$ 39,323 thousand, respectively.
- Eleventh Issue of Debentures in the amount of R\$ 300,000 thousand, in August this year.
- Increase in revenues for the period by 8.92%, approximately R\$ 267,266 thousand.

7.2 Liabilities

7.2.1 Current liabilities

7.2.1.1 Provision of profit sharing to employees

The account of Provision of profit sharing to employees increased by R\$ 7,589 thousand, as a result of the provisioning for the 2023 profit sharing program, to be paid in 2024, due to the increase of profit in the period.

7.2.1.2 Dividends and Interest on Equity Capital Payable

This account increased 45.37% to R\$ 138,666 thousand, from R\$ 95,388 thousand in 2022. This is mainly due to the increase in net income for the period of R\$ 583,856 thousand

We point out that R\$ 95,388 thousand were paid as Dividends in June 2023.

7.2.1.3 Lease

There was an increase of R\$ 14,568 in leases, which corresponds to around 66.52%, resulting from new contracts entered into as per CPC 06.

7.2.2 Noncurrent liabilities

7.2.2.1 Debentures

Non-current debentures increased by R\$ 74,364 thousand up to R\$ 669,345 thousand in this 4Q2023. We highlight the Eleventh Issue of Debentures in August in the amount of R\$ 300,000 thousand, as well as the amortization of the sixth, eighth and ninth issues, and also the proximity of the grace period of the tenth issue, resulting in transfers of amounts from non-current to current.

7.2.2.2 Lease

There was an increase of R\$ 14,811 in leases, which corresponds to around 16.65%, resulting from new contracts entered into as per CPC-06.

7.3 Equity

Due to the income determined in the period, equity presented an increase of approximately R\$ 407,757 thousand, corresponding to a positive variation of 11.09%.

Breakdown of liabilities – Equity - 2023



Graph 8

Legal Sanitation Framework



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

On July 15, 2020, Law No. 14.026/2020 was published, changing the Brazilian Legal Sanitation Framework. The main changes were the following: I) Universalization legal targets; II) Regionalization: preference for the regionalization of services rendered, over fragmentation of services; III) Regulation: the National Water Agency (ANA) is to establish general regulatory guidance, nationwide, enforcing homogeneity and legal safety; IV) Competition: it established the principle of competitive selection of the service providers.

As for targets, new universalization targets were set to meet the demand for sanitation services, including water supply, sewage collection and treatment and solid waste management, which must be attained by 2033. In this second phase, contracts that did not include universalization targets should have been amended by March 31, 2022 and the Company amended 114 contracts out of the 121 for which an economic and financial feasibility study was carried out.

As for the regionalization process, on May 22, 2023, the state issued Statute No. 182/2023, establishing the Basic Sanitation Microregions and their respective governance structures. Three (3) microregions were established in the State: East, Center and West; and their respective governance structures consist of: i) Microregion Committee, a decision-making body; ii) Technical Committee, a technical and advisory body; iii) Participatory Council; iv) General Secretary, an elected executive officer; and v) Integrated system for the management of resources and rendering of accounts regarding resources managed for each microregion.

During second assembly of each respective microregions, which occurred on December 20, 2023, the direct rendering of sanitation services by Saneago was approved for the locations whose service rendering contracts are not effective anymore. The alignment of maturity dates for the contracts in effect to December 17, 2049, was also approved. Only necessary technical adjustments are needed to formalize each situation's documents, as per the decision of the Microregion Committees.

Until the direct rendering of services is formally documented, the concession contracts existing as at the date of publication of Federal Law No. 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, by force of the "principle of continuity" and because those are essential services for the population, Saneago is still responsible for the rendering of treated water supply and sewage services, until new concessions are realized by the municipalities, as well as it is entitled to indemnities for non-amortized assets, pursuant to Article 36 of the Concession Law.

The new sanitation framework also did implement the requirement for service rendering companies to prove their economic and financial capacity to fulfill agreements, as per Article 10-B of Federal Law No. 11.445/2007. The Federal Government published Decree No. 10.710/2021, revoked by Decree No. 11.466/2023 and currently ruled by Decree No. 11.598/2023, with instructions on the methodologies that should be adopted.

While Decree No. 10.710/2021 was in effect, 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.

Lastly, taking into consideration that the Federal Decrees No. 11.598/2023 and 11.599/2023 have updated rules to prove the providers have economic and financial capacity, including every Municipality served by the Company to the scope of analysis, Saneago has performed new studies, which were evaluated by Ernest Young certifiers, and has submitted them to the regulatory authorities, including the scenarios arising from the Regionalization of services in the State of Goiás. According to Decree No. 11.598/2023, regulators shall issue their conclusion on the studies until March 31, 2024.

Regarding the corporate environment, besides the amendments to the law that created the Company (Law No. 6.680/1967) and the restructure to comply with the New Framework requirements, the Company has created a specialized unit to ensure its capacity to participate in biddings and to comply with its obligations more efficiently.

Corporate Governance



9. Corporate Governance

Saneago bases its corporate governance on essential principles that guide its actions and decisions. Transparency is one of the fundamental pillars, ensuring that the Company correctly publishes information that is relevant to all parties involved, either internal or external, including shareholders, investors, employees, customers and regulatory agencies.

In this context, the Company recognizes the vital importance of corporate governance to assure sustainable growth and efficient compliance with public policies. Its objective is to promote the principles of transparency, rendering of accounts, equality and corporate responsibility.

At Saneago, Corporate Governance concerns the adherence to rules that unify the search for social, environmental, financial and economic sustainability, and the promotion of an ethical environment in conducting business. The commitment to public interest is constant, and the Company seeks to achieve its social objectives responsibly and efficiently.

To assure the effective implementation of corporate governance, Saneago has the following governance bodies: General Meeting; Board of Directors and Executive Board; Fiscal Council, Internal and Statutory Audit Committee; as well as the Advisory Committees:

- a. Strategic Committee;
- b. Eligibility Committee;
- c. Sustainability Committee;
- d. Financial Risk Management and Use of Funds Committee;
- e. Sectorial Committee of Compliance and Corporate Governance.

We point out the fundamental role of the Sectorial Committee of Compliance and Corporate Governance, established in 2019, which has been the driving force in the promotion and continuous monitoring of best practices. Said Committee has a permanent and advisory nature, responsible for guidance related to the Public Compliance Program of the state of Goiás. Its main objective is to guarantee the effective implementation of the main areas indicated in State Decree No. 9.406/2019, which are: Ethics, Risk Management, Transparency and Responsibility.

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

Still, in search of best practices, in November 2022, an Ethics Commission was created, in charge of verifying violations of mild and medium severity committed by employees. In addition to identifying violations, the mentioned Commission has the purpose of disseminating and consolidating principles of professional-ethics behavior in the Company, according to Personnel Disciplinary Regulations (RG00.0152) and Code of Conduct and Integrity (CO00.0007).

The Company has as main instrument a Code of Conduct and Integrity, duly implemented and revised twice a year. The last review occurred on July 20, 2023.

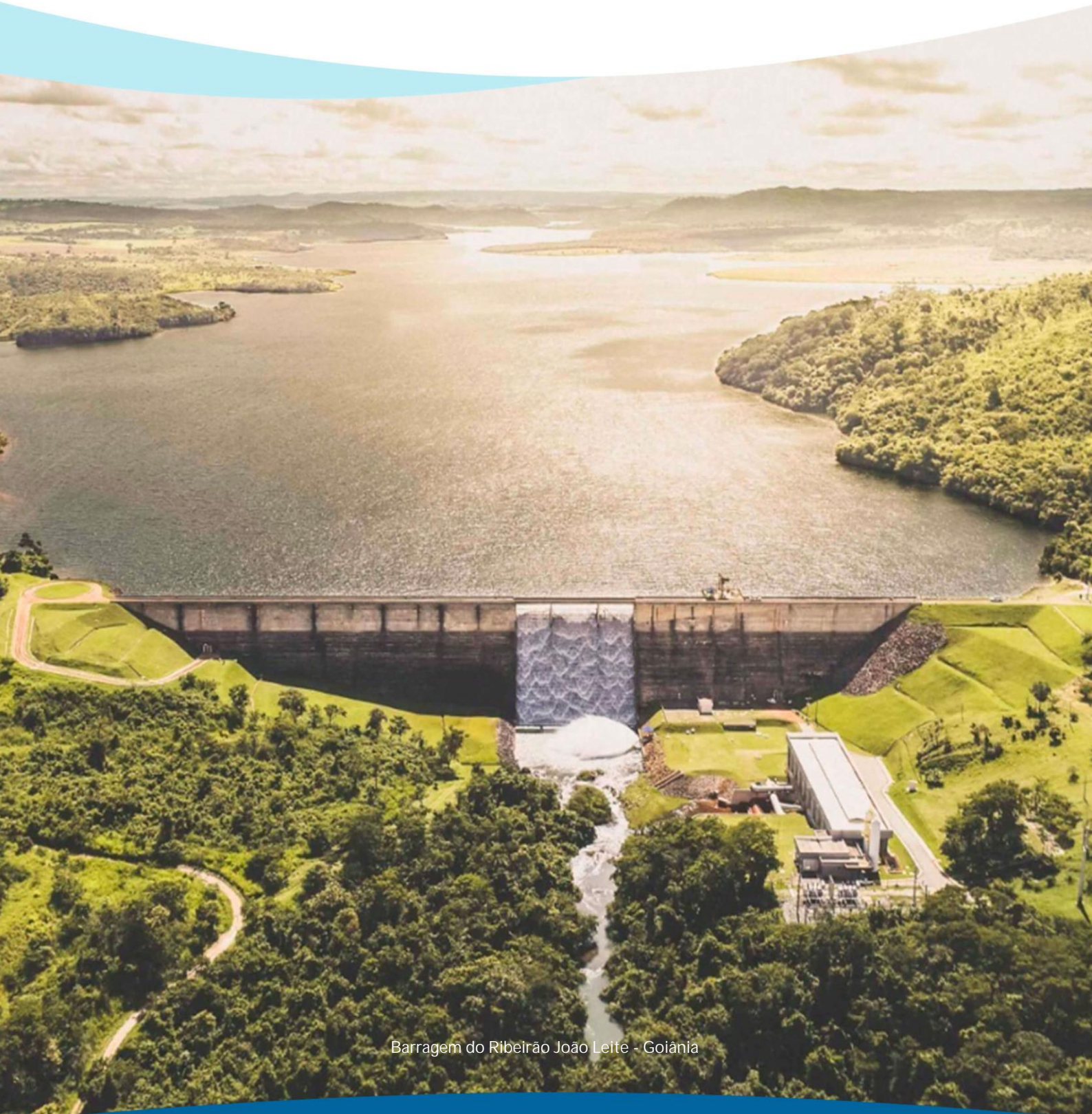
In addition to this Code of Conduct and Integrity, the Company established other mechanisms of integrity, approved by the Board of Directors.

- Policy on Approval Levels and Limits, updated on 02/08/2024;
- Policy on Compliance, updated on 12/16/2021;
- Policy on Risk Management, updated on 12/01/2022;
- Policy on Corruption Prevention, updated on 12/16/2021;
- Policy on Conflict of Interests, updated on 10/21/2021;
- Policy on Non-Retaliation, updated on 09/24/2020;
- Policy on Prevention of Nepotism, updated on 06/10/2021;
- Policy on Related-party Transactions, updated on 10/19/2023;
- Policy on Sponsorship, updated on 10/15/2020;
- Policy on Information Security, updated on 03/26/2020;
- Policy on Management of Financial Risks and Use of Funds, updated on 02/08/2024;
- Policy on Personal Data Protection of Saneago, updated on 10/14/2021.

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

At the same time, Integrity Program Regulatory Instruction IN 00.0452 in the context of Saneago was prepared and published, with the objective of regulating the State Law, and to provide guidance and instructions applicable to all suppliers of goods and services to Saneago, in accordance with the requirements of State Law No. 20.489/2019, and rules on the implementation of an effective Integrity Program.

Water Security



Barragem do Ribeirão João Leite - Goiânia

10. Water Security

10.1 Water situation

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

The monitoring stations installed accounted for 234mm of rain under the climatological average for the period from November 2023 to January 2024 in Goiânia.

Gathering data from the period, it was possible to identify that in the months of November, December and January*, average rainfall was less than average volume (November/23 - 103mm, December/23 – 06mm, January/24 – 125mm), reaching a 234mm deficit in Goiânia.

GOIÂNIA CLIMATOLOGICAL DATA												
	January	February	March	April	May	June	July	August	September	October	November	December
Average temperature (°C)	23.4	23.4	23.2	23	22.2	21.8	21.8	23.8	25.9	25.7	23.7	23.4
Minimum temperature (°C)	19.8	19.7	19.6	18.8	17.1	16.4	16	17.8	20.2	20.7	20	19.9
Maximum temperature (°C)	27.7	27.9	27.7	27.9	27.7	27.5	27.7	29.9	31.9	31.2	28.3	27.7
Rain (mm)	226	179	185	82	17	5	2	7	32	107	203	225
Humidity (%)	78%	78%	79%	71%	60%	53%	46%	37%	39%	54%	74%	78%
Rainy days (d)	16	15	15	9	3	1	0	1	4	11	16	18
Sunshine hours (h)	9.3	9.5	9.0	9.4	9.5	9.7	9.9	10.3	10.5	10.3	9.5	9.3
Data: 1991 - 2021 Minimum temperature (°C), Maximum temperature (°C), Rain (mm), Humidity, Rainy days. Data: 1999 - 2019: Sunshine hours												

Table 13

There was indication that the average is inching closer to the regular volumes. The data pointed to future improvement in the volume of our aquifers, indicating a probable resumption of normal storage levels. The scenario was typical of La Niña (colling down of the equatorial portion of the Pacific Ocean), and while this lasted for a long period, there was a turnaround in March 2023, skipping neutrality straight into a scenario influenced by El Niño (warming up of the equatorial portion of the Pacific Ocean).

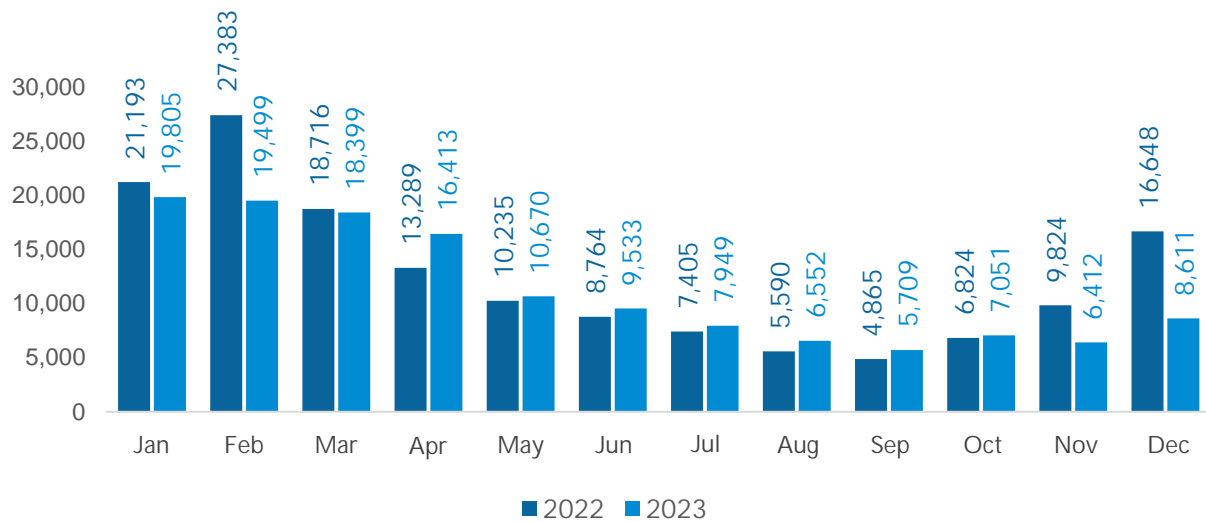
The data collected in the rainfall monitoring station of the dam point to a sharp reduction in rain volume for the period, which indicates a possible situation of reduction in water availability for the region's basins.

El Niño usually intensifies rainfall in the Southern region of Brazil and reduces precipitation events in the Northern and Northeastern regions. As foreseen in the previous report, Rio Grande do Sul, a State that had been suffering drought for several years, is going through a more intense rainfall season, while the Amazon is going through a dryer period, which favors the spreading of forest fires. It is important to note that rainfall in the Center-West region of Brazil relies on "Atmospheric rivers", which are air masses carried by the wind that contain a high concentration of water vapor, originated in the Atlantic Ocean.

10.2 Situation of the Main Systems in the Metropolitan Area

System "Meia Ponte"

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

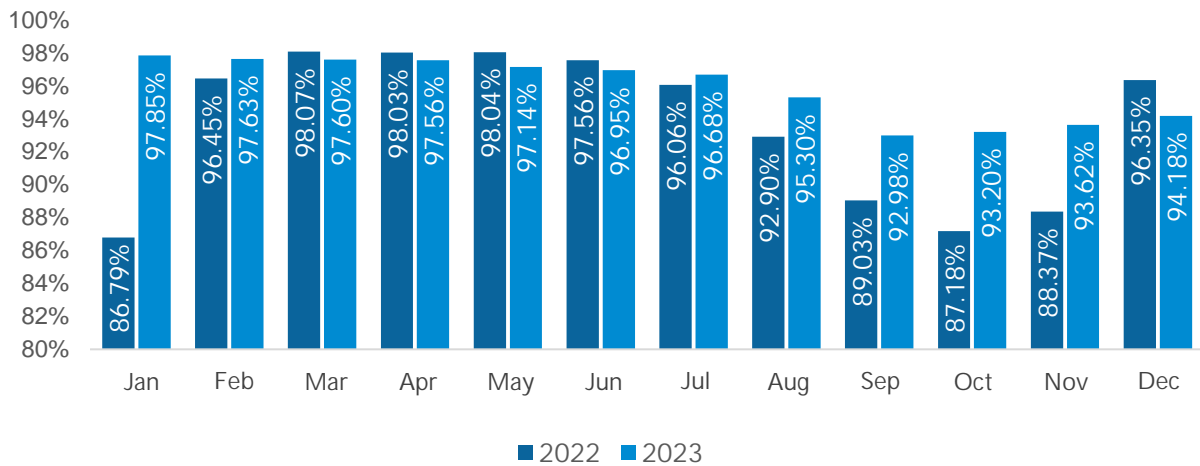


Graph 8

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

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

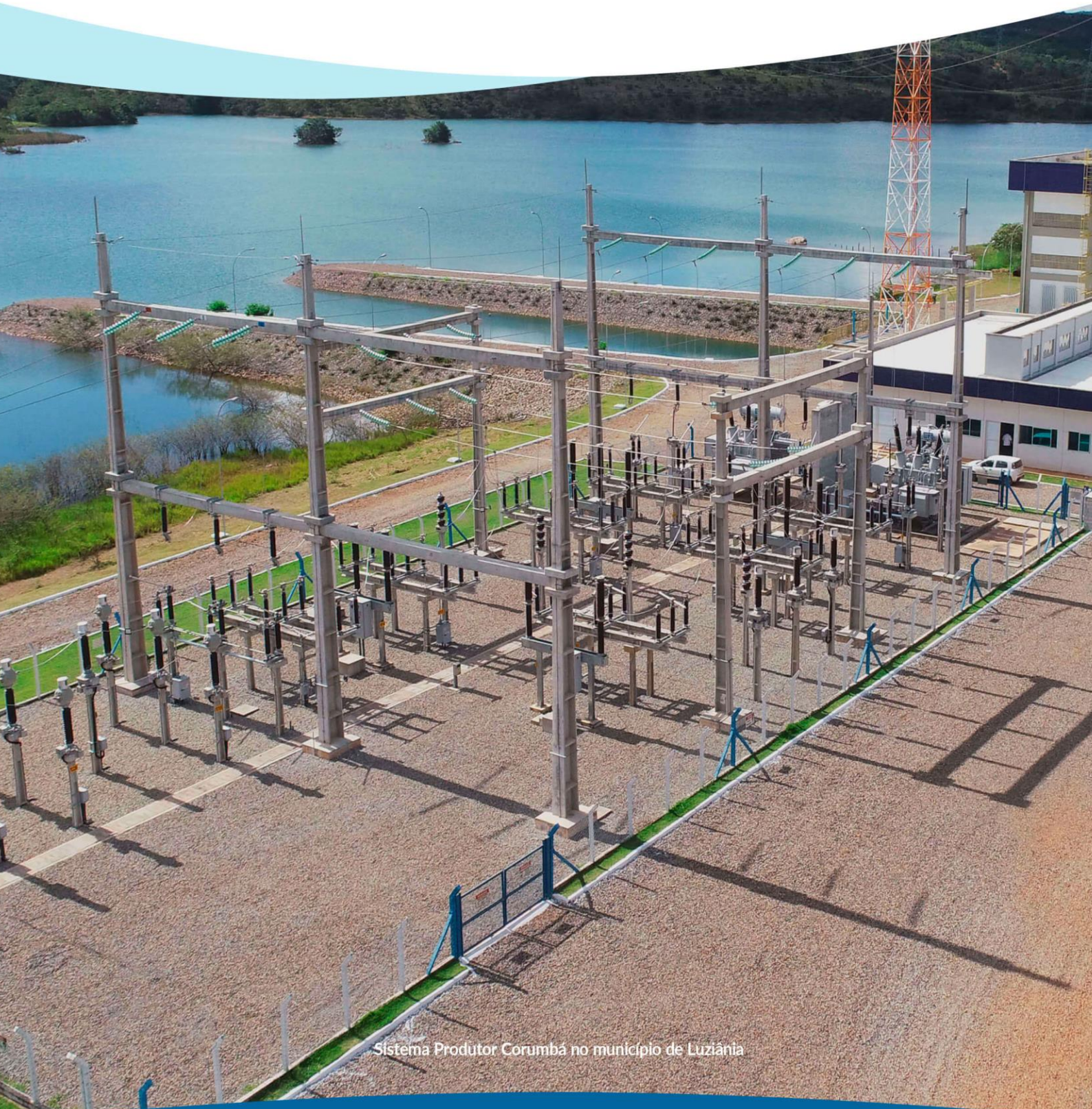
System "Mauro Borges"



