



Earnings Release

1Q21

05/13/2021

ri.sanepar.com.br

Curitiba, May 13th, 2021.

Companhia de Saneamento do Paraná – SANEPAR (SAPR3 - ON; SAPR4 - PN; SAPR11 - UNITS) presents the financial and operating results regarding the first quarter of 2021 (1Q21). The economic information was prepared in accordance with accounting practices adopted in Brazil, including Brazilian corporate law, pronouncements, guidelines and interpretations issued by the Accounting Pronouncements Committee (Comitê de Pronunciamentos Contábeis – CPC), also based on the accounting standards and procedures established by the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários- CVM).

HIGHLIGHTS 1Q21		Net Revenue	
		1Q21: - 1.6%	
EBITDA Margin		Net Profit	
1Q20 + 41.8%	→	1Q21 + 42.6%	
		1Q20: BRL 256.0	→ 1Q21: BRL 246.5
Number of Economic Units		Net Debt / EBITDA	
Water	+ 2.2%	1.4x	
Sewage	+ 3.4%		

	1Q21 (1)	1Q20 (2)	Var. (1/2)	1Q19 (3)	Var. (2/3)
Net Revenue	1,226.5	1,246.1	-1,6 %	1,098.6	13,4 %
Operating Income	428.3	434.0	-1,3 %	370.2	17,2 %
EBITDA	522.7	520.9	0,3 %	452.6	15,1 %
Net Profit	246.5	256.0	-3,7 %	217.5	17,7 %
ROE	14.0	17.7	-3,7 p.p.	15.8	1,9 p.p.
ROIC	11.5	13.8	-2,3 p.p.	12.5	1,3 p.p.
Net Debt	2,777.1	2,660.8	4,4 %	2,536.8	4,9 %
Gross Margin	56.6	58.7	-2,1 p.p.	56.6	2,1 p.p.
Operating Margin	28.3	28.4	-0,1 p.p.	27.5	0,9 p.p.
Net Margin	20.1	20.5	-0,4 p.p.	19.8	0,7 p.p.
EBITDA Margin	42.6	41.8	0,8 p.p.	41.2	0,6 p.p.
Equity Debt	48.4	48.8	-0,4 p.p.	46.7	2,1 p.p.
Net Debt / EBITDA	1.4	1.3	0,1 p.p.	1.5	-0,2 p.p.

1. OPERATING DATA
1.1 MARKET
Contracts in % of Total Revenue of the Company, as of March 31, 2021

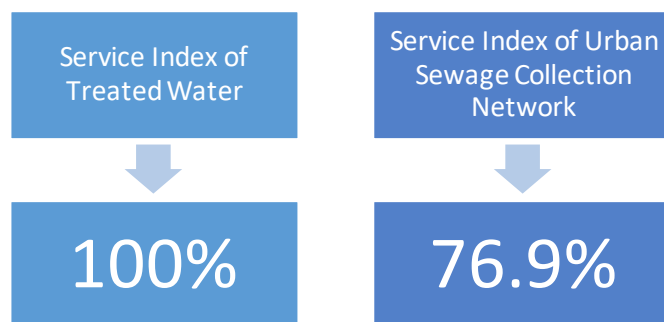
Contracts (% of Total Revenue)*					Coverage ratio		Total active economic units (in thousands)	
Municipalities	Total revenue %	Remaining period of concession	Type of contract	Type of concession	Water	Sewage collections	Water	Sewage collections
Curitiba	21.1%	27,5 yr.	Program	Water & Sewage	100%	96.4%	831.3	801.6
Londrina	7.3%	25,5 yr.	Program	Water & Sewage	100%	96.0%	256.6	243.3
Maringá	5.2%	19,7 yr.	Concession	Water & Sewage	100%	100.0%	168.0	186.3
Ponta Grossa	3.7%	5,3 yr.	Concession	Water & Sewage	100%	91.6%	150.7	136.6
Cascavel	3.6%	3,9 yr.	Concession	Water & Sewage	100%	100.0%	129.7	136.4
Foz do Iguaçu	3.5%	23,2 yr.	Program	Water & Sewage	100%	79.8%	116.1	93.9
São José dos Pinhais	2.8%	23,0 yr.	Program	Water & Sewage	100%	76.9%	117.4	91.4
Colombo	1.8%	27,3 yr.	Program	Water & Sewage	100%	66.4%	86.3	58.4
Guarapuava	1.7%	21,8 yr.	Program	Water & Sewage	100%	85.5%	67.3	56.2
Toledo	1.5%	4,7 yr.	Concession	Water & Sewage	100%	82.3%	60.2	47.8
Other municipalities	47.8%						2,104.1	1,262.9
Total					100.0%	76.9%	4,087.7	3,114.8

* Information not reviewed by independent auditors.