Graph 9

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

Regulatory Environment



Sistema Produtor Corumbá no município de Luziânia

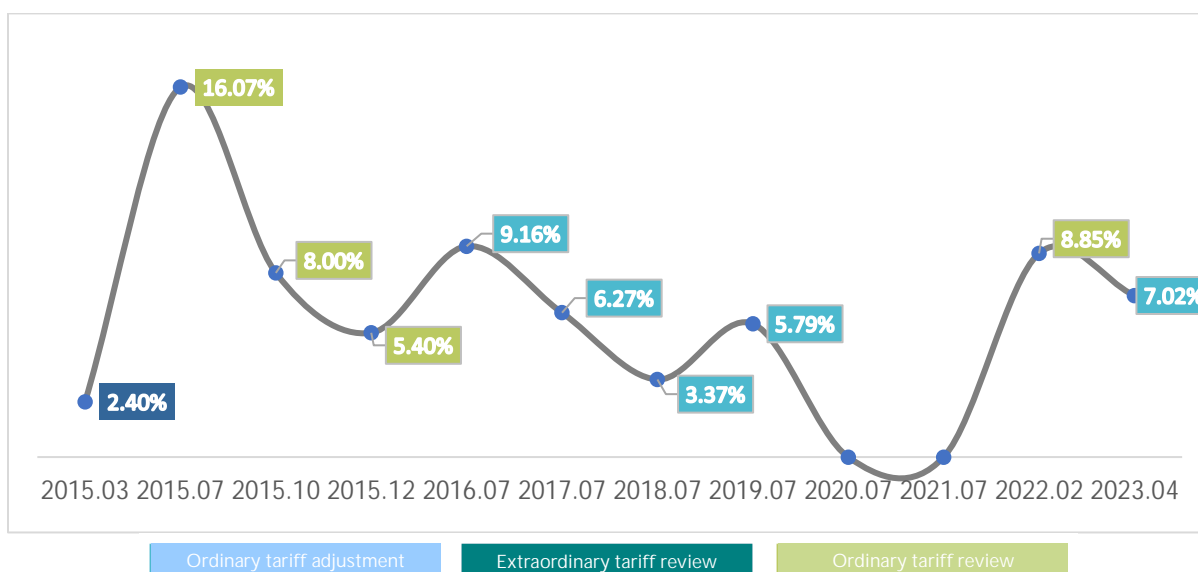
11. Regulatory Environment

Saneago is regulated by four independent agencies: a state agency – the Agency of Regulation, Control and Inspection of Public Services of the state of Goiás (AGR), created in 2006– and three municipal agencies – the Regulatory Agency of Goiânia (AR), created in 2016, and the Municipal Agency of Regulation of Water and Sewage Services (AMAE), established in 2018.

In 2021, by means of Municipal Law No. 4.115/2021, the Regulatory Agency of the Municipality of Anápolis (ARM) was created, with the purpose of regulating, monitoring and controlling public services granted by concession in the Municipality of Anápolis. Besides these agencies, the Legal Sanitation Framework attributed to the National Water and Basic Sanitation Agency (ANA) the function of establishing reference standards for the sector, to be followed by subnational agencies.

The years of 2021 and 2022 were marked by the conclusion of the process of tariff adjustment and approval, by regulatory agencies, of a new methodology for tariff calculation, which allows the recovery of Saneago's costs and expenses, and the realization of investments during the established cycle.

The methodology also leads to an increase in efficiency by establishing a Production Factor (X Factor).



Such revision required the survey and final definition of the Regulatory Assets Base (BAR) of the Company, conducted by a consulting firm hired by means of a bidding procedure.

The conclusion on the work of final definition and certification of the BAR occurred by means of Joint Technical Notice No. 10/2021-AGR-AR in September 2021.

In December 2021, the members of AGR and AR approved Joint Technical Notice No. 12/2021, setting the index of tariff adjustment at 8.854%, resulting from the tariff's revision as of 02/03/2022.

Tariff adjustment 2023

According to resolutions of the Agency of Regulation, Control and Inspection of Public Services of the state of Goiás (AGR), the Regulatory Agency of Goiânia (AR) and the Municipal Agency of Regulation of Water and Sewage Services (AMAE), a 7.02% adjustment to Saneago's water and sewage tariffs was authorized, coming into effect as of April 01, 2023.

Ownership Interest



Saneago

12. Ownership interest

In 4Q2023, the Company's major shareholder is the state of Goiás, which holds 67.23% of the Company's total shares.

In 2Q2023, the Company paid Dividends and Interest on equity capital to shareholders, amounting to approximately R\$ 95,388 thousand, calculated based on income (loss) for 2022.

However, by the end of 2023, in view of the reported income of R\$ 583,856 thousand, the Company maintains R\$ 138,666 thousand referring to Dividends and Interest on equity capital in its statement of financial position for distribution in 2024.



Shareholder	Common shares		Preferred shares		Total	
	Number	%	Number	%	Number	%
State of Goiás	1,336,135,806	71.57%	354,992,364	54.73%	1,691,128,170	67.23%
Goiás Previdência - GOIASPREV	488,016,887	26.14%	122,637,514	18.90%	610,654,401	24.27%
Goiás Parcerias	42,749,681	2.29%	170,998,719	26.36%	213,748,400	8.50%
Others	4,000	0.00%	11,396	0.00%	15,396	0.00%
Total	1,866,906,374	100%	648,639,993	100%	2,515,546,367	100%

Table 14

Risk Rating



SANEAGO

Saneamento de Goiás S.A
Edifício Sede

Saneago

13. Risk Rating

On January 11, 2024, Fitch Ratings increased the Long-Term National Rating of Saneamento de Goiás S.A. ("Corporate") and its issue of debentures from 'AA-(bra) to a stable 'AA(bra)'.

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

The Company should maintain a reduced financial leverage, moderate liquidity and an extended debt amortization schedule, despite the expectation of significant increase in investments required to meet the targets established by the new legal framework of the sector.

On November 23, 2023, Moody's assigned a AA+.br Corporate Rating to Saneago's issue of debentures, with a stable outlook.

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

The rating also takes into account the Company's strong credit metrics and the adequate level of its reservoirs.

The complete list of ratings is provided in Table 15.

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

Agency	Rating	Classification	Outlook	Latest report
MOODY'S LOCAL	Corporate and 10th and 11th issues of debentures	AA+ .br	Stable	11/23/2023
Fitch Ratings	Corporate and issue of debentures (6th, 8th and 9th)	AA- (bra)	Stable	01/11/2024

Table 15

ESG Initiatives



14. Environmental, Social and Governance Initiatives (ESG)

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

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



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

- Creation of a Sustainability Committee;
- Creation of the Committee for Women-Related and Diversity Matters;
- Approval of a Sustainability Policy;
- Gathering of information and identification of ESG-related risks at the Company, in alignment with the Company's Strategic Planning;

- Inclusion of indicators to measure the impacts of the Company and analyze its performance in relation to the Sustainable Development Goals (SDGs);
- Realization of Inventory of Greenhouse Gas Emissions (GHG);
- Joining of the Energy and Water Resilience Coalition and *Movimento +Água* of the UN Global Compact;
- Recognition by means of the Certification of "*Empresa Amiga da Família*" (SEAF) (Family Supportive Company) - 2021/2022 edition;
- Publication of the Sustainability Report according to the methodology of the Global Reporting Initiative (GRI).
- Participation in the Sustainable Luziânia Festival, speaking in the event's opening and closing on the matter "2030 Agenda – Perspectives and Future";
- Realization of a Webinar on Saneago's Institutional Policy for Solid Residue (PIRS). This policy provides principles, objectives, tools, guidance, strategies, targets, plans, programs, projects and actions that seek the elaboration, implementation, monitoring, follow up, review, adaptation, among other actions, of the management of solid residues from Saneago's facilities and operations, in an integrated and sustainable manner, enabling a continuous improvement process.

In the context of *Movimento +Água*, Saneago was involved in the following activities:

- Participation in the collaborative publishing of "*Guia de Boas Práticas de Monitoramento: uma ferramenta para promover a justiça socioambiental*" (A guidebook on good surveillance practices to promote social and environmental justice), organized by the UN Global Compact as part of *Movimento +Água*;
- Promotion of the project "*Recuperação Florestal em áreas de Nascentes e/ou margens de corpos d'água*" (Forestry recovery in headwaters or margins of bodies of water) during the case study-based panel discussion on *Movimento +Água*. organization of regional event "*Desafios e Oportunidades para o Setor Empresarial e outros segmentos no cumprimento do Objetivo de Desenvolvimento Sustentável (ODS) 6 em Goiás*" (Challenges and Opportunities for the Entrepreneurial Sector and other sectors in fulfilling Sustainable Development Goal No. in Goiás), in partnership with UN Global Compact, as part of the celebration of World Environment Day.
- We have hosted an event from "*Mais Água*" Movement, sponsored by the Action Platform for the Water and Ocean, on the World Environment Day, at the Oscar Niemeyer Cultural Center, on June 05. Cargill, UNESCO, ANA, The Nature Conservancy Brasil, Ambev, among other partner companies, were part of the discussion on "Challenges and opportunities for the Corporate Sector and Other Sector on ODS 6 in Goiás".

In 2024, the Sustainability Committee is still carrying out a project named "Sustainable Saneago", whose purpose is to decentralize attributions by means of a framework that correlates the several areas of the Company with ESG and SDG themes, in order to establish an effective sustainability culture at the Company.

Saneago is increasingly more prepared to meet market demands, confirming its goal of contributing for a sustainable economy, prioritizing the prosperity of environment and the creation of value shared with investors, employees, business partners and society.

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

To the
Shareholders, Board Members and Management of
Saneamento de Goiás S.A.
Goiânia - GO

Opinion on the financial statements

We have audited the financial statements of Saneamento de Goiás S.A. ("Company" or "Saneago"), which comprise the statement of financial position as at December 31, 2023, and the respective statements of income, comprehensive income, changes in equity and cash flows for the year then ended, as well as the corresponding notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Saneamento de Goiás S.A. as at December 31, 2023, its financial performance and its cash flows for the year then ended in accordance with Brazilian accounting practices and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion on the financial statements

We conducted our audit in accordance with Brazilian and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the relevant ethical principles established in the Code of Ethics for Professional Accountants and in the professional standards issued by the Brazilian Federal Council of Accounting (CFC), and we have fulfilled our other ethical responsibilities in accordance with these standards. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis

Operation "Decantação"

We draw attention to Note 40, which discloses the events and measures taken by the Company arising from Operation "Decantação", carried out by the Brazilian Federal Police and by the Brazilian Federal Public Prosecutor's Office (MPF). The lawsuit is still in progress and in phase of receipt of the accusation filed by the MPF, with no updates until the end of our audit. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current year. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We determined that the matters described below are the key audit matters to be communicated in our report.

Revenue recognition and information technology environment

According to Note 2.5., revenue from water supply and sewage treatment services, and associated activities, are recognized when the performance obligations with the customer are fulfilled. The process of recognition of revenues is important for the performance of the Company and for it to meet performance targets as at the base date of the financial statements, which inherently adds components of risk of fraud. We also point out that the transactions from water supply and sewage treatment are substantially processed by means of automated routines and controls, including the portion of revenue that is estimated at the end of each monthly cycle (unbilled measured revenue). Given the inherent risk on the process of revenue recognition, the complexity of the technology environment on the automated controls, the existence of estimated revenue, and the potential effects of revenue and accounts receivable on the accounting records, we considered this to be a key audit matter.

Audit response

Our audit procedures included, among others, the performance of sample tests, with the assistance of our IT specialists, to understand and evaluate the key internal controls over changes, alterations and proper accesses to the water supply operation systems. We also analyzed, with the assistance of our IT specialists, the interface and integrity of information between the main systems used to record revenues from water supply and the respective generation of financial information.

For the Company's water supply transactions, we analyzed the reconciliation of revenues with the accounting balances, performed an analysis of the correlation between cash inflows and revenues recorded by the Company during the year, based on samples, in order to evaluate the revenue recognition, in addition to the analysis of the subsequent settlement of the outstanding balance of accounts receivable at the base date of the audit.

We performed analytical review procedures on the measured revenue for the year, correlating the recognized amounts with water consumption information, amount of consuming units serviced by the Company, tariff adjustments approved by Goiás Regulatory Agency (AGR), a regulatory body of the state of Goiás.

We performed tests to obtain reasonable assurance regarding the "cut-off" of the Company's revenue recognition in the end of the year and the recognition of estimates of consumption not yet billed due to the reading cycles of the Company's meters. We also evaluated the adequate disclosure in the notes.

As a result of the procedures described above, we consider that the revenue recognition policy, the disclosure in the notes, and the IT environment proceedings and controls provide a reasonable basis for the result of our audit of the financial statements.

Contract assets and intangible assets

As at December 31, 2023, the Company has under Contract assets and Concession intangible assets, the amounts of R\$ 833,280 thousand and R\$ 3,115,563 thousand, respectively. The Company's business and the typical concession contracts with the concession authorities requires the Company to perform material investment in the infrastructure granted by the concession authorities, which are classified as Contract assets and Concession intangible assets. Due to the high level of judgement the Company is required making to define and allocate expenses between: (i) capitalized costs as contract assets, which are expenses on ongoing construction work tied to the concession; (ii) capitalized costs of intangible assets, when the network increases or receives improvements; (iii) analysis of the right to receive cash by the end of the concession referring to indemnities due arising from amounts not recoverable with tariff collection; and (iv) maintenance expenses incurred, which are recognized in income; and to the fact that any changes to the assumptions used and the judgements performed to classify expenses may significantly affect the financial statements, as well as the adherence to "New Basic Sanitation Legal Framework", we considered this a key audit matter.

Audit response

Our audit procedures included evaluating the structure, application, and the assessment and understanding of existing key internal controls related to the addition of infrastructure, amortization of intangible assets, administration and management of new and current concession agreements. We conducted sample tests to verify the supporting documentation of additions and their eligibility to capitalization. We evaluated the transfer of assets under construction to operating assets and evaluated the adherence of the concession contracts to the respective accounting standard. We have visited the main construction work being carried out by the Company and questioned those in charge referring to the existence of indication. Regarding the adherence to the new Basic Sanitation Legal Framework, our audit procedures included the evaluation of Management's understanding to maintain the investments as intangible assets, by means of discussions and interviews with the Company's key personnel in charge on this matter, especially with its legal advisors, regarding the rendering of water supply and sewage services in the municipalities with which the Company has expired contracts, and began rendering services directly.

Based in the results of the procedures described above, we consider that the criteria and premises adopted by Management for the recognition, measurement and presentation of intangible assets, as well as the evaluation of indication of loss in the contracts and the potential impacts of the new basic sanitation legal framework are reasonable in all material respects in the context of the financial statements.

Other matters

Statements of value added

The statements of value added, prepared under the responsibility of the Company's Management for the year ended December 31, 2023, and presented as supplementary information for IFRS purposes, were submitted to the same audit procedures followed for the audit of the Company's financial statements. In order to form an opinion, we have checked whether these statements are reconciled with the financial statements and accounting records, as applicable, and whether its form and contents meet the criteria established in CPC 09 - Statement of Value Added. In our opinion, the statements of value added were properly prepared, in all material respects, in accordance with the criteria established in that Technical Pronouncement and are consistent with the financial statements taken as a whole.

Other information accompanying the financial statements and auditor's report

The Company's Management is responsible for the other information that comprises the Management Report.

Our opinion on the financial statements does not cover the Management Report and we do not express any form of audit conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management Report and, in doing so, consider whether the report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Brazilian accounting practices and the IFRSs, issued by IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its controlled companies or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Our objectives are to obtain reasonable assurance about whether the financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing (ISA) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian standards and ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its controlled companies' internal controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and disclosures made by Management;
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its controlled companies' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its controlled companies to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether they represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and that we have informed them of all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

Goiania, March 07, 2024.



STATEMENT OF FINANCIAL POSITION
(in thousands of Brazilian Reais)

	Note	12/31/2023	12/31/2022		Note	12/31/2023	12/31/2022
Assets				Liabilities			
Current				Current			
Cash and cash equivalents	4	59,266	81,606	Trade accounts payable	19	205,653	177,458
Financial investments	5	815,781	615,746	Loans and financing	20.a	23,280	27,868
Marketable securities	6	271	264	Debentures	20.b	225,490	213,499
Receivables from customers	7	602,855	517,470	Leases	20.d	36,468	21,900
Inventories	8	109,034	80,995	Labor liabilities	21	141,657	140,074
Recoverable taxes	9	24,913	22,132	Provision for employee profit sharing		49,628	39,324
Prepaid expenses and advances	10	19,444	17,275	Tax liabilities	22	64,778	57,189
Outsourcing	11	11,858	11,334	Installment payments	23	3,500	2,018
Other accounts receivable	12	20,694	35,113	Contractual liabilities	24	-	4,349
		1,664,116	1,381,935	Consortiums	25	3,480	736
Noncurrent				Contractual advances	26	2,489	2,489
Marketable securities	6	7,197	13,798	Other accounts payable	27	13,322	13,789
Receivables from customers	7	37,000	30,699	Outsourcing	11	976	349
Recoverable taxes	9	8,540	7,697	Dividends and interest on equity capital payable	30.f	138,666	95,388
Prepaid expenses	10	269,211	243,123			909,387	796,430
Outsourcing	11	1,651,682	1,425,231	Noncurrent			
Other accounts receivable	12	3,398	-	Loans and financing	20.a	152,617	156,648
Court deposits	13	14,576	14,905	Debentures	20.b	669,345	594,981
Deferred taxes	14.2	4,940	9,255	Leases	20.d	103,742	88,931
Subventions to be received	18.b	6,516	25,647	Labor liabilities	21	-	426
		2,003,060	1,770,355	Tax liabilities	22	30,155	31,842
Fixed assets				Installment payments	23	12,113	14,260
Contract assets	16	833,280	759,437	Contractual liabilities	24	10,147	10,147
Intangible assets	17	3,115,563	2,878,764	Contractual advances	26	6,015	8,503
		4,369,805	4,024,056	Provision for legal claims	28	206,177	219,998
				Outsourcing	11	1,651,682	1,425,231
				Subventions	18.a	143,946	151,766
				Actuarial liabilities	29	56,711	-
						3,042,650	2,702,733
				Equity			
				Capital stock	30.a	2,515,546	2,515,546
				Statutory reserve	30.c	107,735	78,543
				Investment reserve	30.d	1,465,781	1,049,781
				Asset and liability valuation adjustment	30.e	33,311	33,313
				Other comprehensive income (loss)		(37,429)	-
						4,084,944	3,677,183
Total assets		8,036,981	7,176,346	Total liabilities		8,036,981	7,176,346

The accompanying notes are an integral part of these financial statements.