Contracts Expiration Breakdown:

Concession / Program Contracts*	Number of Contracts*	% of the total revenue*
Expired Contracts	10	4.0
Contracts expiring between 2021 and 2029	53	12.2
Contracts expiring after 2029	283	83.8
Totais	346	100.0

* Information not reviewed by independent auditors.

Water & Sewage Services Indexes


Water Connections

Number of Water Connections*	MAR/21 (1)	%	MAR/20 (2)	%	Var. % (1/2)
Residential	2,994,308	90.9	2,913,969	90.8	2.8
Commercial	235,319	7.1	230,957	7.2	1.9
Industrial	13,349	0.4	13,115	0.4	1.8
Public Utility	23,885	0.7	23,855	0.7	0.1
Public Administration	26,799	0.9	26,464	0.9	1.3
Total	3,293,660	100.0	3,208,360	100.0	2.7

* Information not reviewed by independent auditors.



Sewage Connections

Number of Sewage Connections*	MAR/21 (1)	%	MAR/20 (2)	%	Var.% (1/2)
Residential	2,105,282	90.5	2,028,130	90.4	3.8
Commercial	185,810	8.0	181,408	8.1	2.4
Industrial	5,942	0.3	5,489	0.2	8.3
Public Utility	15,522	0.7	15,337	0.7	1.2
Public Administration	14,655	0.5	14,356	0.6	2.1
Total	2,327,211	100.0	2,244,720	100.0	3.7

* Information not reviewed by independent auditors.



1.2 PRODUCTIVITY

Measured Water Volume Evolution

Measured Water Volume - million m ³ *	1Q21 (1)	1Q20 (2)	Var. % (1/2)
Residential	112.9	113.0	-0.1
Commercial	9.8	10.7	-8.4
Industrial	3.4	3.2	6.2
Public Utility	0.9	1.3	-30.8
Public Administration	3.4	4.6	-26.1
Total	130.4	132.8	-1.8

* Information not reviewed by independent auditors.

Invoiced Water Volume Evolution

Invoiced Water Volume - million m ³ *	1Q21 (1)	1Q20 (2)	Var. % (1/2)
Residential	112.9	116.7	-3.3
Commercial	9.8	11.5	-14.8
Industrial	3.4	3.5	-2.9
Public Utility	0.9	1.1	-18.2
Public Administration	3.4	4.7	-27.7
Total	130.4	137.5	-5.2

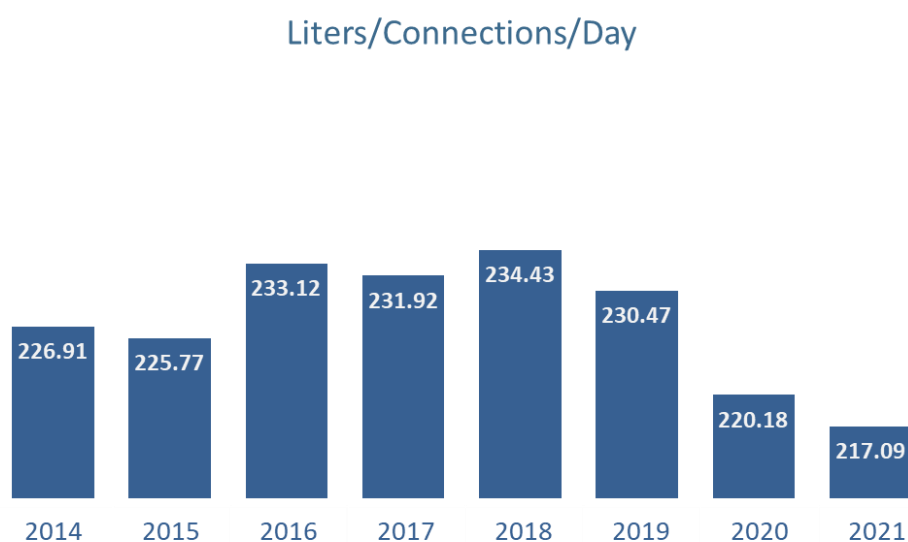
* Information not reviewed by independent auditors.