STATEMENT OF INCOME
(in thousands of Brazilian Reais)

	Note	01/01/2023 to 12/31/2023	Restated 01/01/2022 to 12/31/2022
Net revenues			
Revenue from water and sewage services		3,056,420	2,751,479
Revenue from construction work		413,413	286,464
Revenue from technical services		2,353	2,298
Outsourcing authorization		9,100	9,100
	31	3,481,286	3,049,341
Costs			
Costs of services	32	(1,270,552)	(1,266,364)
Construction costs	32	(413,413)	(286,464)
	32	(1,683,965)	(1,552,828)
Gross profit		1,797,321	1,496,513
Selling expenses	32	(316,024)	(324,045)
Administrative expenses	32	(512,435)	(496,140)
Tax expenses		(35,062)	(17,465)
Other operating revenue/expenses	33	(95,550)	(87,253)
		(959,071)	(924,903)
Income before financial income (loss)		838,250	571,610
Net financial income (loss)	34	(20,227)	(18,481)
Income before income taxes		818,023	553,129
Current Income and Social Contribution taxes		(210,569)	(125,554)
Deferred Income and Social Contribution taxes	14.2	(23,598)	(25,939)
Net income for the year		583,856	401,636
Earnings per share	30.g	0.2321	0.1597

The accompanying notes are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
(in thousands of Brazilian Reais)

	<u>01/01/2023 to 12/31/2023</u>	<u>01/01/2022 to 12/31/2022</u>
Net income for the year		
Net income for the year	583,856	401,636
Other comprehensive income		
Realization of attributed costs, net from deferred taxes	2	2
Actuarial gains (losses), net from deferred taxes	(37,429) 0	14,116
Net comprehensive income for the year	<u><u>546,429</u></u>	<u><u>415,754</u></u>

The accompanying notes are an integral part of these financial statements.

Saneamento de Goiás S.A.

STATEMENT 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/ accumulated losses	Total equity
Balance as at December 31, 2021	2,515,546	58,461	763,613	33,315	(14,116)	-	3,356,819
Net income for the year	-	-	-	-	-	401,636	401,636
Interest on equity capital	-	-	-	-	-	(95,388)	(95,388)
Realization of attributed costs	-	-	-	(2)	-	2	-
Actuarial gains	-	-	-	-	14,116	-	14,116
Income reserves	-	20,082	286,168	-	-	(306,250)	-
Balance as at December 31, 2022	2,515,546	78,543	1,049,781	33,313	-	-	3,677,183
Net income for the year	-	-	-	-	-	583,856	583,856
Interest on equity capital	-	-	-	-	-	(138,666)	(138,666)
Realization of attributed costs	-	-	-	(2)	-	2	-
Actuarial losses	-	-	-	-	(37,429)	-	(37,429)
Income reserves	-	29,192	416,000	-	-	(445,192)	-
Balance as at December 31, 2023	2,515,546	107,735	1,465,781	33,311	(37,429)	-	4,084,944

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
(in thousands of Brazilian Reais)

	Note	<u>12/31/2023</u>	<u>12/31/2022</u>
Net cash from operating activities		814,064	669,090
Cash from operations		1,012,258	784,374
Net income for the year		583,856	401,636
Adjustments to reconcile net income			
Depreciation and amortization		179,382	145,706
Investment write-offs, fixed and intangible assets/inventory adjustment		1,416	1,380
State subventions		-	(467)
Discounts to present value - receivables	34	74	(2,109)
Deferred taxes - Income and Social Contribution taxes (IRPJ/CSLL)	14.1	23,598	25,939
Charges on loans, financing and leases		143,168	129,349
Capitalized interest	20.c	(5)	(134)
Returns on financial investments	6	(676)	(1,345)
Monetary adjustments - Disposal of noncurrent asset		-	(143)
Provisions/reversals	33	81,445	84,562
Changes in assets and liabilities		(207,931)	(110,604)
Receivables from customers	39	(191,651)	(138,947)
Recoverable taxes	39	1,934	(9,592)
Inventories	39	(20,885)	(17,604)
Prepaid expenses and advances to employees		(28,257)	(44,468)
Court deposits		329	3,586
Trade accounts payable		28,195	48,197
Consortiums		2,744	2,012
Labor liabilities		1,157	22,148
Tax liabilities		5,902	14,869
Installment payments		(665)	1,341
Contractual liabilities		(4,349)	4,350
Outsourcing		103	(6,657)
Contractual advances		(2,488)	10,161
Others		9,737	(4,680)
Other accounts receivable	39	10,204	(5,077)
Other accounts payable		(467)	397
Net cash from investing activities		(669,413)	(554,948)
Fixed asset acquisition	15.1	(31,624)	(49,204)
Contract assets	39	(252,068)	(189,809)
Intangible asset acquisition	17	(193,069)	(126,809)
Construction work inventory acquisition	16	(1,670)	(8,907)
Receipt from disposal of fixed assets		-	4,774
Marketable securities	6	7,270	2,210
Financial investments		(200,035)	(185,326)
Adjustments - Growth Acceleration Program (PAC) subventions		1,783	(1,589)
Sale of investment in shares		-	9
Advances to suppliers		-	(297)
Net cash from financing activities		(166,991)	(171,344)
Financing/loans collected	20.c	320,254	200,000
Amortization of loans and financing	20.c	(235,907)	(258,205)
Payment of financial charges on fundraising	20.c	(136,183)	(131,719)
Leases	20.d	(44,291)	(24,618)
Subventions	18.a	24,524	26,779
Marketable securities redeemed	20.c	-	100,128
Payment of interest on equity capital		(95,388)	(83,709)
Net increase/(decrease) in cash and cash equivalents		(22,340)	(57,202)
Initial balance of cash and cash equivalents	4	81,606	138,808
Final balance of cash and cash equivalents	4	59,266	81,606

The accompanying notes are an integral part of these financial statements.

STATEMENT OF VALUE ADDED

(in thousands of Brazilian Reais)

	Note	12/31/2023	Restated 12/31/2022
Revenues			
Sales of goods, products and services		3,375,373	3,031,892
Construction work revenue	31	413,413	286,464
Reversal of/ Allowance for doubtful accounts	33	(99,891)	(92,307)
Credit recovery/ expiration	33	33,345	48,438
Outsourcing authorization	31	9,100	9,100
Revenues from technical services	31	2,353	2,298
Other revenues		62,569	18,458
		<u>3,796,262</u>	<u>3,304,343</u>
Inputs acquired from third parties			
Cost of goods and services sold		(468,117)	(450,385)
Consumed raw materials		(10,219)	(5,976)
Electricity, third party services		(246,502)	(234,681)
Construction costs		(413,413)	(286,464)
Reversal of / Provision for inventory losses	33	3,013	4,254
Other expenses		(110,019)	(69,587)
		<u>(1,245,257)</u>	<u>(1,042,839)</u>
Gross value added		<u>2,551,005</u>	<u>2,261,504</u>
Withholdings			
Depreciation/amortization		(179,382)	(145,706)
Provisions/reversals		15,433	3,491
		<u>(163,949)</u>	<u>(142,215)</u>
Net value added		<u>2,387,056</u>	<u>2,119,289</u>
Value added received in transfer			
Financial revenue	34	145,208	140,466
		<u>145,208</u>	<u>140,466</u>
Total value added to distribute		<u>2,532,264</u>	<u>2,259,755</u>
Distribution of value added		<u>2,532,264</u>	<u>2,259,755</u>
Personnel and charges			
Direct compensation		731,225	806,121
Benefits		198,846	193,417
Severance pay fund (FGTS)		58,474	56,160
		<u>988,545</u>	<u>1,055,698</u>
Taxes, fees and contributions			
Federal		729,768	590,746
Federal - Deferred Income and Social Contribution taxes	14.1	23,598	25,939
State		24,459	9,210
Municipal		6,226	6,119
		<u>784,051</u>	<u>632,014</u>
Return on debt capital			
Interest		165,435	158,948
Leases		10,377	11,459
		<u>175,812</u>	<u>170,407</u>
Return on equity capital			
Interest on equity capital		138,666	95,388
Retained earnings for the year		445,190	306,248
		<u>583,856</u>	<u>401,636</u>

The accompanying notes are an integral part of these financial statements.

Notes to the financial statements as at December 31, 2023
(In thousands of Brazilian reais, unless otherwise stated)

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1. General information

Saneamento de Goiás S.A. - Saneago (the “Company” or “Saneago”) is a government-controlled publicly traded company registered with the Brazilian Securities and Exchange Commission (“CVM”). It was established according to State Law 6,680 as at September 13, 1967. 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 water supply and sewage services in the state of Goiás, preferably through government concessions and/or joint management, in public or private systems. As set in the Company’s articles of incorporation, 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. However, 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.

Also, Company’s bylaws aim to ensure new business arrangements and expand the Company’s competitive capacity and efficiency, with formation of partnerships and establishment of domestic controlled companies and a special purpose entity.

The Company complies with Law 13.303 of June 30, 2016, in full by addressing the articles of incorporation of federal, state and local public companies and of government-controlled enterprises and their subsidiaries. Moreover, Saneago is constantly acting to improve actions seeking compliance to State Decree 9.406/2019 which established 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 Committee of Compliance, with a permanent advisory role as for matters relating the compliance program has as purpose to ensure the implementation of the mentioned axes.

Considering the growing market concern for best corporate, environmental, social and governance practices, the Company has a committee with representatives from different areas of the Company was organized, which is responsible for the strategies, guidelines and other sustainability matters, including corporate guidelines and acts in the management of environmental, social and governance matters (ESG - Environmental, Social and Governance). Among the actions carried out by the committee, the following are highlighted: preparation of Sustainability Policy, preparation of Sustainability Report by a specialized consulting company, definition of ESG indicators and contractual clauses and creation of Innovation Program. Furthermore, Saneago is part the Global Compact, which is an initiative proposed by the United Nations to encourage companies to adopt corporate social responsibility and sustainability policies.

New Legal Framework on Basic Sanitation

On July 15, 2020, Law 14.026/2020 was enacted amending the Brazilian basic sanitation regulatory framework. The main points changed were I) Legal Targets of Universalization; II) Regionalization: preference to regional provision of services and not to fragmented ones; 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 the targets, new goals were established regarding the universalization of services, including water supply, sewage collection and treatment and solid waste management, which must be reached by 2033.

As for the regionalization process, on May 22, 2023, the state issued Statute No. 182/2023, establishing the Basic Sanitation Microregions (MSB) and their respective governance structures. Three MSBs were established in the State, they are: East, Center and West; and their respective governance structures consist of: i) Microregion Committee, a decision-making body; ii) Technical Committee, a technical and advisory body; iii) Participatory Council; iv) General Secretary, an elected executive officer; and v) Integrated system for the management of resources and rendering of accounts regarding resources managed for each microregion.

During second assembly of each respective microregion, which occurred on December 20, 2023, the direct rendering of sanitation services by Saneago was approved for the locations whose service rendering contracts have expired. The alignment of maturity dates for the contracts in effect to December 17, 2049, was also approved. Only necessary technical adjustments are needed to formalize each situation's documents, as per the Microregion Committees decision.

The new sanitation framework has also introduced the requirement, as per Article 10-B of Federal Law No. 11.445/2007, that service providers should demonstrate having the necessary economic and financial capacity to comply with the contracts. The Federal Government published the Decree No. 10.710/2021, revoked by Decree No. 11.466/2023 and currently Decree No. 11.598/2023, with instructions on the methodologies that should be adopted.

While the Decree 10.710/2021 was effective, Ernest Young, an independent certifier, confirmed that the company complied 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.

Lastly, taking into consideration that the Federal Decrees No. 11.598/2023 and 11.599/2023 have updated the rules to prove the Company's economic-financial capacity, including every Municipality served by the Company in the scope of analysis, Saneago has performed new studies, which were evaluated by Ernest Young certifiers, and has submitted it to the regulatory authorities, including the scenarios arising from the Regionalization of services in the State of Goiás. According to Decree No. 11.598/2023, regulators shall issue a decision on the studies until March 31, 2024.

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

Program contracts and concession contracts:

As at December 31, 2023, Saneago has 223 contracts under operation, which are distributed as follows: 62 program contracts, 80 concession contracts and 81 concession under direct service rendering contracts, all of them maturing December 17, 2049, as per the approval of State of Goiás microregion Committee.

The following table breaks down the Company's share in net revenue for each type of service contract:

Type of contract	West Microregion		Center Microregion		East Microregion		Total	
	No. of Municipalities	% Net revenue	No. of Municipalities	% Net revenue	No. of Municipalities	% Net revenue	No. of Municipalities	% Net revenue
Program	18	5.99%	20	45.90%	24	19.57%	62	71.46%
Concession	31	2.88%	28	4.73%	21	5.02%	80	12.63%
Direct service rendering	30	7.24%	35	6.73%	16	1.94%	81	15.91%
Total	79	16.11%	83	57.36%	61	26.53%	223	100.00%

In 2022, the municipalities of Buriti Alegre and Ipameri decided to terminate Concession contracts with Saneago and, consequently, the rendering of services by the Company. These agreements averaged 0.35% of the Company's net revenue for 2022 and Saneago has already filed a lawsuit requesting indemnity for the investments that were not amortized, as per Note 12 (c). On September 01, 2023, the municipality of Leopoldo de Bulhões has amicably resumed the rendering of sanitation services and has agreed to pay Saneago the amount of R\$ 1,602 in 45 monthly installments. Billings for this municipality in 2023, were of R\$ 1,185, made up to when services were resumed by the municipality, and of R\$ 1,838 in 2022.

The operations of the Company are concentrated in the Municipality of Goiânia, which, as at December 31, 2022, represented 36.18% of the Company's net revenue for 2023, and 34.51% of intangible assets (36.71% of net revenue and 32.77% of intangible assets as at December 31, 2022).

Price adjustment

The Control and Inspection Council of Public Services of the city of Goiânia (AGR), the Goiânia's Regulatory Agency (AR) and the Municipal Agency for Regulation of Water and Sewage Services (AMAE) authorized the adjustment of Saneago's water and sewage tariffs by 7.02% as from April 1, 2023.

It is worth mentioning that this was the first price adjustment granted after Saneago's process of Ordinary Tariff Adjustment, with a percentage of 8.85% granted for water/sewage tariffs as from February 1, 2022 and that it 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). The methodologies mentioned are regulated by means of the 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 (Technical Note No. 004/2021).

On February 28, 2024, the readjustment of Saneago's water and sewage tariff was authorized and established at 1.95%, to be applied as of April 01, 2024, as detailed in the Subsequent Events item.

Approval for issuance of financial statements

Issuance of these financial statements was approved by the Board of Directors on March 07, 2024.

2. Basis of preparation and summary material accounting practices

2.1 Declaration of compliance

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

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

The Company's Management declares that all significant information is included in the individual and consolidated financial statements 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 Main accounting judgments and estimates

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

The policies for material and specific estimates applied by the Company are the following:

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

To write-off customers receivables (effective loss), the Company adopts the commercial maturity criteria, which are 10 years for private customers and 5 years for public customers, refraining from using tax criteria (Law No. 9.430/1996).

Losses are estimated applying the expected loss model, considering a provision matrix applied as accounts receivable age, whose percentages are determined based on the history of default in the two years prior to disclosure. Due to different payment profiles, matrices are calculated separately for private and public customers, not considering those that have filed legal proceedings against the Company.

b) Inventory losses

To measure the provision for inventory losses, the Company evaluates the applicability of obsolescence for items that were not moved in the previous 12 months, applying the gradual percentages, according to each item's aging period.

2.4 Operating revenue

a) Revenue from sanitation services

Revenue from the water supply and sewage services is recognized as the services are rendered and measured, thus, revenue incurred and not yet billed (measured) until the end of each period is estimated and recognized in trade accounts receivable.

b) Revenue from construction work

The Company's revenue and costs relating construction services or infrastructure improvements to water supply and sewage services are accounted for. There is no markup, considering that: (i) the Company's business purpose is the supply of water and sewage services; (ii) all revenue from construction relates to the building of infrastructure to reach its business purpose; and (iii) the Company outsources the infrastructure construction to non-related parties. All additions made to intangible assets and contract assets in progress are recognized on a monthly basis in the statement of income as construction revenue and costs.

2.5 Cash and cash equivalents

Cash and cash equivalents are composed of petty cash, cash at banks, billing, deposits linked to construction work and short-term financial investment, which is readily redeemable and with expected use by the Company for a period of six months, presenting insignificant risk of change in fair value. Those balances are kept with the purpose of meeting short-term obligations and not for investment or other purposes.

2.6 Receivables from consumers

Amounts are recognized at nominal value as the services are provided and billed (measured). Services rendered that go beyond the measurement period are estimated and recorded as estimation of amounts to be billed at present value, without any additions.

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. The amounts are separated into current and noncurrent assets according to the maturities of the installments, and discounted to present value with the recognition of financial expenses at the rate applied at the moment of negotiation.

2.7 Fixed assets

Fixed assets are carried at purchase and/or construction cost and cannot be returned to the grantor. Depreciation is calculated by the straight line method and realized throughout the assets economic useful life, determined according to a report of an independent appraisal firm.

2.8 Intangible assets

Intangible assets are recognized at acquisition and/or construction costs, including the capitalization of personnel expenses and financing interest attributable to each item. Amortization is calculated on a straight-line basis and realized along their economic useful lives, which are based on a report of an independent appraisal firm.

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 construction in progress and the respective transfer of the items to assets in operation (finished assets) is made upon documentation issued by the unit responsible for the execution of the work, informing that the asset is finished.

The useful lives of fixed and intangible assets, calculated from a study conducted in 2023, whose valuation report was issued on December 19, 2023, are described below:

Nature of the assets	EUL*	Nature of the assets	EUL*
Civil construction	50	Computer programs	13
Dams	50	Equipment - Metering pumps	13
Reservoirs and Tanks - Concrete	50	Hydrometers	11
Decanters and Ponds	50	Vehicles	11
Piping	40	Machinery and Tractors	10
Generator sets	30	Equipment - Sewage pumps	10
Building connections	30	Treatment Equipment	10
Water wells	25	Laboratory Equipment	10
Renewable Energy Systems	25	IT equipment - Switch	10
Deemed Cost (General)	25	Other equipment	9
Electrical substation system	20	IT equipment - Servers	8
Reservoirs and Tanks - Metal	20	IT equipment - Endpoints	7
Environmental Protection and Preservation - Reforestation	17	IT equipment - Lease	7
Environmental Protection and Preservation - Fencing	15	Vehicles - Right of Use	4
Equipment - Air Conditioning	15	Software - Right of Use	3
Equipment - Other Pumps	15	IT equipment - Nobreaks	2
Macro-meters	15	Works of art	-
Equipment - Engines	14	Plots of land	-
Furniture and fixtures	13	Easement	-

**Economic Useful Life*

a) Concession and Program contracts

The infrastructure linked to concession and program contracts is governed by standard ICPC 01 - Concessions. 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.

Item 1 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, which is provided for in the sanitation legislation, which establishes that the transfer of services from one provider to another is conditioned to the previous compensation of the investments linked to reversionary assets not yet amortized or depreciated.

After regionalization of sanitation services in the State of Goiás, a municipality may withdraw itself if the microregion committee so approves, as long as the following is observed: i) the microregion's economic balance will not be jeopardized; ii) single tariff ; iii) previous compensation for indemnity purposes. As for the regulatory aspect, each microregion has the assignment of defining its regulating body, which has still not happened, as per the reference standards issued by ANA.

Accordingly, Saneago's departure from the sanitation services operation must be preceded by administrative procedures for 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.

As for the specific definition of the criteria to be observed in cases of indemnity of nonamortized assets, Saneago awaits the issuing of the regulatory standards by the regulatory bodies of the state of Goiás. Thus, while there is no regulation on how to calculate the amounts for the indemnity relative to Saneago's assets following the resumption of sanitation service rendering by the municipalities, and considering that: i) Saneago is now legally responsible for the rendering of services in those municipalities; ii) if the municipality decides to bid its systems, the previous compensation for indemnity purposes on realized and non-amortized investments is secured by the Law; iii) such indemnity payment constitute a fact that predates the termination of the legal relationship between the parties, intangible assets are held without bifurcation in financial assets, which are amortized at the respective useful lives.

As soon as the matters above are defined, which do not depend on the Company's actions, the bifurcation policies for investments currently adopted should be reviewed.

b) Government subsidies

When government subsidies related to assets are received, but not all condition have been fulfilled yet, they are recognized in the statement of financial position in a liability account. When the established condition of immobilization of the work is fulfilled, they are recognized in assets by deducting the carrying amounts of the related item, having the net assets value zero effect.