Invoiced Sewage Volume Evolution

Invoiced Sewage Volume - million m ³ *	1Q21 (1)	1Q20 (2)	Var. % (1/2)
Residential	85.5	88.0	-2.8
Commercial	8.8	10.5	-16.2
Industrial	0.8	0.8	0.0
Public Utility	0.8	0.9	-11.1
Public Administration	2.6	3.6	-27.8
Total	98.5	103.8	-5.1

* Information not reviewed by independent auditors.

The negative evolution in measured and invoiced volumes, both in water and sewage, in the comparison between 1Q20 and 1Q21, occurred mainly due to the impacts caused by the water crisis and the consequent mitigation measures adopted by the Company (water supply rotation in the Curitiba Metropolitan Region, META20 Program).

Losses per Connection Index Evolution


* Information not reviewed by independent auditors.

** Accumulated from January to March 2021.

Water & Sewage: General Data

Water*	1Q21 (1)	1Q20 (2)	Var. (1/2)	1Q19 (3)	Var. % (2/3)
Units served by the distribution network	4,109,337	4,020,347	2,2 %	3,940,589	2,0 %
Number of treatment stations	168	168	0,0 %	168	0,0 %
Number of wells	1,260	1,140	10,5 %	1,112	2,5 %
Number of surface catchment	233	231	-0,9 %	229	0,9 %
Km of laid network	57,979	55,679	4,1 %	54,373	2,4 %
Volume produced (m ³)	185,456,414	201,547,763	-8,0 %	196,146,701	2,8 %
Loss rate:					
In distribution system - %	32.53	34.09	-1,56 p.p.	32.58	1,51 p.p.
In billings - %	29.69	31.79	-2,10 p.p.	30.11	1,68 p.p.
Revenues delinquency rate %	3.59	3.56	0,03 p.p.	2.51	1,05 p.p.

* Information not reviewed by independent auditors.

Sewage*	1Q21 (1)	1Q20 (2)	Var. (1/2)	1Q19 (3)	Var. % (3)
Units served by the collection network	3,141,932	3,039,584	3,4 %	2,918,825	4,1 %
Number of treatment stations	257	251	2,4 %	247	1,6 %
Km of laid network	38,985	37,157	4,9 %	36,208	2,6 %
Volume collected in m ³	93,543,997	99,718,064	-6,2 %	97,469,780	2,3 %

* Information not reviewed by independent auditors.

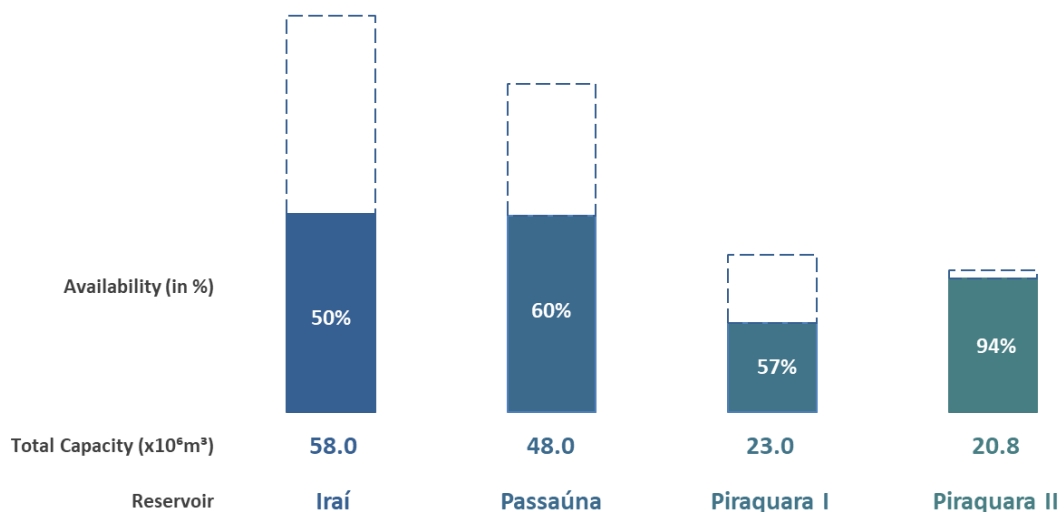
Water Crisis and Available Volumes

On 05/07/2020, State Decree nº 4,626 was published, recognizing the water emergency situation in the State of Paraná, for a period of 180 days. Subsequently, on 10/29/2020, this Decree was extended for another 180 days.

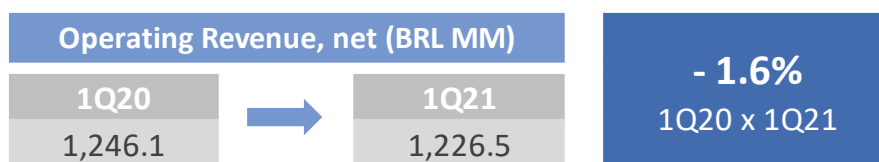
Due to the low volume of reserves and the scarcity of rain, the Company is practicing a water supply rotation program. Since 03/15/2021, thanks to the elevation of the level of the four dams that make up the Integrated Supply System of Curitiba ("SAIC"), the economy of the population, within the META20 Program and other actions taken by the Company, it was possible to implement a new rotation model in Curitiba and its Metropolitan Region: 60 hours of normal water supply and 36 hours of water supply suspension, which will be maintained as long as the reserve level remains above 50%. If it falls again to the level of 50%, the scenario will be analysed and the previous 36 / 36 hour rotation model may be restored.

The average volume available of SAIC is formed by the dams Piraquara I, Piraquara II, Iraí and Passaúna. In the Municipality of Foz do Iguaçu, Sanepar uses water from the dam of the hydroelectric power plant Itaipu Binacional, located at the Itaipu lake, in Paraná River.

At the end of the quarter, the average reserve volume was 60.8%.

SAIC Reservoirs Levels in 03/31/2021

2. FINANCIAL DATA
2.1 ECONOMIC PERFORMANCE
Operating Revenue

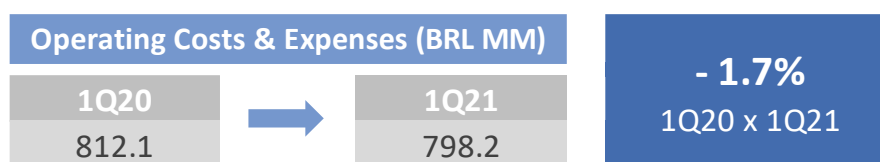
Operating revenue - In BRL million	1Q21 (1)	1Q20 (2)	Var. % (1/2)
Revenues from water	806.1	810.2	-0.5
Revenues from sewage	469.0	483.3	-3.0
Revenues from services	26.8	33.7	-20.5
Revenues from solid waste	3.0	3.2	-6.3
Services provided to Municipalities	5.1	4.9	4.1
Donations made by clients	7.2	5.3	35.8
Other revenues	1.3	1.2	8.3
Total Operating Revenue	1,318.5	1,341.8	-1.7
COFINS	-75.6	-78.6	-3.8
PASEP	-16.4	-17.1	-4.1
Total of Deductions	-92.0	-95.7	-3.9
Total of Operating Revenue, net	1,226.5	1,246.1	-1.6



This reduction is mainly due to the decrease in invoiced volumes of water and sewage, resulting from the water emergency situation in force in the State of Paraná, which required mitigating actions due to the low volume of water reserves and the scarcity of rain.

Operating Costs and Expenses

Operating costs and expenses In BRL million	1Q21 (1)	1Q20 (2)	Var. % (1/2)
Personnel	-257.0	-261.2	-1.6
Materials	-53.5	-56.2	-4.8
Electricity	-121.5	-120.0	1.3
Third-party services	-157.7	-154.0	2.4
Depreciation and amortization	-94.4	-86.9	8.6
Losses in Realization of Credits	-17.6	-11.6	51.7
Net Realizable Value of Inventory	1.7	-0.9	-288.9
Municipal Sanitation and Environmental Funds	-15.4	-17.7	-13.0
Regulatory fee	-6.4	-6.3	1.6
Indemnifications for damages to third parties	-1.8	-2.2	-18.2
Expenses capitalized	21.6	17.9	20.7
Provision for contingencies	-47.7	-20.3	135.0
Pension plan and medical insurance	-14.7	-16.7	-12.0
Profit sharing program	-17.4	-25.4	-31.5
Eventual and extraordinary losses	0.0	-37.1	-100.0
Conversion of Environmental Fines	0.0	0.0	0.0
Net assets write-off	-0.3	3.4	-108.8
Adjustment to Fair Value - Investments	-0.3	-0.3	0.0
Equity in earnings (losses)	-0.4	-1.2	-66.7
Other costs and expenses	-15.4	-15.4	0.0
Total	-798.2	-812.1	-1.7