2.9 Impairment of non-financial assets

The Company has reviewed the value of its finite useful life assets, which include, among others, intangible assets linked to concession/program contracts relating to water supply and sewage systems, and no impairment loss was found.

Additionally, the Company adopts impairment for construction works that have been paralyzed for more than a year and with no expectation of cash generation, with direct and indirect costs fully provisioned. If the works are resumed, the incurred losses are calculated and recognized in the statement of income for the year. The amount of the provision for impairment related to paralyzed works is R\$116,383 as at December 31, 2023 (RS 128,347 as at December 31, 2022).

2.10 Profit sharing

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

The Company recognizes a provision of 10% on income for the quarter (maximum amount to be distributed), which is to be adjusted at the end of the year in accordance with an assessment on targets achieved, reflecting the estimated values distributable in the following year. The effective realization depends on approval by the Governance Agencies and the Company adopts as practice the recording of Profit Sharing under "Other operating expenses/revenues", since this arises from its operations and trading and managing efforts, and these occur regardless of the distribution of profit sharing.

2.11 Segment reporting

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

2.12 Restatement of balances as at December 31, 2022, for comparison purposes

The Company restated the financial statements for 2022 with the purpose of reflecting the correct classification of expenses on lawsuits, which were moved to "Other operating expenses/revenues", since they are not directly connected to operating income (loss) for the year.

Said adjustments are as follows:

Statement of income as at December 31, 2022 (Restated)

	12/31/2022	Adjustment	Restated 12/31/2022
Net revenues	3,049,341	-	3,049,341
Operating costs	(1,568,499)	15,671	(1,552,828)
Gross profit	1,480,842	15,671	1,496,513
Operating expenses	(909,232)	(15,671)	(924,903)
Income before financial income (loss)	571,610	-	571,610
Net financial income (loss)	(18,481)	-	(18,481)
Income before taxes	553,129	-	553,129
Current Income and Social Contribution taxes	(125,554)	-	(125,554)
Deferred Income and Social Contribution taxes	(25,939)	-	(25,939)
Net income for the year	401,636	-	401,636
Earnings per share	0.1597	-	0.1597

2.13 New accounting standards, revisions and interpretations

The issues of/amendments to IFRS standards made by IASB, effective for the year beginning in 2023, after being issued in Portuguese by the CPC (Committee of Accounting Pronouncements) and approved by the CFC (Federal Council of Accounting), had no impact on the Company's financial statements.

Additionally, IASB issued/revised some IFRSs, which shall be adopted in 2024 or after, and although the Company is evaluating the impacts of adopting these standards, it expects no material impacts on its Financial Statements:

- a) Amendments to IFRS 16/CPC 06 (R2): these add requirements of subsequent measurement for leaseback and sale transactions that meet the requirements of IFRS 15/CPC 47. It is effective for periods beginning on or after 01/01/2024;

- b) Amendment to IAS 1/CPC 26: This amendment elucidates i) aspects to be considered when classifying liabilities as current or noncurrent; and ii) that only covenants enforceable as at or before the end of the reporting date entitle the Company to postpone the settlement of a liability for, at least, 12 months after the reporting date. It is effective for periods beginning on or after 01/01/2024;
- c) Amendments to IAS 7/CPC 03 (R2) and IFRS 7/CPC 40 (R1): it clarifies that entities shall disclose supplier finance arrangements with information that enables users of financial statements to evaluate the effects of these arrangements on the entity's cash flows and liabilities. It is effective for periods beginning on or after 01/01/2024;
- d) Amendments to IAS 21/CPC 02 (R2): these require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. It is effective for periods beginning on or after 01/01/2025;

3. Risk management and financial instruments

3.1 Financial risk factors

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

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

(a) Market risk (interest rate)

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

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, SOFR and TR. Therefore, based on current values or market expectations for the closing rates for the period of these indexes, referenced by the Focus report of January 2024, three scenarios were simulated - the probable scenario considers the maintenance of the current value or the expected evolution of the rates, whereas scenarios II and III consider appreciation of the rates by 25% and 50%, respectively:

Index	Exposure	Debt sensitivity - 12/31/2023					
		Probable scenario		Scenario II		Scenario III	
		Rates	Amount	Rates	Amount	Rates	Amount
IPCA (FCO)	20,189	3.87%	20.970	4.84%	21.166	5.81%	21.362
CDI (Banks + Debentures)	900,364	8.90%	980.496	11.13%	1.000.575	13.35%	1.020.563
USD SOFR 3M (BID)	50,289	5.26%	52.934	6.58%	53.598	7.89%	54.257
TR (Caixa Econômica Federal)	103,448	1.77%	105.280	2.21%	105.735	2.66%	106.201
Subtotal	1,074,290		1.159.680		1.181.074		1.202.383
Transaction cost	(6,381)						
	1,067,909						
Not subject to risks							
FCO (Center Western Financing Program) - Cezarina (a)	2,823						
	<u>1,070,732</u>						

a) Contract with fixed interest.

Exchange rate risk

Saneago is exposed to fluctuation in exchange rates of financial operations denominated in foreign currencies. That could lead to the possibility of the Company incurring losses due to higher financing liabilities and financial expenses.

With the purpose of managing the unpredictability of exchange rate fluctuations and optimizing cash, hedge instruments may be contracted, such as swap contracts, currency forward contracts (NDF), or financial investments in exchange funds limited to the amount of the corresponding liability. The contracting of those instruments depends on the ratio of cost to expected benefit of the instrument used.

As in the debt sensitivity analysis above, the balance used was that of foreign debt, i.e., the financing agreement with IDB, denominated in US dollars. Based on market expectations for the end of the year of this currency value (Focus report), relative to 2024, 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 - 12/31/2023						
Currency	Exposure	Probable scenario	-25%	25%	-50%	50%
Debt in R\$ (IDB)	50,289	R\$ 4.95	R\$ 3.71	R\$ 6.19	R\$ 2.48	R\$ 7.43
Exposure in US\$	10,387	-	-	-	-	-
Debt in R\$ in the scenarios	-	51,418	38,563	64,272	25,709	77,127
Effects on income before taxation		(1,129)	11,726	(13,983)	24,580	(26,838)

Sensitivity of the debt in foreign currency with IDB

In relation to contract No. 1414/OC-BR executed between Saneago and the Inter-American Development Bank (IDB), no currency forward mechanisms have been adopted against oscillations in exchange variation. However, Management has evaluated the possibility of hedging against current and probable changes in the world economic scenario.

Regarding the reference interest rate for the IDB debt, the London Inter-bank Offered Rate (LIBOR) was discontinued and replaced by the Secured Overnight Financing Rate (SOFR), which is used in the IDB contract as from 2023.

In the Sensitivity Analysis for Foreign Currency Debts, the probable scenario indicates a Dollar closing rate of R\$ 4.95 for 2024, above the closing rate for 2023, which was of R\$ 4.84, indicating an increase in debt costs due to the exchange rate variation. The Company will follow exchange rate volatility and, if necessary, adopt hedging instruments to mitigate this risk. We should point out, however, factors that have been substantially affecting domestic and foreign financial conditions, such as the high interest environment as a response to the increase in inflation in the USA and the world, and also the increasing defaults and credit risks for companies. Also, in the foreign scenario, risks associated with a global economic slowdown remain, as well as the uncertainties on economic policies, economic slowdown and geopolitics - notably commercial competition and the aggravation of the military conflict in Ukraine and of the Israel-Hamas war into a larger conflict - may contribute to a diminished global growth. Domestic factors are related to the Brazilian economy being able to absorb the hardships arising from the foreign scenario and the perspective given by structural reforms, specially the tax reform and those that allow for economic recovery.

The dollar rates of the scenarios were based on data the Brazilian Central Bank published in the FOCUS Market Report (Market Expectations) on January 12, 2024.

(b) Credit risk

Saneago provides services to almost all people of the state of Goiás. As for individual customers, the practice at the Company is to cut the services in the event of payment default, and no credit analysis is made. Such practice is not applicable to legal entities and government customers and Management has been making efforts to reduce contract default levels through negotiation with municipal governments and public agencies of the state of Goiás.

(c) Liquidity risk

Liquidity risk can be defined as the possibility of the Company not having enough funds to fulfill financial obligations or even having to pay extra costs due to shortage of funds at due dates as a result of a mismatch between payables and receivables.

The Company's liquidity risk associates mainly with its capacity of 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, however, as disclosed in Note 1, the microregion committees have approved to align all the contracts maturity to December 17, 2049. The municipality is entitled to cancel contracts before expiration or do not give authorization for their renewal due to noncompliance with legal or contract obligations, upon compensation of the balances of investment not yet amortized, something guaranteed by law, as discussed in Note 2. 8 a), although it depends on the microregion to authorize it. The Microregion Committees decision on the maintenance of direct rendering of services by Saneago, as disclosed in Note 1, brings a higher level of legal safety to municipalities whose contracts have matured and where Saneago was only keeping the water supply and sewage systems working.

3.2 Capital management

The objective of managing capital is safeguarding the capacity of the Company continuing as a going concern, offering return to shareholders and benefits to other stakeholders, besides keeping an ideal capital ratio and reduce costs. The financial leverage ratio is tracked. It corresponds to net debt divided by total capital. Net debt, in its turn, corresponds to total loans and financing, less cash and cash equivalents and financial investments of immediate liquidity. Total capital is determined through the sum of equity as demonstrated in the statement of financial position with net debt.

	12/31/2023	12/31/2022
Net Financial Position		
Total loans/Debentures/Leases	1,210,942	1,103,827
(-) Cash and cash equivalents.	(59,266)	(81,606)
(-) Financial Investment (a)	(815,781)	(615,746)
(=) Net debt	335,895	406,475
(+) Total equity	4,084,944	3,677,183
(=) Total capital	4,420,839	4,083,658
Financial Leverage Index	7.60%	9.95%

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

4. Cash and cash equivalents

	12/31/2023	12/31/2022
Imprest fund	41	108
Bank checking accounts/billing	29,507	13,722
Banks - Accounts linked to construction work	79	1,926
Banks - Billing not yet released (a)	14,206	11,904
Financial investments (b)	15,433	53,946
	<u>59,266</u>	<u>81,606</u>

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

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

(b) The Company maintains in Cash and Cash Equivalents the investments expected to be used within six months. The balance of financial investments breakdown as follows:

	12/31/2023	12/31/2022
Banco do Brasil	1,759	1,524
BBM	-	3,384
Bradesco	11,772	5,927
Itaú	-	40,533
Safra	12	11
Vórtex	1,890	2,567
	<u>15,433</u>	<u>53,946</u>

The average return on these investments accumulated as at 2023 was of 69.41% of CDI (as at December 31, 2022 was 74.56% of CDI).

5. Financial investments

These refer to investments with immediate liquidity to meet short-term commitments. It differs from investments allocated to Cash and Cash Equivalents only in terms of their expected use by the Company, which is after six months, and breakdown as follows:

	12/31/2023	12/31/2022
Bradesco	2,002	-
Itaú	36,612	45,550
Santander	775,190	570,196
Toro	1,977	-
	<u>815,781</u>	<u>615,746</u>

The average return on the financial investments accumulated as at 2023 was of 87.89% of CDI (100.96% of CDI as at December 31, 2022).

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

This change is due to the inflow of funds from the 11th issuance of debentures of R\$ 300,000 in July 2023.

6. Marketable securities

	12/31/2023	12/31/2022
Current		
Caixa Econômica Federal	271	264
	<u>271</u>	<u>264</u>
Noncurrent		
Bradesco	-	1,153
Caixa Econômica Federal	6,089	12,645
Banco Inter	1,108	-
	<u>7,197</u>	<u>13,798</u>
	<u>7,468</u>	<u>14,062</u>

Such investments are a contract demand. Guarantee reserves maturing after 12 months are classified as noncurrent assets. Contracts maturing within the next 12 months are carried in current assets, as well as other investment available within the year.

The variation in the balance corresponds to the return of funds received by means of the Water Basins Depollution Program - PRODES due to the expiration of contract No. 068/ANA/2015. The contract expired on September 30, 2022 and, as there was no extension, the company returned, in January 2023, the capital received and the corresponding income, which totaled R\$7,090.

The amount of R\$ 676 was recorded in marketable securities, with redemption in the net amount of R\$ 7,270.

The average returns on marketable securities accumulated in 2023 was 71.97% of the Interbank Deposit Rate (CDI) (79.33% of CDI as at December 31, 2022).

7. Receivables from consumers

	12/31/2023			12/31/2022		
	Private	Public	Total	Private	Public	Total
Amounts billed and not yet due	140,006	16,774	156,780	117,548	13,545	131,093
Installments becoming due in more than 30 days	38,317	4,405	42,722			
Overdue for up to 30 days				34,540	4,404	38,944
From 31 to 60 days overdue	129,219	5,635	134,854	104,733	3,763	108,496
From 61 to 90 days overdue	49,053	3,546	52,599	40,600	1,945	42,545
From 91 to 120 days overdue	18,408	1,783	20,191	17,348	2,135	19,483
From 121 to 180 days overdue	14,146	1,723	15,869	13,546	1,765	15,311
From 181 to 360 days overdue	24,246	3,150	27,396	21,967	2,739	24,706
From 361 days to 5 years overdue	57,872	7,654	65,526	54,620	5,473	60,093
From 5 to 10 years overdue	149,126	18,534	167,660	70,197	9,837	80,034
More than 10 years overdue	11,522	5,857	17,379	6,244	4,048	10,292
Collection to be identified	395	70	465	315	70	385
Estimate of amounts to be billed	(52)	-	(52)	(133)	-	(133)
(-) Discount to present value of receivables	115,477	8,504	123,981	101,762	7,380	109,142
(-) Allowance for doubtful accounts	(1,120)	(172)	(1,292)	(1,176)	(197)	(1,373)
Subtotal	<u>(180,748)</u>	<u>(40,475)</u>	<u>(221,223)</u>	<u>(99,153)</u>	<u>(22,395)</u>	<u>(121,548)</u>
	<u>565,867</u>	<u>36,988</u>	<u>602,855</u>	<u>482,958</u>	<u>34,512</u>	<u>517,470</u>
Unbilled installments (noncurrent)	36,692	8,149	44,841	27,158	11,011	38,169
(-) Discount to present value of receivables	(4,645)	(1,502)	(6,147)	(3,831)	(2,161)	(5,992)
(-) Allowance for doubtful accounts	(1,072)	(622)	(1,694)	(796)	(682)	(1,478)
Subtotal	<u>30,975</u>	<u>6,025</u>	<u>37,000</u>	<u>22,531</u>	<u>8,168</u>	<u>30,699</u>
Total	596,842	43,013	639,855	505,489	42,680	548,169

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

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

Balance as at 12/31/2022	(123,026)
Recognition of allowance for doubtful accounts (Note 33)	<u>(99,891)</u>
Balance as at 12/31/2023	<u><u>(222,917)</u></u>

The credits are written off according to the applicable statute of limitations (commercial criterion) and while outstanding are provisioned according to the increase in default term, therefore reflecting the loss estimate of the customer portfolio.

The practice in relation to individual customers is initially notifying them about the debt through a message in the invoice of the following month. After notification, a period of 30 days is granted for payment and in the event the invoice is not paid, the supply of water is cut, what happens on average 48 days after the expiration of the original invoice in normal periods. For public customers, the cut does not occur, and only the debt notification step is applied. In addition, by means of Regulatory Resolution AGR/CR No. 9/2014 for activities considered essential, it is not possible to interrupt the water supply, and only the possibility of the flow reduction procedure is applicable.

8. Inventories

	12/31/2023	12/31/2022
Materials to be used in treatment stations	8,377	8,096
Materials to be used in pipelines	8,703	396
Electric materials and equipment	10,284	2,087
Tubes and connections for pipelines and water mains	35,096	44,117
Materials to be used in building pipelines	8,246	4,382
Water meters	19,669	10,460
Valves	9,621	11,173
Pumps	988	2,284
Sundry materials	10,276	4,378
(-) Provision for inventory losses	<u>(2,226)</u>	<u>(6,378)</u>
	<u><u>109,034</u></u>	<u><u>80,995</u></u>

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

Balance as at 12/31/2022	<u>(6,378)</u>
Reversal of net provision for inventory losses (Note 33)	<u>4,152</u>
Balance as at 12/31/2023	<u><u>(2,226)</u></u>

9. Recoverable taxes

	12/31/2023	12/31/2022
Current		
INSS Tax (Social Security Tax)	87	-
Withholding Income Tax (IRRF)	7,007	7,148
Estimate of IRRF on financial investments	11,659	9,990
PIS/COFINS on Leases	3,427	2,261
Brazilian Federal Revenue Service	<u>2,733</u>	<u>2,733</u>
	<u><u>24,913</u></u>	<u><u>22,132</u></u>
Noncurrent		
PIS/COFINS on Leases	<u>8,540</u>	<u>7,697</u>
	<u><u>8,540</u></u>	<u><u>7,697</u></u>

10. Prepaid expenses and advances

	12/31/2022	12/31/2022
Current amounts		
Advances for payment of graduate courses	-	27
Advances to suppliers	647	-
Advances for travel	229	738
Advances for vacations	6,907	6,572
Contractual indemnities (a)	11,661	9,938
	<u>19,444</u>	<u>17,275</u>
Noncurrent amounts		
Contractual indemnities (a)	269,211	243,123
	<u>269,211</u>	<u>243,123</u>

(a) This refers to payment of indemnities for anticipated renewal of contracts and anticipated interest, with the amounts amortized until the contractual term of each municipality.

11. Outsourcing

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

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

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

- The regulation agency is the Control and Inspection Council of Public Services (AGR) and the consenting intervening parties are the municipalities of Aparecida de Goiânia, Jataí, Rio Verde and Trindade. In Rio Verde, the contract-related regulatory matters will be under shared responsibility of AGR and Rio Verde's AMAE;
- Payment of R\$273,000 granting fees to Saneago in thirty (30) installments, annually adjusted according to the IPCA rate (National Consumer Price Index);
- Operation and expansion of collection, removal and sewage treatment systems, according to the statutory definition, i.e., more than ninety percent (90%) of the population receiving water services should also have access to sewage services;
- 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.

By the noncompliance of the universalization clause in due time (six years), a Conduct Adjustment Agreement (TAC) was entered into, which provided the application of penalties, later converted into the Company's obligation of performing construction work. The agreement also included an extension of the contractual term to fulfill the contract objective up to December 31, 2023, which was achieved in the four outsourced municipalities.

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

	Current assets		Current liabilities	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Outsourcing				
Granting fees	11,858	11,334	976	349
	Noncurrent assets		Noncurrent liabilities	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Sanitation system investments	1,835,505	1,547,015	1,835,505	1,547,015
(-) Accumulated amortization	(183,823)	(121,784)	(183,823)	(121,784)
Net Investment	1,651,682	1,425,231	1,651,682	1,425,231
Total	1,663,540	1,436,565	1,652,658	1,425,580

12. Other accounts receivable

	12/31/2023	12/31/2022
Current portion		
Collateral deposits	8	18
Consortium-related amounts (a)	20,267	29,071
Sundry advances	491	6,399
Credits from Contract terminations (b)	303	-
(-) Provision for losses	(375)	(375)
	20,694	35,113
Noncurrent portion		
Other receivables	2,420	-
Credits from Contract terminations (b)	978	-
Contracts under legal dispute (c)	38,403	38,355
(-) Estimated credit losses	(38,403)	(38,355)
	3,398	-

- (a) This is due to the difference of ownership interest in jointly controlled businesses (Note 25). The Consortium companies measure the required adjustment to balance at every half-year, realizing the adjustments as each subsequent receipts are transferred to make the payments/receipts due to each party.
- (b) This is from the amicable resumption of services by Leopoldo Bulhões municipality. The total agreement value is R\$ 1,602, to be received in 45 monthly installments.
- (c) Contracts under legal dispute

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

Caldas Novas

Due to the recovery of the systems by the municipal government on June 27, 1995, Saneago filed an indemnity action, Proceeding No. 0033803.68.1995.8.09.0051. The local judge accepted the request, sentencing the municipal government of Caldas Novas to pay R\$ 37,058. On June 05, 2019, the court of Goiás revoked the lower court decision and determined the proceeding to continue on its original court, with reversal of the burden of proof to Saneago, in order to verify the existence of the amounts to be amortized. In April/2020, the proceeding was sent to the Federal Court of Appeals (STJ), to judge the special appeal filed by Saneago, with conclusion for decision of its President on May 06, 2020. On October 02, 2020, the STJ acknowledged the Special Appeal, but dismissed it, thus maintaining the decision of the court of Goiás.

The proceeding returned to its court of origin, and was inadvertently closed without compliance with the decision by the court of Goiás. The company has filed a request to be called to court, to reopen and execute the decision by the court of Goiás and, consequently, the decision to present the amounts to be amortized, so that the amount effectively owed by the municipality could be calculated.

On March 31, 2022, Saneago adjusted the values of the indemnity for assets not amortized, in the form suggested by the court of Goiás, for procedural purposes, with no effects on accounting records. The municipal government contested the calculation on May 04, 2022, and requested the dismissal of the proceeding. The proceeding was concluded for judgment. On February 22, 2023, the parties were ordered to define the issues of fact and the issues of right in dispute.

On March 15, 2023, Saneago informed the lack of need to present new evidence, requesting the defendant to pay R\$ 37,058 as indemnity for non-amortized assets due to the illegal expropriation of basic sanitation services. Additionally, the Company requested that the petition be granted, in compliance with the Author's undisputed right, as per Law No. 8.987/95, article 37. On April 20, 2023, the municipality of Caldas Novas reinforced its previous appeals, requesting that the action be ruled groundless. The proceedings were taken under advisement on May 16, 2023.

On July 31, 2023, an order was issued summoning the Public Prosecutor's Office and on September 01, 2023, the Public Prosecutor's Office declared there was no public interest that would justify its intervention on the matter. The process was concluded for sentencing at that date and on November 20, 2023, an order was issued for Saneago to present documents that prove the lack of nonamortized amounts for indemnity.

Catalão

On June 28, 2002, by means of the Judgement of Compliance and Assumption on the records of Injunction No. 2001.017.607.73, the municipality of Catalão terminated the municipal basic sanitation system, for which Saneago had a concession agreement expiring on July 27, 2019, and there was no possibility of resumption. Saneago proposed an indemnity action by means of Proceeding No. 37532.36.2016.8.09.0029, which was suspended for a long period awaiting judgement of Appendix No. 0174386-712015.8.09.0029, which was processed by the Federal Court of Appeals (STJ) for judgement of the Special Appeal (RESP.) On June 02, 2020, the proceedings were concluded, by order of the Judge, with a delay in the preparation of the analysis by withdrawal of the expert hired. On October 04, 2021, a new expert was hired. Although the expert performed the analysis on April 25, 2023, it has not still presented its report and the Judge will summon the expert.

Buriti Alegre

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

Ipameri

On April 08, 2022, the municipality of Ipameri filed proceeding No. 5206168-26.2022.8.09.0074, with the main objective of resuming the water supply and sanitation services system. With an injunction denied in lower court, the Municipality appealed to Goiás' Court of Justice (TJ/GO) (interlocutory appeal No. 5261189.84.2022.8.09.0074), which reversed the local judge decision for the Municipality to immediately resume service. As per court decision, Saneago delivered the system to the Municipality on November 25, 2022. The STJ, however, accepted Saneago's Special Appeal against the decision relative to Interlocutory Appeal No. 5261189.84.2022.8.09.0074, summoning TJ/GO to speak specifically on the early indemnity payable to the Company, which, to date, has not been performed by the local court. Upon the answer, there was an offer of a counterclaim, indicating that the municipality pay compensation to Saneago for investments linked to reversible assets that were not amortized or depreciated at the end of the contractual term - a process that is in the cognizance phase. In spite of the provisions in the contract and in legislation regarding the right to indemnity, considering that the effective reimbursement depends on the progress of the proceeding, the net book value of said assets was provisioned as loss.

13. Court deposits

	12/31/2023		12/31/2022	
	No.	Amount	No.	Amount
Civil	71	4,398	141	5,083
Tax	1	5,444	2	5,474
Labor	110	4,734	77	4,348
Total	182	14,576	220	14,905

Of the outstanding balance as at December 31, 2023, around 93% corresponds to deposits made in the last five years, with emphasis on deposits arising from proceedings 5532023-46.2019.8.09.0103, filed by the municipality of Minaçu in the amount of R\$5,444, and 0010242-85.2016.5.18.0016 filed by the STIUEG - Sindicato dos Trabalhadores Urbanitários of the State of Goiás, with balance of R\$3,525.

14. Taxes on income

14.1 Taxes on Income in the Statements of Income

	12/31/2023		12/31/2022	
	Income Tax	Social Contribution Tax	Income Tax	Social Contribution Tax
Income before Income and Social Contribution Taxes (IRPJ and CSLL)	818,023	818,023	553.129	553.129
IRPJ and CSLL - Rates in effect (respectively, 25% and 9%)	(204,506)	(73,622)	(138.282)	(49.782)
Deductibility on Interest on Equity Capital	34,666	12,480	23.845	8.585
Nondeductible Fines	(50)	(18)	(1.160)	(417)
Workers' Meal Program - PAT	3,883	-	2.488	-
Loss/Recovery of nondeductible credits - Law No. 9.430/96	-	-	474	171
Management Bonus	(519)	-	(436)	-
Corporate Citizen Incentive - Law No. 11.770/08	369	(44)	303	(36)
Expenses on issue of shares	-	-	(623)	(224)
Monetary adjustments on tax credits	-	53	202	73
Sponsorship to cultural and sport activities (a)	1,654	(198)	233	(28)
Donations	1,239	(149)	683	(82)
Write-off of CSLL tax loss carryforwards	-	(6,576)	-	-
Others	(2,034)	(795)	1.860	660
IRPJ and CSLL - Effective Amounts	(165,298)	(68,869)	(110.413)	(41.080)
Total IRPJ and CSLL	(234,167)		(151,493)	
Effective rate	28.63%		27.39%	

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

	12/31/2023			12/31/2022		
	Current	Deferred	Total	Current	Deferred	Total
Income Tax	153,530	11,768	165,298	99,538	10,875	110,413
Social Contribution Tax	57,039	11,830	68,869	26,016	15,064	41,080
Total	210,569	23,598	234,167	125,554	25,939	151,493

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

	12/31/2023				12/31/2022			
	Tax base	IRPJ (25%)	CSLL (9%)	Total	Tax base	IRPJ (25%)	CSLL (9%)	Total
Deferred tax assets								
Allowance for Doubtful Accounts - Credits receivable	222,917	55,728	20,063	75,791	123,026	30,756	11,072	41,828
Discount to Present Value - Credits receivable	7,439	1,860	669	2,529	7,365	1,841	663	2,504
Provision for losses on Inventory	2,226	557	200	757	6,378	1,595	574	2,169
Provision for losses on investments	564	141	51	192	564	141	51	192
Provision for contingencies	206,177	51,543	18,556	70,099	219,998	54,999	19,800	74,799
Provision for losses on other credits	375	94	34	128	375	94	34	128
Provision for Contracts without Concession	38,403	9,601	3,456	13,057	38,355	9,589	3,452	13,041
Provision for Losses on Construction work	116,383	29,096	10,473	39,569	128,347	32,087	11,550	43,637
Estimated inventory losses - construction work	1,139	285	103	388	-	-	-	-
Actuarial liabilities	56,711	14,178	5,104	19,282	-	-	-	-
Provision for profit sharing	49,628	12,407	4,467	16,874	39,324	9,831	3,539	13,370
Lease - Vehicles	(9,199)	(2,300)	(828)	(3,128)	(2,560)	(640)	(230)	(870)
CSLL Tax Losses	-	-	-	-	84,372	-	7,593	7,593
Total	692,763	173,190	62,348	235,538	645,544	140,293	58,098	198,391

Deferred tax liabilities

Tax x Accounting Depreciation	627,761	156,940	56,499	213,438	505,813	126,453	45,523	171,975
Asset and liability valuation adjustment	50,471	12,617	4,542	17,160	50,474	12,617	4,543	17,161
Total Deferred Taxes, net	678,232	169,557	61,041	230,598	556,287	139,070	50,066	189,136
			4,940				9,255	

Change in deferred taxes

Balance kept in deferred tax assets as at 12/31/2022	9,255
(+)Recognition/Realization of deferred tax assets - Statement of income	17,865
(+)Recognition of deferred tax assets - Equity	19,282
(+)Recognition/Realization of deferred tax liabilities- Statement of income	(41,463)
(+)Recognition of deferred tax liabilities - Equity	1
Balance kept in deferred tax assets as at 12/31/2023	4,940

Reversal in the statement of income as at 12/31/2023

Income before taxes	818,023
Combined rate 34%	278,128
(+/-) IRPJ/CSLL on permanent/temporary additions and deductions and tax losses	(301,726)
Deferred taxes in the statement of income	(23,598)

	Effects on Income for the year - Deferred taxes			Effects on Income for the year - Deferred taxes		
	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Allowance for Doubtful Accounts - Credits receivable	24,972	8,991	33,963	23,074	8,306	31,380
Discount to present value - Credits receivable	19	6	25	1,841	663	2,504
Provision for Losses on Inventory	(1,038)	(374)	(1,412)	(1,063)	(383)	(1,446)
Provision for contingencies	(3,456)	(1,244)	(4,700)	(3,290)	(1,184)	(4,474)
Provision for Contracts without Concession	12	4	16	1,398	503	1,901
Provision for Losses on Construction work	(2,991)	(1,077)	(4,068)	-	(1)	(1)
Estimated inventory losses - construction work	285	103	388	-	-	-
Provision for profit sharing	2,576	928	3,504	1,020	367	1,387
Leases - Vehicles	(1,660)	(598)	(2,258)	(640)	(230)	(870)
Tax Losses - CSLL (a)	-	(7,593)	(7,593)	-	(11,150)	(11,150)
Total	18,719	(854)	17,865	22,340	(3,109)	19,231
Deferred tax liabilities						
Tax x Accounting Depreciation	30,487	10,976	41,463	33,215	11,957	45,172
Asset and liability valuation adjustments	-	-	-	(2)	-	(2)
Total Deferred Taxes, net	30,487	10,976	41,463	33,213	11,957	45,170
			(23,598)			(25,939)

15. Fixed assets

	12/31/2023	12/31/2022
General use assets	254,538	228,110
Production system - Corumbá	131,680	129,256
General use assets in construction	275	290
Assets at deemed cost	64,430	64,434
General use assets - Lease	7,212	7,213
Contributions- Corumbá Consortium (a)	(276)	(2,198)
Advances to suppliers - fixed assets	2,039	-
Land-title regularization	61	246
Right-of-use - vehicles (Note 15.2)	162,503	155,494
Right-of-use - software (Note 15.2)	6,091	-
Accumulated depreciation - Right-of-use assets (Note 15.2)	(49,550)	(57,181)
Accumulated Depreciation - General	(131,870)	(118,959)
Accumulated depreciation - Corumbá system	(5,165)	(395)
Accumulated depreciation - Deemed cost	(14,030)	(14,031)
Accumulated Depreciation - Lease	(6,976)	(6,424)
	420,962	385,855

15.1 Technical assets

The change in assets is as follows:

	Balances as at 12/31/2022	Additions	Write-offs	Depreciation /Amortization	Fixed assets	Transfers between accounts	Contribution	12/31/2023
Technical assets								
General use assets	228,110	27,199	(77)	-	322	(1,016)	-	254,538
Assets at deemed cost	64,434	-	(4)	-	-	-	-	64.430
General use assets - Lease	7,213	-	(1)	-	-	-	-	7.212
General use assets in construction	290	177	-	-	(194)	2	-	275
Advances to suppliers - Fixed assets	-	2,039	-	-	-	-	-	2,039
Land title regularization	246	-	-	-	(185)	-	-	61
Accumulated Depreciation - General	(118,959)	-	60	(13,917)	(1)	947	-	(131,870)
Accumulated Depreciation - Deemed Cost	(14,031)	-	3	(2)	-	-	-	(14.030)
Accumulated Depreciation - Lease	(6,424)	-	1	(553)	-	-	-	(6.976)
Total	160,879	29,415	(18)	(14,472)	(58)	(67)	-	175,679
Corumbá Production System								
Corumbá Production System - Water	129,256	2,209	-	-	-	215	-	131,680
(-) Accumulated Depreciation - Corumbá System	(395)	-	-	(4,764)	-	(6)	-	(5,165)
Corumbá Production System - Water - Non onerous	79,249	-	-	-	-	-	-	79,249
(-) Accumulated Depreciation - Corumbá System - Non onerous	(167)	-	-	(2,007)	-	-	-	(2,174)
(-) Government subvention/assistance	(79,082)	-	-	2,007	-	-	-	(77,075)
Investments to realize -Corumbá Consortium (a)	(2,198)	-	-	-	-	-	1,922	(276)
Total	126,663	2,209	-	(4,764)	-	209	1,922	126.239
Total fixed assets	287,542	31,624	(18)	(19,236)	(58)	142	1,922	301,918

- (a) This refers to differences in interest in the investment of Corumbá Consortium, a business jointly controlled with Caesb as per note 25. At the end of the years of 2022 and 2023, Saneago was a creditor with amounts receivable, and the balance refers to the amount invested corresponding to Caesb.

15.2 Right-of-use assets - Leases

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

	12/31/2023	12/31/2022
Right-of-use assets - Vehicles	162,503	155,494
Right-of-use assets - Software	6,091	-
Accumulated depreciation- Right-of-use assets	(49,550)	(57,181)
	<u>119,044</u>	<u>98,313</u>

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

Right-of-use assets	Balance as at 12/31/2022	Additions	Write-offs	Depreciation /Amortization	Transfers between accounts	12/31/2023
Right-of-use assets - vehicles	155,494	48,425	(41,416)	-	-	162,503
Right-of-use assets - Software	-	6,091	-	-	-	6,091
Accumulated depreciation - right-of-use assets	(57,181)	-	41,416	(33,758)	(27)	(49,550)
Total	<u>98,313</u>	<u>54,516</u>	<u>-</u>	<u>(33,758)</u>	<u>(27)</u>	<u>119,044</u>

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

16. Contractual assets

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

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

Contractual assets	Water system	Sewage system	Work in Progress	Advance to suppliers	Total
Balance as at 12/31/2022	294,905	419,441	44,794	297	759,437
Additions	231,073	36,964	-	-	268,037
Inventory adjustment/write-off	(65)	(56)	(314)	-	(435)
Inventory return and purchases	-	-	1,967	(297)	1,670
Transfer to storeroom	-	-	(3,002)	-	(3,002)
Allocation of Inventories in Additions	-	-	(15,964)	-	(15,964)
Fixed assets in progress	(56,956)	(114,374)	-	-	(171,330)
Transfer to intangible assets	(116)	(3,878)	-	-	(3,994)
(-) Provision for inventory losses	-	-	(1,139)	-	(1,139)
Balance as at 12/31/2023	<u>468,841</u>	<u>338,097</u>	<u>26,342</u>	<u>-</u>	<u>833,280</u>

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

Balance as at 12/31/2022	-
Recognition of net provision for inventory losses (Note 33)	(1,139)
Balance as at 12/31/2023	<u>(1,139)</u>

17. Intangible assets

	12/31/2023	12/31/2022
Water systems	2,910,915	2,744,718
Sewage systems	3,064,748	2,932,242
General use assets	42,857	25,415
Software (licenses)	57,666	52,673
Accumulated amortization	(2,989,493)	(2,874,275)
Contributions to realize - Águas Lindas	28,666	29,771
Provision for impairment	(116,383)	(128,347)
"Operação Decantação" (Note 40)	(113,565)	(113,565)
Land-title regularization	52,531	53,764
Non onerous assets - water supply	85,898	67,994
Non-onerous assets - sewage	91,723	88,374
	<u>3,115,563</u>	<u>2,878,764</u>

The change in intangible assets in the period is as follows:

	Balance as at 12/31/2022	Additions	Write-offs	Deprec. Amort.	Contribution	Fixed assets in progress	Fixed assets and subventions	Transf. between accounts	12/31/2023
Intangible assets in use									
Water system	2,744,718	103,664	(1,693)	-	-	64,141	-	85	2,910,915
Sewage system	2,932,242	16,727	(19)	-	-	115,594	-	204	3,064,748
General use assets	25,415	16,957	(27)	-	-	-	-	512	42,857
Accumulated amortization	(2,874,275)	-	916	(115,193)	-	-	-	(941)	(2,989,493)
Software (licenses)	70,612	16,159	-	-	-	-	-	-	86,771
Amortization of software (licenses)	(17,939)	-	-	(11,195)	-	-	-	29	(29,105)
Contributions to realize - Águas Lindas	29,771	-	-	-	(1,105)	-	-	-	28,666
Provision for impairment losses (a)	(128,347)	-	11,964	-	-	-	-	-	(116,383)
"Operação Decantação" (Note 40)	(113,565)	-	-	-	-	-	-	-	(113,565)
Land-title regularization	53,764	7,304	(188)	-	-	(8,349)	-	-	52,531
Non-onerous intangible assets - Water supply	10,699	173	-	-	-	-	-	-	10,872
Non-onerous intangible assets - Sewage	38,326	52	-	-	-	14,773	-	-	53,151
(-) Government subsidies/grants	(47,759)	-	-	1,630	-	-	(14,773)	(225)	(61,127)
Amortization of non-onerous assets	(1,266)	-	-	(1,630)	-	-	-	-	(2,896)
Total	2,722,396	161,036	10,953	(126,388)	(1,105)	186,159	(14,773)	(336)	2,937,942
Intangible assets in progress - Non-onerous									
Non onerous assets - water supply	67,994	17,904	-	-	-	-	-	-	85,898
Non-onerous assets - sewage	88,374	14,129	-	-	-	-	-	(10,780)	91,723
Total	156,368	32,033	-	-	-	-	-	(10,780)	177,621
Total intangible assets	2,878,764	193,069	10,953	(126,388)	(1,105)	186,159	(14,773)	(11,116)	3,115,563

- (a) The reversal of the impairment allowance is related to the construction of the Sewage System of Inhumas and Cachoeira Dourada/GO, whose contracts were carried out between April 2014 and September 2016, and January 2015 and August 2016, respectively, and later interrupted. The Company made efforts to identify the functional segments of the construction work leading to its transfer to fixed assets and later reversal of the loss estimate.

18. Government subsidies

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

As at December 19, 2007, fund-transfer contracts were executed between the Federal Government, through the Ministry of Cities represented by Caixa Econômica Federal and the state of Goiás. That aimed urban water supply and sewage service provision in several municipalities, having Saneago as executing intervening party. The purpose of each contract is establishing joint actions between Saneago and the Municipalities to expand water supply and sewage systems, as well as transfer the amount of consideration payable by the state of Goiás to the Company.

The Guidelines of the Growth Acceleration Program (PAC) provide refund in the following cases:

- a) When the purpose agreed upon in the contract has not been achieved;
- b) When a report on the rendering of accounts is not presented within the required time limit, whether a partial or final one;
- c) When the funds are used for other purposes and not the one established in the contract;
- d) When the amounts from financial investment are used in violation to the term, purpose or consideration established in the contract.

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

The amounts recorded in liabilities refer to transfers received from work not yet concluded. Finished work, concluded with own funds and in process of receipt of the transfers are recorded in assets. One same contract of transfer may include amounts received from unfinished work (recorded in liabilities) and finished work with amounts still pending to be transferred (recorded in assets).