The main variations that occurred were due to:

Personal

Reduction of 1.6%, due to the 8.9% decrease in the number of employees (from 6,971 to 6,350 employees on March 31, 2020 and March 31, 2021, respectively), as a result of the Incentive Retirement Program (“PAI”), reflecting in all salary amounts, overcoming the impacts resulting from the salary adjustments of 3.92% and 6.22% (INPC) on the labor amounts and benefits referring to the Collective Labor Agreement (“ACT”) 2020/2021 (base date March 2020 and 2021) and the 7.64% readjustment of SANESAÚDE in June 2020.

Materials

4.8% reduction, mainly in office supplies, use and consumption, cleaning and hygiene material, electromechanical maintenance material, treatment material, cut and reconnection material, fuels and lubricants and safety and protection material.

Electricity

Increase of 1.3%, mainly due to the 3% reduction in the subsidy applied to consumer units that benefited from the discount for sanitation and by the change in the tariff flag practiced by COPEL from “green” in March 2020 to “Yellow” in March 2021, in addition to the average tariff reflex of 0.41% applied since 06/24/2020.

Third-Party Services

Growth of 2.4% mainly in professional technical services, surveillance services, registration and billing services, electromechanical maintenance services, operational technical services and sewage removal services.

Depreciation and Amortization

Increase of 8.6%, mainly due to the entry into operation of intangible and / or fixed assets, in the period from April 2020 to March 2021, in the amount of BRL 1,007.2 million (net of write-offs).

Losses on Realization of Credits

Increase of 51.7%, mainly influenced by the growth of the loss provisions of accounts receivable from private customers in the amount of BRL 17.3 million and also by the accounting of the amount of BRL 0.7 million referring to the estimated losses on credits, according to studies on the drop in revenue caused by the current economic scenario, caused by the COVID-19 Pandemic.

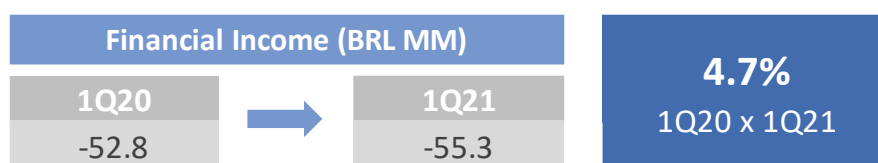
Provisions for Contingencies

Growth of 135.0%, mainly due to the recognition as a probable loss of BRL 11.7 million in Public Civil Action, resulting from indemnity for a traffic accident in December 2003, in addition to the reclassification for probable loss of Environmental Action before IBAMA (from 2012), in which the disposal of untreated sewage waste in rivers is discussed, in the amount of BRL 26.3 million.

2.2 ECONOMIC INDICATORS

Financial Income

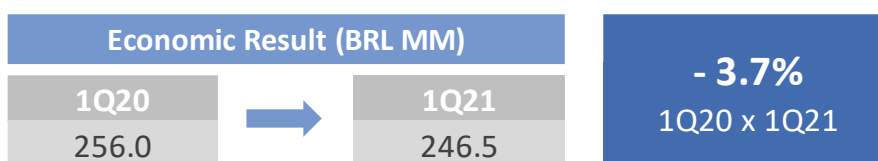
Financial income (loss) - in BRL million	1Q21 (1)	1Q20 (2)	Var. % (1/2)
Financial revenues			
Financial investments	4.7	4.9	-4.1
Monetary variation gains	5.1	4.0	27.5
Gain on Derivative Financial Instruments	0.5	0.5	0.0
Other financial revenues	5.3	5.7	-7.0
Total financial revenues	15.6	15.1	3.3
Financial expenses			
Interest and fees on loans, financing, debentures and leases	-54.2	-51.0	6.3
Monetary variation losses	-15.9	-4.7	238.3
Exchange rate variation losses	-0.5	-0.5	0.0
Other financial expenses	-0.3	-11.7	-97.4
Total financial expenses	-70.9	-67.9	4.4
Financial income (loss)	-55.3	-52.8	4.7



The financial result varied negatively due to the 4.4% growth in financial expenses, mainly in interest expenses and financing, loans, debentures and leases, which went from BRL 51.0 million to BRL 54.2 million between 1Q20 and 1Q21, and in monetary variations on loans and financing, which went from BRL 4.7 million in 1Q20 to BRL 15.9 million in 1Q21, due to the growth of the inflation index (“IPCA”) compared to the same period in 2020.

Economic Result

Economic Result - R\$ million	1Q21 (1)	1Q20 (2)	Var. % (1/2)
Operating income	428.3	434.0	-1.3
Financial income (loss)	-55.3	-52.8	4.7
Taxes on income	-126.5	-125.2	1.0
Net income for the period	246.5	256.0	-3.7



The 1Q21 economic result was impacted mainly by the perceived reduction of 1.6% in net operating revenue.

Reclassification of the 1Q21 results (excluding non-recurring items)

Non-recurrent items - In BRL million *	1Q21	1Q20
Net income	246.5	256.0
NPV expenses on contractual financial assets	-	11.1
Economic and Finance Rebalance - Consortium DM/LFM/SEF	-	15.2
Tax effects	-	-8.9
Pro forma net income	246.5	273.4
% Net margin of non-recurrent items	20.1	21.9
Adjusted EBITDA of non-recurrent items	522.7	547.2
% Adjusted EBITDA margin of non-recurrent items	42.6	43.9

* Information not reviewed by independent auditors.

Distribution of the Economic Wealth Generated

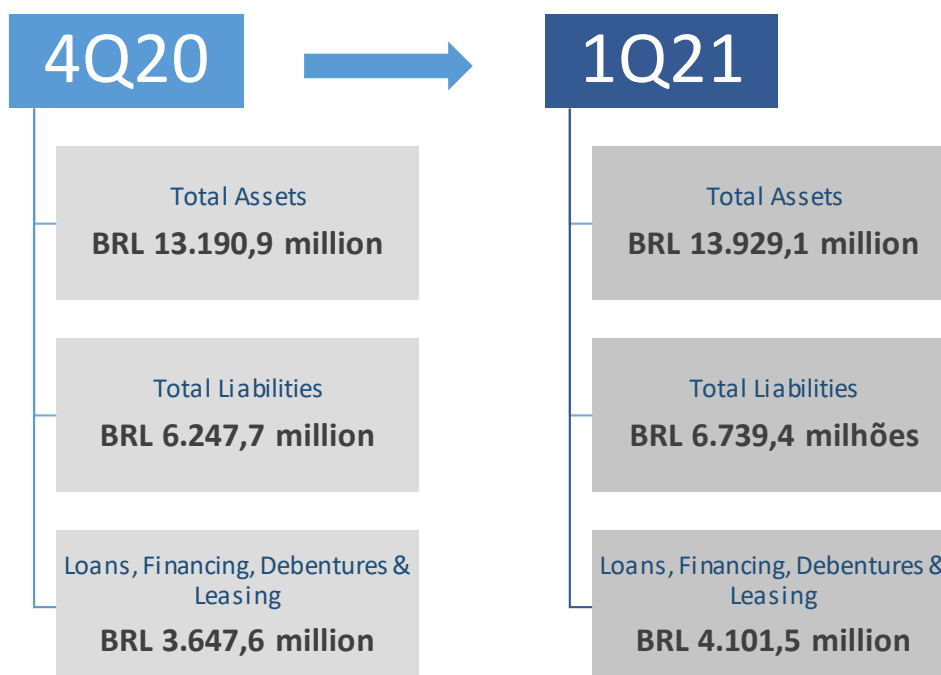
Distribution of the Economic Wealth Generated - In BRL million	1Q21 (1)	1Q20 (2)	Var. % (1/2)
Personnel remuneration	235.1	247.4	-5.0
Government Compensation (Taxes)	261.7	264.1	-0.9
Third-party compensation (Rents)	1.7	1.1	54.5
Return on debt capital (interest and monetary variations)	70.9	67.9	4.4
Net income for the period not distributed	246.5	256.0	-3.7
Total Economic Wealth	815.9	836.5	-2.5

Sanepar's growth and development strategy to operate on a public utility services market, also open to other Companies of the private initiative, is based on the search for effective results, commitment to the quality of services provided and in particular to addressing the needs of the granting power and shareholders.