It can be observed that the subventions concluded with own resources and not yet reimbursed were recorded as intangible assets, and reclassified as non-onerous intangible assets once the rendering of accounts is concluded and the resources are received. As from 2022, aiming for better control of the ongoing processes of rendering of accounts, the Company started to record the onerous and non-onerous portions of the work in progress as per the proportion established in contract, while the amounts not yet transferred are recorded as Subventions Receivable.

a) The transfers recorded in liabilities are shown below:

City	Contract	12/31/2022	Inflow/ return of funds PAC	Works concluded/ Others	Transfers between accounts	12/31/2023
S. Antônio do Descoberto	0218331-07	389	-	54	-	443
Cristalina	0226017-65	309	-	-	-	309
Goiânia - Meia Ponte	0226025-62	6.110	12,576	1,072	-	19,758
Luziânia	0218328-52	-	4,233	-	(4,512)	(279)
Novo Gama	0226015-46	130	-	714	-	844
Novo Gama	0226018-79	972	-	-	-	972
Goiânia - Vila Adélia	0226024-57	7.294	-	(56)	-	7,238
Goiânia	0350788-10	40.423	4,509	-	-	44,932
S. Antônio do Descoberto	0350796-17	1.063	-	-	-	1,063
Pirenópolis	0350884-88	-	2,062	-	-	2,062
Aparecida de Goiânia	0351738-28	9.038	1,059	-	-	10,097
Goiânia Jd Petrópolis SES	0408678-27	58.770	3,259	-	(15,499)	46,530
Anápolis SES	0408691-99	17.672	1,241	(13,892)	-	5,021
Other contracts	Sundry	39	(39)	-	-	-
Total PAC		142,209	28,900	(12,108)	(20,011)	138.990

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

Municipal Subventions						
Itapirapuã	1283/2014	51	-	-	-	51
Itapuranga	1210/2014	53	-	-	-	53
Padre Bernardo	Sundry	-	179	-	(179)	-
Porangatu	1247/2014	-	46	-	(46)	-
Total Municipal Subventions		104	225	-	(225)	104
Grand total		151,766	24,524	(12,108)	(20,236)	143.946

b) The transfers recorded in assets are shown below:

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

19. Trade accounts payable

	12/31/2023	12/31/2022
Current		
Contractors	56,980	52,765
Service providers	45,573	31,984
Suppliers of benefits	30,196	22,131
Electricity	19,819	21,406
Contractual compensation	15,765	13,939
General materials	11,550	10,415
Leases	5,145	2,006
Materials - Chemical Products	2,596	2,233
Others	18,029	20,579
	<u>205,653</u>	<u>177,458</u>

20. Loans and financing

IDB (Inter-American Development Bank)

Interest is paid every six months in April and October at the rate established by IDB quarterly. The rate on April 11, 2023, calculated based on SOFR rate was of 6.13% p.a. Payment of the installment for October was calculated based on the SOFR rate of 7.14% p.a. Amortization is also half-yearly made. It began on October 11, 2008, and will end on October 11, 2027.

Debentures - 5th Issuance

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

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

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

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

The financial index to be annually fulfilled for the 5th Issuance is a ratio between net debt and adjusted EBITDA lower or equal to 3.0. As at December 31, 2022, that ratio had been reached.

On November 15, 2023, the last installment for the 5th issuance of debentures was paid, and a Settlement and Release of Warranty Certificate was issued.

Debentures - 6th Issuance

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

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

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

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

The financial index to be annually fulfilled and established for the 6th Issuance is a ratio of net debt to adjusted annual EBITDA lower or equal to 3.0. As at December 31, 2023, the ratio had been reached.

Debentures - 8th Issuance

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

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

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

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

The financial index established for the 8th Issuance is a ratio of net debt to adjusted annual EBITDA lower or equal to 3.0 and must be verified annually by the Issuer and monitored by the Trustee. As at December 31, 2023, the ratio had been reached.

Debentures 9th Issuance

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

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

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

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

The financial index to be annually reached and established for the 9th Issuance is a ratio of net debt to adjusted annual EBITDA lower or equal to 3.0 to be annually checked by the Issuer and followed up by the Trustee. As at December 31, 2023, the ratio had been reached.

Debentures 10th Issuance

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

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

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

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

The financial index established for the 10th Issuance is a ratio of net debt to adjusted annual EBITDA lower or equal to 3.0 and must be verified annually by the Issuer and monitored by the Trustee. As at December 31, 2023, the ratio had been reached.

Debentures 11th issuance

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

The Indenture of Issuance and the Trust Assignment Contract were entered into in accordance with the 487th Meeting of Saneago's Board of Directors, held on December 8, 2022, and ratified based on the decisions made at the 503rd Meeting of Saneago's Board of Directors, held on June 15, 2023.

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

As per clause 4.15 of the indenture, such operation contains covenants, which, if not fulfilled, entitles the Trustee to enforce all obligations and demand immediate payment.

The financial index established for the 11th Issuance is a ratio of net debt to adjusted annual EBITDA lower or equal to 3.0 and must be verified annually by the Issuer and monitored by the Trustee. As at December 31, 2023, the ratio had been reached.

Banco do Brasil

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

On August 14, 2023, Banco do Brasil and Saneago issued the Bank Credit Note (CCB) No. 330.701.727. As per the CCB, there are restrictions where the bank may declare all outstanding obligations as matured and require immediate payment, if they are not complied with. One of the requirements is maintaining the financial index of net debt to EBITDA ratio lower or equal to 3.0, to be inspected yearly by the Issuer, as from the current year. As at December 31, 2023, the ratio had been reached.

Rating

The rating agency Moody's Local BR Agência de Classificação de Risco Ltda. assigned the Company's corporate and 10th and 11th debenture issuances rating as 'AA+(bra)', with a stable outlook, according to notices to the market disclosed on November 23, 2023.

Fitch Rating Brasil Ltda. assigned the Company's corporate and 6th, 8th and 9th debenture issuances rating to be 'AA(bra)', with stable outlook, according to notice to the market disclosed on January 11, 2024, and as informed under Subsequent Events.

20.a Loans and financing

Bank	Type	Agreement	Beginning	Maturity	Yearly contractual rate	Transaction cost	Unrecognized transaction costs	Warranty	12/31/2023	12/31/2022		
CEF	Financing	Sundry		2024	5.73% + TR	-	-	h)	681	2,479		
CEF	Financing	410461-57	12/31/2013	04/14/2037	8.5% + TR	-	-	c)	4,419	4,543		
CEF	Financing	0410526-20	12/31/2013	04/14/2037	8.5% + TR	-	-	c)	24,094	24,769		
CEF	Financing	0410517-19	02/14/2014	06/14/2036	8.5% + TR	-	-	c)	4,907	5,067		
CEF	Financing	0410538-64	03/27/2015	04/14/2036	8.5% + TR	-	-	c)	36,913	38,152		
CEF	Financing	26340190232-94	06/29/2006	03/05/2028	12% + TR	-	-	b)	1,169	1,385		
CEF	Financing	26340190233-07	06/29/2006	05/05/2030	12% + TR	-	-	b)	18,914	20,819		
CEF	Financing	2635248557-66	06/30/2008	11/12/2030	8.5% + TR	-	-	b)	3,025	3,250		
CEF	Financing	2634248555-47	10/09/2009	06/14/2031	9% + TR	-	-	b)	4,881	5,353		
CEF	Financing	2634248548-42	12/30/2009	06/14/2031	9% + TR	-	-	b)	4,445	4,874		
BANCO DO BRASIL	Financing	330701727	11/09/2023	09/01/2038	IPCA + 3.971%	876	852	f)	20,189	-		
IDB	Financing	1414/OC	12/11/2002	10/11/2027	7.14% + USD SOFR + Exchange rate fluctuation (VC)	-	-	g)	50,289	67,748		
BANCO DO BRASIL	Loan	330701235	12/27/2017	04/06/2023	2.9% + CDI	940	-	a)	-	2,566		
BANCO DO BRASIL	Financing	40/00984-x	12/20/2012	01/01/2028	2.94%	-	-	d)	2,823	3,511		
Transaction costs	Financing	40/00984-x				-	-		(852)	-		
									1,816	852	175,897	184,516
									Current	23,280	27,868	
									Noncurrent	152,617	156,648	

20.b Debentures

Debentures	Beginning	Maturity	Yearly contractual rate	Transaction cost	Unrecognized transaction costs	Warranty	12/31/2023	12/31/2022		
Debentures 5th issuance	11/15/2018	11/15/2023	2.5% p.a. + CDI	4,296	-	e)	-	64,419		
Debentures 6th issuance	09/23/2019	09/23/2024	1.2% p.a. + CDI	3,226	91	f)	34,120	79,725		
Debentures 8th issuance	11/27/2020	11/27/2025	2.45% p.a. + CDI	1,254	101	f)	140,780	214,407		
Debentures 9th issuance	08/25/2021	08/11/2026	1.9% p.a. + CDI	2,354	649	f)	223,832	252,195		
Debentures 10th issuance	06/15/2022	06/15/2027	1.55% p.a. + CDI	1,865	1,012	f)	201,000	201,370		
Debentures 11th issuance	09/23/2023	09/23/2028	2.25% p.a. + CDI	4,197	3,676	f)	300,632	-		
Debenture transaction costs							(5,529)	(3,636)		
							17,192	5,529	894,835	808,480
							Current	225,490	213,499	
							Noncurrent	669,345	594,981	

Description	Balance
Loans and financing	175,897
Debentures	894,835
	<u>1,070,732</u>

- 20% of the debt amount collected at the end of each month;
- Pledge of the assets to the Financial Agent;
- A reserve corresponding to 3 times the monthly debt-service coverage ratio;
- 10% of the debt amount collected at the end of each month;
- 120% of the amount collected of each installment not yet due;
- 110% of the amount collected of each installment not yet due;
- Suretyship of the state of Goiás;
- No collateral.

Statement of noncurrent amounts per maturity	Loans and financing	Debentures	12/31/2023
2025	21,305	250,554	271,859
2026	21,863	222,222	244,085
2027	22,462	133,333	155,795
2028 onwards	87,772	66,667	154,439
Transaction cost	(785)	(3,431)	(4,216)
	<u>152,617</u>	<u>669,345</u>	<u>821,962</u>

20.c Change in loans and financing

	01/01/2023 to 12/31/2023				01/01/2022 to 12/31/2022			
	Fundraising /Redemptions	Paid Amortization	Interest and Charges Paid	Charges for the Period (a)	Fundraising /Redemptions	Paid Amortization	Interest and Charges Paid	Charges for the Period
Internal Financing	20,053	(8,587)	(6,454)	7,927	-	(13,291)	(7,498)	8,676
Inter-American Development Bank - IDB	-	(13,184)	(4,240)	(34)	-	(12,841)	(1,918)	(4,435)
Investment Fund Saneago INFR. IV	-	-	-	-	-	(107,463)	(10,816)	9,834
Subordinate Shares FIDIC IV	-	-	-	-	100,128	-	(363)	(8,293)
Agreements	201	(3,668)	(3,913)	4,133	-	(3,326)	(4,143)	4,566
Debentures	300,000	(210,468)	(116,306)	115,021	200,000	(121,284)	(104,998)	106,612
Transaction cost	-	-	(5,270)	2,525	-	-	(1,983)	10,823
Total	<u>320,254</u>	<u>(235,907)</u>	<u>(136,183)</u>	<u>129,572</u>	<u>300,128</u>	<u>(258,205)</u>	<u>(131,719)</u>	<u>127,783</u>

- R\$ 5 of charges were capitalized for year of 2023 and R\$ 134 for 2022.

20.d Lease

Total lease liabilities recognized in the financial statements as at December 31, 2023 and 2022, pursuant to standard (CPC 06(R2)/IFRS 16 - Leases), can be reconciled as follows:

Balance as at 12/31/2022	% Down payment	Recognition of interest	Payments	12/31/2023	Balance as at 12/31/2021	% Down payment	Recognition of interest	Payments	12/31/2022
110,831	60,074	13,596	(44,291)	140,210	19,735	114,148	1,566	(24,618)	110,831
			Current	36,468				Current	21,900
			Noncurrent	103,742				Noncurrent	88,931
				<u>140,210</u>					<u>110,831</u>

Statement of noncurrent amounts per maturity		12/31/2023
2025		39,160
2026		40,021
2027 onwards		24,561
		<u>103,742</u>

As at December 31, 2023, the Company maintains two types of lease, vehicles and software, accounted for as from the moment these assets arrive at the Company and are available for use, moment in which the period of payment of the lease is started. For vehicles, the maximum term is 60 monthly installments (as legally provided for), with amounts periodically adjusted by the index established in contract, if any.

As instructed in Circular Letter No. CVM/SNC/SEP 02/19, we disclose the values of the leases with inclusion of future projected inflation, as follows:

	No future projected inflation (Accounting)	With future projected inflation
Historical entry in leases in effect	171,769	187,476
Appropriation of interest 2023	13,596	10,163
Balance of current liabilities as at 12/31/2023	36,468	37,351
Balance of non-current liabilities as at 12/31/2023	103,742	117,218

21. Labor liabilities

	12/31/2023	12/31/2022
Current		
Alimony and contract termination amounts	5	70
Private pension plan (PREVSAN)	-	35
Health Assistance Program (CAESAN)	3,208	2,987
Payroll loans	1	-
SESI and SENAI	3,197	3,109
Vacations payable	70,808	65,033
FGTS on vacations and year-end bonus	14,696	11,641
Social Security Contribution (INSS) applicable to salaries	28,401	36,272
Provision for INSS on vacations and year-end bonus	20,327	18,730
Voluntary Redundancy Program	418	1,728
Profit sharing	596	469
	<u>141,657</u>	<u>140,074</u>
Noncurrent		
Voluntary Redundancy Program	-	426

22. Taxes payable

	12/31/2023	12/31/2022
Current		
Contribution for Social Security Funding (COFINS)	17,710	14,180
Social contribution tax	1,880	2,416
INSS on services payable	2,818	1,531
Corporate Income Tax (IRPJ)	3,462	7,209
Withholding Income Tax (IRRF) applicable to payroll and services	18,538	16,527
Tax on Services (ISS)	2,282	1,411
Federal tax debt to be paid in installments (a)	13,759	10,542
Contribution to the Social Integration Program (PIS)	3,813	3,048
Withholding of Federal Contributions	516	325
	<u>64,778</u>	<u>57,189</u>
Noncurrent		
Federal tax debt to be paid in installments (a)	<u>30,155</u>	<u>31,842</u>

(a) Debt payable to the Brazilian Federal Revenue Service

Description	Beginning	End	Number of installments	12/31/2023	12/31/2022
I INSS	09/2017	01/2030	149	6,871	7,325
II PIS/COFINS	08/2021	07/2026	60	22,344	27,997
III INSS 10120-18	03/2022	02/2027	60	5,966	7,062
IV INSS 3324-2023	03/2023	02/2028	60	8,733	-
				<u>43,914</u>	<u>42,384</u>
Current				13,759	10,542
Noncurrent				30,155	31,842

I) INSS - Social Security Debts

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

II) Taxes on Sales (PIS and COFINS)

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

III) Social Security Tax - (INSS)

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

IV) INSS

In March 2023, the Federal Revenue Service approved the installment payment plan of Saneago for settlement of the employer's portion of INSS and GILRAT charged on the 1/3 of monthly salary to be added to vacation pay, as discussed in proceeding 10120.744616/2020-35. The obligation refers to the period from 2018 to 2020, and the events are since then considered in the regular payment of INSS. Payment will take place in 60 installments, plus interest equivalent to the reference SELIC rate for government bonds.

23. Amounts to be paid in installments

Description	Beginning	End	Number of installments	Adjustment	12/31/2023	12/31/2022
I AGR - Control and Inspection Council T.A.0255/15	12/2015	12/2030	180	a)	9,260	10,072
II AGR - Control and Inspection Council T.A.054/18	05/2018	04/2033	180	a)	3,750	3,956
III Public Prosecutor's Office - Labor	04/2022	03/2025	36	-	1,250	2,250
IV Municipal Government of Rio Verde - Control, Regulation and Surveillance Tax (TRCF)	01/2023	11/2024	23	-	1,353	-
					<u>15,613</u>	<u>16,278</u>
Current					3,500	2,018
Noncurrent					12,113	14,260

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

I) AGR - Control and Inspection Council of Public Services

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

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

Total consolidated amount	
Principal	10,808
One-time penalty	2,797
Fine	42
Interest	<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 R\$ 3,000 in 36 monthly installments of R\$ 83.

IV) Municipal Government of Rio Verde - Control, Regulation and Surveillance Tax (TRCF)

On November 03, 2022, the Company signed up for the city of Rio Verde's Tax Credit Recovery Program (REFIS), and formalized the installment payment of TRCF, created by Rio Verde's Municipal Law No. 7,015/2019. This debt refers to the period between June 2021 and September 2022, as debts acquired later have been settled.

24. Contractual obligations

	Description	Beginning	End	Number of installments	12/31/2023	12/31/2022
I	Municipality of Águas Lindas	12/28/2018	10/11/2019	4	10,147	10,147
II	Municipality of Santo Antônio do Descoberto	11/23/2022	01/23/2023	2	-	4,349
					<u>10,147</u>	<u>14,496</u>
	Current				-	4,349
	Noncurrent				10,147	10,147

I) Municipality of Águas Lindas

On December 28, 2018, Saneago executed an agreement with the Municipal Government of Águas Linda where the Company commits to transfer to the Local Fund of Environmental and Sanitation Infrastructure (FMSAI) an amount of R\$20,293. It represents a compensation for the anticipated termination of Concession Contract # 170/2000 and execution of a Program Contract. The funds must be used in the construction of local sewage systems and are conditioned to fulfillment of the work schedule. Until December 31, 2023 two installment payments were made. The outstanding balance payable is classified as long-term, as there is no prospect of payment of the two remaining installments in the next 12 months.

II) Municipality of Santo Antônio do Descoberto

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

25. Jointly controlled enterprises - Consortium

Current liabilities	12/31/2023	12/31/2022
Águas Lindas Consortium (a)	3,480	736
	<u>3,480</u>	<u>736</u>

a) Águas Lindas Consortium

The companies Saneago and Caesb organized Águas Lindas Consortium on April 7, 2003. It is enrolled with the registry of legal entities (CNPJ) under # 05.966.179/0001-50, and is headquartered at Quadra 45, Conjunto B, Lote 36 a 38, Salas 01 a 04, Setor 01, Águas Lindas de Goiás, CEP 72,910-000. It is set to run for thirty-one (31) years, renewable for an equal period and relates to the existing concession contracts between the municipal government and the consortium members.

It has the specific purpose of designing guidelines for the preparation of studies and analyses aiming implementation of sanitation infrastructure, in all its phases and processes, including water supply and sewage systems, in the municipality of Águas Lindas de Goiás.

Saneago holds the financial control of the Consortium (bank accounts and accounts receivable) and its management is shared by the consortium members. Expenses are paid and amounts invested by the member companies and reported in a monthly rendering of accounts where one consortium member approves the accounts of the other party.

It is classified as a joint operation. According to items 14 and 15 of standard CPC 19, the parties that hold joint control have rights on assets and obligations in relation to liabilities. According to the articles of organization, the participation of the member companies is 50% each. However, in practice it is not proportional. On November 30, 2023, Caesb held 45.70% and Saneago held 54.30%, (on November 30, 2022, Caesb held 39.84% and Saneago 60.16%) and the difference is currently recognized in Saneago's current assets (Note 12). The amount recognized in current liabilities according to the table above refers to the matching of accounts between the parties and arises mainly from consortium revenues received by Saneago. The amounts receivable and payable to the consortium members are provisioned for in the Consortium statement of financial position, demonstrating equalitarian interest in equity.

The equity values of the consortium recognized by the Company in its financial statements as at November 30, 2023, are as follows:

Statement of financial position - Águas Lindas Consortium					
	11/30/2023	12/31/2022		11/30/2023	12/31/2022
Assets			Liabilities		
Current assets			Current liabilities		
Cash and cash equivalents	2,836	2,226	Contributions to be realized - Suppliers	7,012	3,598
Receivables from consumers	22,295	20,047	Labor liabilities	1,193	1,054
Other receivables	9,812	186	Other payables	10,953	4,130
Prepaid expenses	1,894	1,894		19,158	8,782
Storeroom	591	513			
	37,428	24,866			
Noncurrent assets			Noncurrent liabilities		
Long-term realizable assets			Other payables	10,147	10,147
Receivables from consumers	2,028	1,302	Provision for lawsuits	-	48
Prepaid expenses	45,614	47,508		10,147	10,195
	47,642	48,810			
Fixed assets and intangible assets			Equity		
Fixed assets	676	100	Participation Fund - Saneago	111,824	121,242
Intangible assets	106,601	86,138	Participation Fund - Caesb	111,824	80,289
Contractual assets	93,274	87,249	Income reserve	32,668	26,655
	200,551	173,487		256,316	228,186
Total assets	285,621	247,163	Total liabilities	285,621	247,163

b) Corumbá Consortium

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

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

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

This consortium fits the definition of a joint operation. According to CPC 19 items 14 and 15, the parties that jointly control the business have rights over assets and obligation for liabilities. As per the bylaws, participation of the consortium members is equal in 50%, but it is disproportional. On November 30, 2023, Caesb held 49.28% and Saneago held 50.72% (on November 30, 2022 Caesb held 49.89% and Saneago 50.11%). The difference was recognized Saneago's current assets (Note 12).

The amounts receivable and payable to the consortium members are provisioned for in the Consortium statement of financial position, demonstrating equalitarian interest in equity.

Below are the equity values of the consortium recognized by the Company in its financial statements as at November 30, 2023:

	12/31/2023	12/31/2022
Environmental	2,317	2,769
Civil	51,406	112,057
Regulatory	698	1,910
Labor	139,870	79,336
Tax	11,886	23,926
	<u>206,177</u>	<u>219,998</u>

Changes to the provisions were as follows:

	Balance 12/31/2022	Payments of provisioned lawsuits	Recognized Provisions/ Reversals	Balance 12/31/2023
Environmental	2,769	(1,000)	548	2,317
Civil	112,057	(6,677)	(53,974)	51,406
Regulatory	1,910	(704)	(508)	698
Labor	79,336	(41,190)	101,724	139,870
Tax	23,926	-	(12,040)	11,886
Total	<u>219,998</u>	<u>(49,571)</u>	<u>35,750</u>	<u>206,177</u>

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

Type	Proceeding	Description	Plaintiff	Estimate
Labor	0010243-24.2021.5.18.0007	Class action - Payment of rest time between working days	STIUEG	20,160
Labor	0010217-89.2022.5.18.0007	Class action - Payment of rest time between working days	STIUEG	20,160
Civil	5027758-88.2017.8.09.0051	Monetary adjustment from overdue payments	Empate/Compav	20,084
Labor	0010341-76.2021.5.18.0017	Class action - Payment of rest time between working days	STIUEG	17,250
Labor	0010242-85.2016.5.18.0016	Class action - Payment of rest time between working days	STIUEG	16,499
Labor	0011388-6.2021.5.18.0011	Class action - Paid weekly rest	STIUEG	15,750
Tax	0026826-44.2018.4.01.3500	Assessment of Tax Deficiency	Regional Chemistry Committee	11,455
Labor	0010655-48.2023.5.18.0018	Class action - Overtime	STIUEG	11,000
Labor	0010206-66.2022.5.18.0005	Class action - Mischaracterization of working hours 12x36	STIUEG	8,800
Labor	0010287-3.2022.5.18.0009	Class action - Overtime exceeding 6-hour work shift	STIUEG	7,700
				<u>148,858</u>

Causes rated as possible

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

	12/31/2023		12/31/2022	
	Estimated value	Qty	Estimated value	Qty
Environmental	66,719	39	132,669	29
Civil	54,965	563	68,820	696
Criminal	-	-	-	1
Regulatory	6,183	30	6,068	35
Labor	17,873	90	76,579	132
Tax	704,550	8	623,285	7
	<u>850,290</u>	<u>730</u>	<u>907,421</u>	<u>900</u>

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

Proceeding	Plaintiff	Nature	Value
0057557-58.2003.8.09.0051	Municipality of Goiânia	Tax	367,300
0281694-13.2009.8.09.0051	Municipality of Goiânia	Tax	255,703
17095.720414/2023-44	Federal Revenue Service	Tax	81,265
5182910-61.2019.8.09.0051	Prosecution Office of Goiás	Environmental	25,050
0350155-12.2008.8.09.0103	Minuç Municipal Government	Environmental	22,122
0215530-65.2004.8.09.0011	Prosecution Office of Goiás	Environmental	12,247
0288088-98.2010.8.09.0116	Prosecution Office of Goiás	Civil	11,430
0400750-30.2015.8.09.0051	SAALVA - Assoc. Amigos do Res Aldeia do Vale	Civil	9,000
5645710-55.2022.8.09.0051	Constran S/A Construções e Comércio	Regulatory	5,646
0010092-88.2022.5.18.0018	STIUEG	Labor	5,000
5027817-76.2017.8.09.0051	Consórcio Construtor Empate/Compav	Civil	4,643
0250140-93.2009.8.09.0137	Prosecution Office of Goiás	Environmental	4,000
			<u>803,406</u>

The main updates regarding possible contingencies are: i) addition of tax claim filed by the Brazilian Federal Revenue Service (R\$ 81,265) relative to the assessment of tax deficiency on tax loss carryforwards, against which the Company presented its defense in advance; and ii) write-off of the environmental proceeding referring to Minaçu (R\$ 65,966), whose likelihood of loss is now remote after the court issued its final decision.

29. Employee benefits

29.a - Defined benefit pension plan

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

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

The studies for actuarial evaluation are performed annually, the last one being for the reference date of October 31, 2023, and their results related to December 31, 2023:

	In 2023 (R\$)
Fair value of the plan's assets	
1 Fair value of assets at the end of previous period	(1,157,278)
2 Benefits paid in the period using plan's assets	95,374
3 Participant's contributions for the year	(13,466)
4 Employer's contribution for the year	(13,438)
5 Expected returns on assets (a+b+c)	(131,684)
a) Expected returns on plan's assets	(136,038)
b) Returns on expected contributions	(1,203)
c) Return loss from expected benefit payments	5,557
6 (Earnings)/losses in the fair value of the plan assets	15,962
7) Fair value of assets at the end of the period (1+2+3+4+5+6)	(1,204,530)
Actuarial liabilities	
8 Actuarial liabilities at beginning of the period	1,150,761
9 Cost of current services, net	670
10 Cost of past services	-
11 Participant's contributions for the year	13,466
12 Interest on actuarial liabilities (a+b)	129,713
a) Interest expenses on actuarial liabilities	135,270
b) Decrease in interest arising from expected benefit payments	(5,557)
13 Benefits paid in the period	(95,374)
14 (Earnings)/losses on actuarial liabilities	62,005
15 Actuarial liabilities at the end of the period (8+9+10+11+12+13+14)	1,261,241

Net Liabilities/Assets are as follows:

Determination of net liabilities (assets)	12/31/2023	12/31/2022
Deficit/(Surplus) determined		
A Actuarial obligations determined (15)	1,261,241	1,150,761
B Fair value of the assets of the plan (7)	(1,204,530)	(1,157,279)
C Deficit/(Surplus) determined (A+B)	56,711	(6,518)
Asset ceiling effect and additional liabilities		
D Asset ceiling effect (If C>0, D=C x (-1); if C<0, D=0)	-	6,518
E Additional liabilities	-	-
F Asset ceiling effect and additional liabilities (D+E)	-	6,518
G Net liabilities/(assets) resulting from the provisions of CPC 33 (R1)	-	-
H Net liabilities/(assets) determined (C+F)	56,711	-

As seen in the table above, the existing pool of funds of the plan on October 31, 2023, was not sufficient to assure the pensions of the plan. Therefore, it is necessary to recognize actuarial liabilities 2023.

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 2023, for calculation of the weighted average of future payments of benefit of the plan, the following hypotheses and actuarial assumptions were used:

Assumptions at	12/31/2023
Actual rate of actuarial discount	5.35%
Actual return expected from assets	5.35%
Actual rate of salary growth for active employees	3.20%
Actual rate of growth in benefits of the plan during receipt	0.00%
Benefit capacity factor	98.00%
Salary capacity factor	98.00%
Estimated inflation	3.90%
Nominal discount rate	9.46%
Nominal return expected from the assets of the plan	9.46%
Nominal rate of salary growth for active employees	7.22%
Nominal rate of growth in benefits of the plan during receipt	3.90%
General death rate	BR-EMSsb-2015, divided by gender
Death of disabled people	MI 85, divided by gender
People becoming disabled	TASA 27
Annual turnover rate	Linear 1.50% p.a.

On January 12, 2024, by means of PREVIC Ordinance No. 29, the Superintendence of Supplementary Pension Plans (PREVIC) approved the following adjustments to the statute of Retirement Pension Plan 001: i) Change to the rule used to calculate the Benefit Actual Salary, calculation basis for the benefits; ii) Closure of the plan for new participants; and iii) Brief adjustments to improve text understandability or to review the reissue of other changes, also seeking to make the statutes more understandable and reviewing the reissue of legal provisions.

29.b. - Defined contribution pension plan

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

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

29.c. - Health assistance program

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

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

CAESAN's Program has the characteristic of a defined contribution plan. To meet the provisions of CVM Decision CVM 695/12, accounting of obligations of that type of program is determined through the amount of contributions Saneago made to it. As at December 31, 2023, they corresponded to R\$ 40,644 (R\$ 34,645 as at December 31, 2022), not being necessary to calculate actuarial liabilities.

30. Equity

a) Capital Stock

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

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

Shareholder	12/31/2023					
	# of ordinary shares	%	# of preferred shares	%	Total # of shares	%
State of Goiás	1,336,135,806	71.5695%	354,992,364	54.7287%	1,691,128,170	67.2271%
State Social Security Fund	488,016,887	26.1404%	122,637,514	18.9069%	610,654.401	24.2752%
Cia de Inv. E Parcerias Goiás	42,749,681	2.2899%	170,998,719	26.3627%	213,748.400	8.4971%
Others	4,000	0.0002%	11,396	0.0018%	15,396	0.0006%
Total	1,866,906,374	100.00 %	648,639,993	100.00%	2,515,546,367	100.00 %

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

b) Payment of capital

Between December 31, 2022, and December 31, 2023, there was no increase in capital.

c) Statutory reserve

It is recognized by allocating 5% of the net income of the year up to the limit of 20% of capital. A statutory reserve is no longer recognized in the year where the balance of the reserve exceeds 30% of capital. The statutory reserve aims to assure the integrity of capital and can only be used to compensate losses or increase capital and it cannot be used for payment of dividends.

d) Investment reserve

According to Article 73, item II of the Company's articles of incorporation, the remaining balance of income after deduction of accumulated losses, statutory reserve and mandatory minimum dividends 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	12/31/2023	12/31/2022
Asset and liability valuation adjustment	50,471	50,474
Deferred taxes on deemed cost (Note 14.2)	(17,160)	(17,161)
	<u>33,311</u>	<u>33,313</u>

f) Dividends and interest on equity capital

In compliance with the Brazilian corporate law, the Company's articles of incorporation establish the distribution of mandatory dividends of 25% of the net income of the year, first paid to holders of preferred shares, to be paid within 60 days as from the date in which it is declared in an Annual General Meeting. By deliberation of the Board of Directors, interest on equity capital may be attributed, which will be calculated on the Company's equity in accordance to TJLP as provided for in Regulatory Instruction RFB 1.700/2017, and will be mandatorily compensated in the distribution of mandatory dividends. Thus, the dividends are distributed in the form of interest on equity capital, within the established limit, as per the calculation described above, and in case the minimum mandatory dividend exceeds this amount, the difference is paid as dividends.

In 2023, dividends were distributed as interest on equity capital, as per the following table:

Calculation of interest on equity capital and dividends payable	
Statement of income - 2023	583,856
Recognition of legal reserve (5%)	(29,192)
Adjusted profit distributable	<u>554,664</u>
Mandatory dividends (25%)	<u>138,666</u>
Interest on capital added to dividends	<u>138,666</u>
Total proceeds proposed as at 12/31/2023	<u><u>138,666</u></u>

Type of share	Quantity	Percentage	Total compensation	Earnings per share
Ordinary share	1,866,906,374	74.21%	100,324	0.05374
Preferred share	<u>648,639,993</u>	25.79%	<u>38,342</u>	0.05911
	2,515,546,367		138,666	

g) Earnings per share

Basic earnings per share are calculated by dividing the net income attributable to shareholders by the weighted average of outstanding ordinary and preferred shares. However, as described in item II of paragraph 1 of article 17 of the Brazilian Corporate Law, shareholders holding preferred shares are entitled to receive a dividend ten percent (10%) higher than the one attributed to ordinary shares.

Type of share	Quantity	Percentage	Income for the period	Earnings per share
Ordinary shares	1,866,906,374	74.21%	433,307	0.2321
Preferred shares	<u>648,639,993</u>	25.79%	<u>150,549</u>	0.2321
	2,515,546,367		583,856	

Diluted income for the year corresponds to ordinary shares in the amount of R\$ 433,307, with diluted earnings per share corresponding to R\$ 0.2321.

31. Net operating revenue (expenses)

	12/31/2023	12/31/2022
Gross revenue		
Water supply and sewage services	3,377,401	3,031,764
Technical services	2,353	2,298
Subsidy - Social Tariff	-	2,159
Outsourcing	9,100	9,100
Revenue from construction work	413,413	286,464
Total	<u>3,802,267</u>	<u>3,331,785</u>
Taxes and returns		
Contribution to the Social Integration Program (PIS)	(56,894)	(50,020)
Contribution for Social Security Funding (COFINS)	(262,059)	(230,393)
Returns and rebates	<u>(2,028)</u>	<u>(2,031)</u>
	<u>(320,981)</u>	<u>(282,444)</u>
Net operating revenue	<u><u>3,481,286</u></u>	<u><u>3,049,341</u></u>

32. Costs and expenses by nature

	12/31/2023				12/31/2022			
	Cost	Selling	Administrative	Total	Cost	Selling	Administrative	Total
Personnel (a)	(692,679)	(123,923)	(389,541)	(1,206,143)	(720,419)	(145,748)	(393,422)	(1,259,589)
Third-party services	(121,637)	(82,980)	(42,124)	(246,741)	(98,828)	(82,328)	(44,210)	(225,366)
Electricity (b)	(236,886)	-	(2,702)	(239,588)	(258,911)	-	(2,846)	(261,757)
Amortization and Depreciation	(125,328)	(463)	(53,591)	(179,382)	(110,106)	(316)	(35,284)	(145,706)
Materials	(108,744)	(959)	(9,260)	(118,963)	(91,937)	(770)	(5,206)	(97,913)
Income from concession	-	(100,675)	-	(100,675)	-	(90,875)	-	(90,875)
General expenses PIS and COFINS credit on depreciation and amortization	(6,947)	(7,084)	(15,217)	(29,248)	(7,381)	(4,035)	(15,172)	(26,588)
	21,669	60	-	21,729	21,218	27	-	21,245
	<u>(1,270,552)</u>	<u>(316,024)</u>	<u>(512,435)</u>	<u>(2,099,011)</u>	<u>(1,266,364)</u>	<u>(324,045)</u>	<u>(496,140)</u>	<u>(2,086,549)</u>
Construction costs	(413,413)				(286,464)			
	<u>(1,683,965)</u>				<u>(1,552,828)</u>			

- (a) In 2022, "Personnel" was affected by expenditures amounting to R\$ 142,215 with the Company's Voluntary Redundancy Program (PDV).
- (b) This reduction is due to the migration of consumer units to the Free Energy Market and the decrease in State VAT (ICMS) charged on the item, from 29% to 17%. Both circumstances were responsible for the savings being higher than the 10.84% increase in rates in October 2022.

33. Other operating revenues/expenses

	12/31/2023			12/31/2022 Restated		
	Provision/reversal	Effective	Net effects	Provision/reversal	Effective	Net effects
Clients receivable - Loss/recovery (a)	(99,891)	33,345	(66,546)	(92,307)	48,438	(43,869)
Employee Profit Sharing Plan (b)	(10,304)	(39,324)	(49,628)	(4,078)	(24,927)	(29,005)
Contingencies - Indemnities/legal/court (c)	13,821	(65,688)	(51,867)	13,159	(33,821)	(20,662)
Inventories - Write-off/Adjustments (d)	3,013	(3,708)	(695)	4,254	(445)	3,809
Loss of concessions (e)	(48)	-	(48)	(5,590)	-	(5,590)
Reimbursements and indemnities	-	1,074	1,074	-	1,869	1,869
Other Revenues/Expenses from operations	-	3,303	3,303	-	7,245	7,245
Disposal and write-off of Fixed assets/Construction work losses	11,964	(111)	11,853	-	(1,050)	(1,050)
Contractual penalties (f)	-	57,004	57,004	-	-	-
	<u>(81,445)</u>	<u>(14,105)</u>	<u>(95,550)</u>	<u>(84,562)</u>	<u>(2,691)</u>	<u>(87,253)</u>

- (a) These refer the allowance for doubtful accounts according to the criteria of expected losses. The increase is related to the increase in revenue from the tariff adjustment, service expansion and increase in consumption. The default profile of the Company had no significant changes.

Amounts recorded as effective result, in their turn, refer to the recovery of credits written off for reaching the statute of limitations and later paid by the customer. The reduction is due to a change in the write-off criterion which used to consider the tax criterion (basically in 6 months) and began using the effective statute of limitations criterion as from 2022. Thus, the amount of recoveries recorded in 2022 was higher, since it still reflected write-offs from up to the end of 2021 of receivables that had not, in fact, reached their statute of limitations.

- (b) In 2022, there was the recognition of a provision of R\$ 39,324 for the 2022 profit sharing program, as well as a reversal of the provision for 2021 profit sharing program in the amount of R\$ 35,246, which was converted into effective expenses of R\$ 24,927.

In 2023, a provision of R\$ 49,628 for the 2023 profit sharing program was recognized. In the second quarter, there was also the reversal of R\$ 39,324 from the provision for 2022 profit sharing program, which was realized as effective expense.

- (c) In 2022, there was a reversal of a provision in the amount of R\$ 22,347 related to a lawsuit from 2016 on rest time between working days, and payment of the sentence (effective expense) totaling R\$ 15,942. Also, R\$ 5,500 were provisioned for the class action on overtime whose plaintiff is the State of Goiás Urban Services Workers Union. The action went from being classified as possible to probable, due to a determination of inclusion of time card records to the proceeding, resulting in an unfavorable analysis to the Company.

The numbers for 2023 were affected by i) reversal referring to a lawsuit submitted by Minaçu Municipal Government, in the amount of R\$ 75,123, related to the execution of tax debts. The proceeding provided for in 2021, was considered ungrounded in court and was then dismissed; ii) reversal of provision of R\$ 44,800 for the 2016 class action on weekly paid rest, which resulted in an agreement to effectively pay the total of R\$ 38,110; iii) provision of R\$ 83,770 for five labor class actions on the weekly paid rest, rest time between and within the workdays, and overtime, which have been classified from possible to probable, following court procedures; iv) provisioning of R\$ 20,084 from a civil lawsuit for Monetary adjustment from overdue payments.

- (d) Changes to the provision for inventory losses, recognized as described in Note 2.3, are as follows:

Reversal of net provision for inventory losses (Note 8)	4,152
Recognition of net provision for Construction work inventory losses (Note 16)	(1,139)
	<u>3,013</u>

- (e) In 2022, this refers to the write-off of Buriti Alegre's assets, and in the year of 2023, of residual assets from districts within the municipality of Buriti Alegre, both transferred to Other accounts receivable, as per Note 12.

- (f) This refers to the fine levied arising from the outsourcing agreement with BRK Ambiental Goiás S.A. (Note 11), for noncompliance with goals withing the contractually established terms. There was an agreement to transform the fine into an obligation to perform construction work.

34. Net financial income (loss)

	12/31/2023	12/31/2022
Financial revenues		
Interest/finances/income (a)	115,156	101,169
Monetary adjustment	30,126	37,188
Discount to present value	(74)	2,109
	<u>145,208</u>	<u>140,466</u>
Financial expenses		
Interest/fine/charges and other expenses	(164,880)	(160,022)
Monetary adjustment	(5,684)	(5,009)
Exchange rate losses	5,129	6,084
	<u>(165,435)</u>	<u>(158,947)</u>
Net financial income (loss)	<u>(20,227)</u>	<u>(18,481)</u>

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

35. Service index

Service rendering agreements in effect entered into by Saneago with several municipalities from the State of Goiás bear service goals that aim for the universalization of services and to guarantee that 99% of the population should have access to drinking water and 90% to a sewage system and treatment, up to December 31, 2033, as per Federal Law No. 11.445/2007. The current status of those indexes are as follows:

Summary - Water Urban Service Index	Net revenue	No. of Municipalities	
	2023	2023	2022
99% to 100%	90.05%	196	196
81% to 98%	9.82%	25	24
Up to 80%	0.13%	2	3
Total	100%	223	223

Summary - Sewage Urban Service Index	Net revenue 2023	No. of Municipalities 2023	2022
90% to 100%	57.95%	37	34
74% to 90%	17.80%	14	16
Up to 73%	24.25%	172	173
Total	100%	223	223

The Water and Sewage Service Index of the main municipalities serviced by Saneago, considering the revenue for 2023, is as follows:

Main municipalities	Net revenue	% of urban service			
		2023		2022	
		Water	Sewage	Water	Sewage
Goiânia	36.18%	100.00	98.78	100.00	96.31
Anápolis	7.24%	99.51	83.05	99.51	81.65
Aparecida de Goiânia	4.16%	84.83	75.89	82.60	67.45
Valparaíso de Goiás	2.72%	100.00	54.65	100.00	53.44
Rio Verde	2.45%	100.00	99.09	100.00	99.09
Luziânia	2.19%	100.00	24.47	100.00	22.86
Formosa	2.10%	100.00	99.39	100.00	98.60
Itumbiara	1.72%	100.00	100.00	100.00	100.00
Planaltina	1.49%	100.00	98.62	100.00	98.62
Trindade	1.39%	99.94	99.84	99.94	78.69
Águas Lindas de Goiás	1.37%	100.00	81.67	100.00	73.70
Jataí	1.35%	99.57	99.05	99.56	99.05
Goianésia	1.23%	97.80	97.12	97.80	97.12
Novo Gama	1.22%	100.00	39.95	100.00	39.20
Cidade Ocidental	1.18%	100.00	62.03	100.00	62.02
Quirinópolis	0.96%	100.00	100.00	100.00	100.00
Inhumas	0.96%	100.00	80.87	100.00	80.82
Morrinhos	0.91%	99.06	88.72	99.06	88.10
Santa Helena de Goiás	0.88%	100.00	100.00	100.00	100.00
Santo Antônio do Descoberto	0.85%	100.00	63.10	100.00	63.41
Porangatu	0.77%	99.78	77.75	99.77	75.79
Uruaçu	0.75%	100.00	74.41	100.00	73.85
São Luís de Montes Belos	0.74%	100.00	99.31	100.00	99.31
Iporá	0.73%	100.00	91.95	100.00	78.57
Itaberaí	0.69%	100.00	62.47	100.00	62.82
Jaraguá	0.67%	94.59	59.33	94.64	60.09
Cristalina	0.65%	94.19	48.45	93.19	47.57
Goiatuba	0.60%	99.95	56.24	99.94	55.79
Palmeiras de Goiás	0.56%	100.00	100.00	100.00	100.00
Goianira	0.56%	100.00	37.43	100.00	38.07
Posse	0.54%	100.00	94.32	100.00	95.17
Ceres	0.54%	100.00	100.00	100.00	100.00
Pires Do Rio	0.53%	100.00	39.98	100.00	39.99
Mináçu	0.46%	99.92	77.14	99.90	76.80
Bom Jesus de Goiás	0.45%	98.99	100.00	99.59	100.00
Piracanjuba	0.45%	100.00	94.13	100.00	94.13
Niquelândia	0.44%	97.83	43.60	97.94	43.74
Itapuranga	0.43%	100.00	100.00	100.00	100.00
Pirenópolis	0.42%	99.21	30.86	99.21	21.72
Bela Vista de Goiás	0.39%	98.52	68.11	98.59	67.61
Goiás	0.37%	99.63	90.89	99.63	89.53
Padre Bernardo	0.36%	100.00	82.79	100.00	82.79
Pontalina	0.35%	100.00	100.00	100.00	100.00
Silvânia	0.33%	100.00	100.00	100.00	100.00
Rubiataba	0.33%	93.87	90.25	93.91	90.25
São Miguel do Araguaia	0.32%	98.33	65.78	98.32	64.08
Jussara	0.32%	100.00	99.83	100.00	99.67
Acreúna	0.31%	96.38	43.12	96.62	43.25
Campos Belos	0.29%	100.00	95.08	100.00	95.08
Anicuns	0.29%	99.95	50.10	99.93	50.38
Nerópolis	0.27%	94.75	-	94.73	-
Alexania	0.27%	100.00	-	100.00	-
Caiapônia	0.26%	97.15	93.64	97.14	93.64
Aragarças	0.26%	100.00	-	100.00	-
Guapó	0.26%	100.00	87.75	100.00	87.49
Caçu	0.25%	100.00	100.00	100.00	100.00
Edéia	0.25%	100.00	100.00	100.00	100.00
Paraúna	0.24%	100.00	100.00	100.00	100.00
Vianópolis	0.21%	100.00	71.29	100.00	71.83
Itapaci	0.20%	100.00	-	100.00	-
Montividiu	0.20%	100.00	55.36	100.00	55.35
Indiara	0.19%	100.00	-	100.00	-
Hidrolândia	0.18%	84.53	-	84.52	-
Alto Paraíso de Goiás	0.18%	100.00	-	100.00	-
Mara Rosa	0.17%	100.00	81.16	100.00	80.77
Uruana	0.17%	100.00	15.24	100.00	3.02
Cocalzinho de Goiás	0.17%	97.12	-	97.36	-

36. Insurance

On December 04, 2023, the Company's civil liability insurance policy was hired for twelve (12) months in relation to board members, executive managers, officers and other equally liable persons (D&O Insurance). According to it, the insurance company will pay, on behalf of policy holders, all losses they are legally forced to pay as a result of actions brought for alleged wrongful acts during the retroactivity period or within the term of the policy, provided such loss does not exceed the maximum contracted limit of insurance, which is fifty million Brazilian reais. The total premium paid will be 705 thousand, in 4 installments of 176 thousand.

The Company has no full coverage of all costs inherent to its businesses and assets. The occurrence of any uncovered losses may adversely affect its financial performance.

37. Related-party transactions

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

37.1 State of Goiás

a) Non-dependent relation

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

b) Participation in financing operations

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

c) Rendering of services

The Company provides water supply and sewage services to direct and indirect public administration agencies of the state of Goiás. In 2023, the net revenue the Company received from that State was R\$ 287,429 (R\$ 258,549 in 2022).

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

	12/31/2023	12/31/2022
Amounts billed not yet due	7,855	6,201
Falling due in more than 30 days	1,395	549
Overdue for up to 30 days	2,494	673
Overdue from 31 to 60 days	1,629	449
Overdue from 61 to 90 days	370	492
Overdue from 91 to 120 days	420	443
Overdue from 121 to 180 days	791	410
Overdue from 181 to 360 days	1,891	1,287
Overdue from 361 days to 5 years	4,849	4,476
Overdue from 6 to 10 years	5,830	4,030
Overdue for more than 10 years	-	70
Estimate of amounts to be billed	4,059	3,458
(-) Discount to present value of receivables	(108)	(18)
(-) Allowance for doubtful accounts	(15,778)	(9,988)
Subtotal	<u>15,697</u>	<u>12,532</u>
Amounts receivable (noncurrent)	2,605	1,685
(-) Discount to present value of receivables	(449)	(207)
(-) Allowance for doubtful accounts	(199)	(104)
Subtotal	<u>1,957</u>	<u>1,374</u>
Total	<u>17,654</u>	<u>13,906</u>

The allowance for doubtful accounts referring to accounts receivable from State Agencies considers the calculation method detailed in Note 2.3 with the application of the provision matrix referring to public agencies.

37.2 Operations with municipalities

a) The program contract with the municipality of Goiânia was executed on December 17, 2019, to be in effect until December 17, 2049. The contract establishes monthly payment of 5% of gross revenue into the Municipal Sanitation Fund. Until December 31, 2023, gross revenue in the municipality of Goiânia corresponded to R\$ 1,243,819 and an amount of R\$ 62,190 was deposited into the Fund.

b) As at December 31, 2023, 39 out of the 223 contracts are expected to have as compensation a percentage ranging from 2% to 5% of the amounts collected in the municipality, however, 5 municipalities are still creating a specific municipal fund to receive this amounts, and thus are still not being compensated.

c) Rendering of accounts have been prepared for debt settlement through services provided by local governments to the Company. As at December 31, 2023, the balance of accounts receivable overdue and not yet due regarding the debt of municipalities with the Company was R\$ 104,440 and 7 matching of accounts were realized with an adjustment of R\$ 1,515 (R\$ 91,769 as at December 31, 2022, with 17 matching of accounts and adjustment of R\$ 2,406).

38. Compensation of Management, Internal Audit Committee and Statutory Audit Committee

As at December 31, 2023, the expenses related to the compensation of members of the Board of Directors, Executive Board, Internal Audit Committee and Statutory Audit Committee was R\$ 8,612 (R\$ 7,451 as at December 31, 2022).

a) Board of Directors

The Board of Directors is the area of the Company that establishes norms and makes decisions. It has at least seven (7) and eleven (11) members at most, which receive monthly fees of eighteen percent (18%) of the average compensation paid to Executive Officers of the Company.

b) Executive Board

The Executive Board has the powers to manage the Company's day-to-day businesses and has the following composition: Main Management Board, Sales Management, Corporate Management, Financial Management, Relationship with Investors and Regulations, Production Management, Expansion Management and Legal Affairs Management. The Board of Directors establishes Management's compensation, which cannot be lower than the highest compensation paid to employees of the Company. Officers receive fees between the equivalent to the highest base salary of the Company and ninety five percent (95%) of the highest compensation established for the position of CEO.

The Company's articles of incorporation do not provide the payment of annual bonus to the Officers; however, they are employees of the Company and receive the same benefits that other employees receive.

c) Internal Audit Committee

The Internal Audit Committee has at least three (3) and five (5) members at maximum and an equal number of substitutes. The Board of Directors also establishes the monthly fees to be paid them, observing a minimum limit, for each member, of fourteen percent (14%) of the average fees attributed to Officers.

d) Statutory Audit Committee

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

39. Supplementary cash flow information

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

ASSETS	Note	12/31/2023
Receivables from consumers	7	(91,686)
Allowance for doubtful accounts/Discounts to present value	33/35	(99,965)
		<u>(191,651)</u>
Other accounts receivable	12	11,021
Transfers of intangible assets - Contributions Consortium Águas Lindas	17	1,105
Transfers of fixed assets - Contributions Consortium Corumbá	15	(1,922)
		<u>10,204</u>
Recoverable taxes	9	(3,624)
Taxes and contributions to offset - Lease		5,558
		<u>1,934</u>
Inventories	8	(28,039)
Transfers of contract assets	16	3,002
Estimated inventory losses/reversal	33	4,152
		<u>(20,885)</u>
Contract assets	16	(268,037)
Allocation of inventories in addition	16	15,964
Capitalized interest	20.c	5
		<u>(252,068)</u>

40. "Operação Decantação"

Current situation:

The complaint brought by the Public Prosecution Office was rejected by the Federal Judge of the 11th Federal Court of Goiás (proceeding No. 0020618-15.2016.4.01.3500), given the lack of exposure of the criminal fact and the elements of conviction required to file a criminal suit against those then investigated.

The Public Prosecution Office filed an appeal against the decision issued, with a request for reform, for receipt of the complaint and consequent filing of the criminal suit. The parties presented counterarguments and, until December 31, 2023, the court has issued no decision contrary to the prior one.

We point out that the Internal Audit proceeded with the identification of possible losses for the Company, as well as the possible liability, whether of employees or companies, regarding the findings pointed out by EY. This calculation is in the final stage for proceedings, so that in case the quantification of the damage to the government's treasury is substantiated, compensation to Saneago may be provided.

Chronological description of events and Management's response:

On August 24, 2016, an official investigation process called "Operação Decantação" was started, aiming to determine whether irregularities exist at Saneago in relation to certain bidding operations at the Company, under the reasoning that possible price alignments have been taking place, as well as overpayment in the performance of the respective contracts.

As described in the complaint, those facts would be causing misapplication of federal funds coming from the Growth Acceleration Program (PAC) and from financing obtained with financial institutions, as well as of amounts destined for the execution of construction work, besides other assumed acts against the government.

It is important to clarify that the investigation started is based on the need of determining assumed irregularities in the application of public funds by certain managers, employees and suppliers and Saneago is not a party to the complaint.

The investigation was divided into two stages:

- (I) analyzing the bidding process executed for the purchase of pumps to be used in the Raw Water Pumping Station of Corumbá IV Production System;
- (II) determine whether fraud exists in the above-mentioned bidding process and the assumed overpricing in the Company's reference budget, as well as the people who was making use of their positions to take personal advantage and who may still be holding their respective positions.

As per a federal court order at the time of the investigation, all executive officers of the Company were dismissed. On August 24, 2016, Saneago's Board of Directors quickly adopted measures for the permanent recomposition of the Company's Executive Management, which provided legal and administrative security to the shareholders, the market and the population.

The members of the Permanent Bidding Committee mentioned in the official investigation were removed from their positions according to Decision # 123/2016 of September 06, 2016, and new members were appointed.

An external audit company was hired to assess occasional irregularities appointed by *Operação Decantação*, which concluded for the legality of the bidding procedures object of the engagement, with no prejudice that would discredit the respective processes.

On the other hand, as per the report, noncompliance regarding the execution of construction work was found, which elicited the adoption of several measures to treat the nonconformity verified.

After the conclusion of the reports and analysis by a multidisciplinary team, including technicians of the Company and the Statutory Audit Committee, it was detected that a complement to the existing provision was necessary, as follows:

Description		in R\$
Sample (Period from 2007 to 2017)		
Amount paid in priority contracts (EY's Report)	A	1,166,017,570
Amount of difference described on EY's Report in Priority Contracts	B	74,426,982
% ratio of difference to priority payments	(B*100/A) C	6.383%
Extrapolation of the sample to the universe of the construction work contracts (Period 2007 - 2017)		
Total amount paid in all contracts mentioned in the "Operação Decantação"	D	1,709,805,620
Total amount paid in contracts of companies listed for Background Check	E	75,306,360
Subtotal	(D+E) F	1,785,111,980
Estimated provision for contracts listed in "Operação Decantação"	(F*C/100) G	113,943,821
Amount accrued for as at December 31, 2017	H	64,785,432
Subtotal	(G-D) I	49,158,389
Tax effects to contracts entered in the statement of income	L	4,550,663
Supplementary provision restated on January 1, 2018	(I+L) K	53,709,052
Total provided for	(H + K) L	118,494,484
Reversal - Construction of Production System Corumbá as at December 31, 2022	M	4,929,677
Current balance provided for	(L - M) N	113,564,807

Besides, considering the facts occurred on March 28, 2019 ("*Operação Decantação 2*") and April 04, 2019 ("*Operação Decantação 3*"), where the Federal Police executed the first investigation actions, the Company released an official letter to the market stating that:

- i. In relation to the facts occurred in the period from 2012 to 2016, Saneago highlights that the current Management of the Company has been prioritizing the implantation of governance and compliance practices to assure the lawfulness of all processes;
- ii. Among the actions implemented, there was the creation of a Governance Superintendency, responsible for the implantation of a series of strategic policies, such as Responsibility Limits, a document that standardized the making of decisions by the Executive Board, Policies for Prevention of Conflict of Interests, a Code of Conduct, Policies for Transactions with Related Parties and Policies for Prevention of Corrupt Acts.

It is also important to point out that there is mention in "*Operação Decantação*" 3 that some companies mentioned in the 1st Phase of the Operation still have contracts in effect with Saneago.

However, the Company trusts the governance measures adopted after 2016, mainly through the preparation of risk matrices for contracts with companies mentioned in "*Operação Decantação*" 1, 2 and 3, for the diagnosis of inherent risk, according to the perception of the manager, as well as their awareness of risk events in the execution of such contracts, resulting in medium and high risk for Saneago, which is establishing mitigating measures capable of reducing risk. For more information, access Item 4.7 (Other Significant Contingencies) of Saneago's Reference Form.

41. Virtual storeroom

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

Similarly, the CGE-GO had already been engaged by the Executive Board to perform the analysis on the execution of the contract. That caused the suspension of the requests through the Virtual Storeroom platform since August 2021, and the procedure for suspension of the contract was effectively concluded in December 2021.

With the delivery of the preliminary Internal Audit report to the Economic Affairs Commission (CAE), and the conclusion of the work by CGE-GO, Saneago's Executive Board collectively deliberated on the necessary corrective actions, deciding to withhold the last contractual payment and also to file a proceeding for calculation of liability, aiming to terminate the contract, with due respect to the right to adversary system and full defense of the company hired. It was also decided to inform the CGE-GO regarding the acceptance of the request for corrective actions recommended by the agency and forwarding of the matter to the CAE.

The contract, amounting to R\$ 86 million for a period of 30 months, had total revenue of R\$ 20 million. The Company adopted all governance practices regarding the matter, the contract is suspended and the services halted until the termination is formalized.

It is also important to point out that, regarding the bidding process for the Virtual Storeroom, all the observations and technical recommendations of the CGE and other regulatory agencies regarding the first hiring initiative, which was unsuccessful, were complied with, and that there was a legal opinion and monitoring of the bidding process with no irregularity found, and that the phase of contractual execution lasted only 8 months, and was then suspended to avoid losses to the Company.

At first, the Statutory Audit Committee, urged to give a definitive opinion on the matter, even in view of the conclusions of the Internal Audit, submitted to the Board of Directors the need for an independent external audit that could verify any findings in the mentioned contract. Throughout 2022, along with the preparation of the term of reference and the start of the bidding process, there was also an internal investigation, by a team led by the Corporate Management Board, as well as by the Public Prosecutor's Office of the State of Goiás (CGE - GO), in addition to proceedings with the Court of Auditors of the State of Goiás (TCE-GO).

Both the internal investigation and the one conducted by CGE referred to errors in the contract wording, as well as in the contractual execution, which did not result in actual damages to the Company, as the disallowance of the amounts on which there could be losses is greater. In the case of the TCE, although a definitive pronouncement on the procedure has not yet been issued, the Finance Department of Public Prosecution's Office has already given its opinion indicating that there is no loss to the Company.

Subsequently, the Liability Assessment Process (PAAR) was started, authorized by the Board of Directors, leading to the contract termination, with its amounts retained and the provision of a contractual guarantee, in case the PAAR concludes that the payments are not necessary.

There is no indictment and judgment controlled externally or any definition of the involvement of Saneago, as a legal entity, or of any managers or directors. Saneago is a potential victim in the case. As well explained, there is still no external consequences involving Saneago or its directors.

On March 14, 2023, according to the notice to the market disclosed by the Company, the Corruption Fighting State Department (Deccor) initiated the operation "Custo Máximo", related to the contract. Once again, we highlight that neither Saneago nor its directors are defendants in this action and that since the beginning of the accusation related to the Virtual Storeroom, Saneago has suspended the service and taken measures for a strict and immediate verification of facts, as described above.

In July 2023, the Company paid the remaining balance established by the extinct contract, as authorized by TCEGO.

42. "Operação Collusion"

On April 13, 2023, the general media and the Civil Police of the State of Goiás announced news on operation Collusion. The Company has not received further information on the investigation. However, we point out that the investigation was initiated from results identified by Saneago itself, by means of assessments of its internal audit submitted to the Office of the Goiás State Police for investigation.

The operation investigates former partnerships and contracts (from 2010 to 2017) entered into with municipal governments for the construction, renovation, and expansion of water and sewage systems by means of a construction company, then winner of the bidding processes. We highlight that Saneago no longer has any contract with the construction company under investigation, and that possible losses incurred are already properly provided for by the Company.

There was no search, seize or pledge of assets in any unit of the Company, and neither the Company nor its current directors were notified about the mentioned investigation so far. Additionally, Saneago has already filed actions claiming financial compensation for damages caused by the construction company.

In relation to involved employees, Saneago informs that accepts the determination of the law and that, additionally, in view of the result of internal audits conducted and according to the Company's internal regulations, started Disciplinary Verification Proceedings to analyze the conduct of the involved parties.

43. Subsequent events

Rating

On January 11, 2024, the rating agency Fitch increased the Company's Domestic Long-term Rating ("Corporate") and of its issuing of debentures from "AA-(bra)" to "AA(bra)", with a stable outlook.

Tax exemption

On February 26, 2024, the Company, by means of a Federal justice judgement, had its Reciprocal Tax Exemption recognized relative to taxes on goods, income and services, as per Federal Constitution article 150, item VI "a", which mainly exempts the Company of the levy of Income and Financial Operation taxes. Also, the sentence states the Company is subject to PIS and COFINS cumulative regime, as per article 80, items IV and V, and article 10, items IV and V, of Laws No 10.637/2002 and 10.833/2002, respectively.

Tariff Adjustment

On February 28, 2024, Saneago's water and sewage tariffs were readjusted by 1.95% as of April 01, 2024. The readjustment was authorized through resolutions from the Goiás Agency for Regulation, Control and Inspection of Public Services (AGR), the Regulatory Agency of Goiânia (AR) and the Municipal Regulatory Agency for Water and Sewage Services (AMAE).

Ricardo José Soavinski
Chairman

Hugo Cunha Goldfeld
Sales Officer

Silvio Antônio Fernandes Filho
Director of Corporate Management

Diego Augusto Ribeiro Silva
Financial and Investor Relation Officer

Marco Tulio de Moura Faria
Production Officer

Fernando Cozzetti Bertoldi de Souza
Expansion Officer

Ariana Garcia do Nascimento Teles
Legal Officer

Elias Evangelista Silva
Accountant CRC/GO 13.330