Economic Indicators

Economic Indicators - In BRL million	1Q21 (1)	1Q20 (2)	Var. % (1/2)
Net operating revenue	1,226.5	1,246.1	-1,6 %
Operating profit	428.3	434.0	-1,3 %
Net income	246.5	256.0	-3,7 %
% Operating margin	28.3	28.4	-0,1 p.p.
% Net margin	20.1	20.5	-0,4 p.p.
% Return on average shareholders' equity	3.5	4.1	-0,6 p.p.
Net debt/ EBITDA (Accumulated 12 month) *	1.4	1.3	0,1 p.p.

* CVM Instruction 527/12 - Information not reviewed by independent auditors.

Assets & Liabilities Evolution

Indicators Evolution

	Reference	MAR/21	DEC/20	Var.
Equity	BRL million	7,189.6	6,943.2	3.5 %
Share value	BRL	4.76	4.59	3.7 %
Indebtedness level *	%	48.4	47.4	1.0 p.p.
Current ratio *	BRL	1.60	1.21	32.2 %
Quick ratio *	BRL	1.56	1.17	33.3 %

* Information not reviewed by independent auditors.

EBITDA and Generation of Operating Cash

EBITDA - R\$ Million *	1Q21 (1)	1Q20 (2)	Var. % (1/2)
Net income for the period	246.5	256.0	-3.7
(+) Taxes on Income	126.5	125.2	1.0
(+) Financial income (loss)	55.3	52.8	4.7
(+) Depreciation and amortization	94.4	86.9	8.6
EBITDA	522.7	520.9	0.3
% EBITDA Margin	42.6	41.8	0,8 p.p.
% EBITDA conversion into cash	65.8	81.8	-16,0 p.p.

* CVM Instruction 527/12 - Information not reviewed by independent auditors.

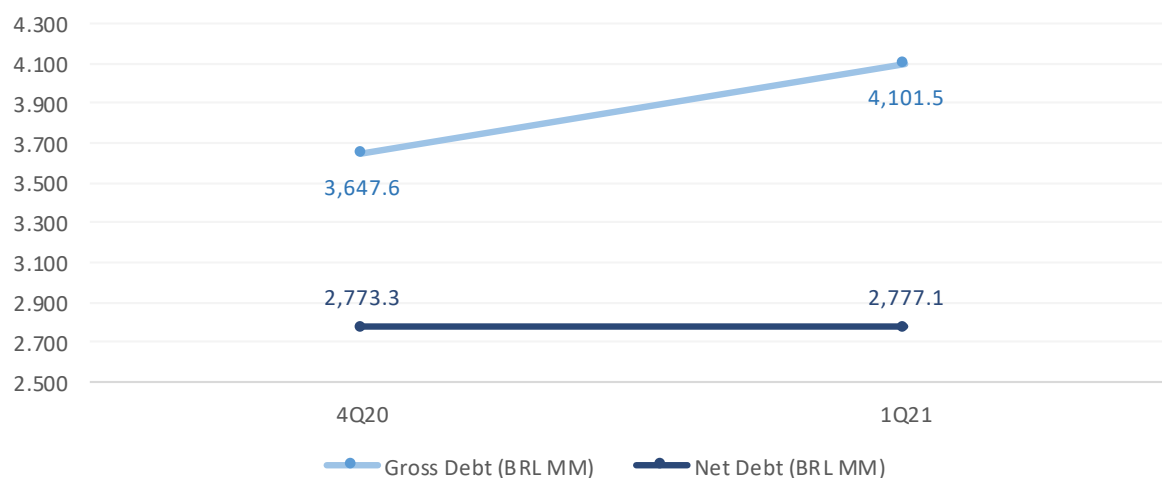
The increase in EBITDA & EBITDA Margin occurred mainly due to the 3.0% reduction in costs and expenses that impact EBITDA, already considering the 1.6% reduction in net revenue.

2.3 INVESTMENTS

Investments – R\$ Million	1Q21 (1)	1Q20 (2)	Var. % (1/2)
Water	114.4	101.7	12.5
Sewage	109.5	90.3	21.3
Other investments	34.9	19.4	79.9
Total	258.8	211.4	22.4

2.4 INDEBTEDNESS

Quarterly Evolution of Gross Debt and Net Debt



In 1Q21, BRL 500 million were raised from the 11th Issue of Debentures.

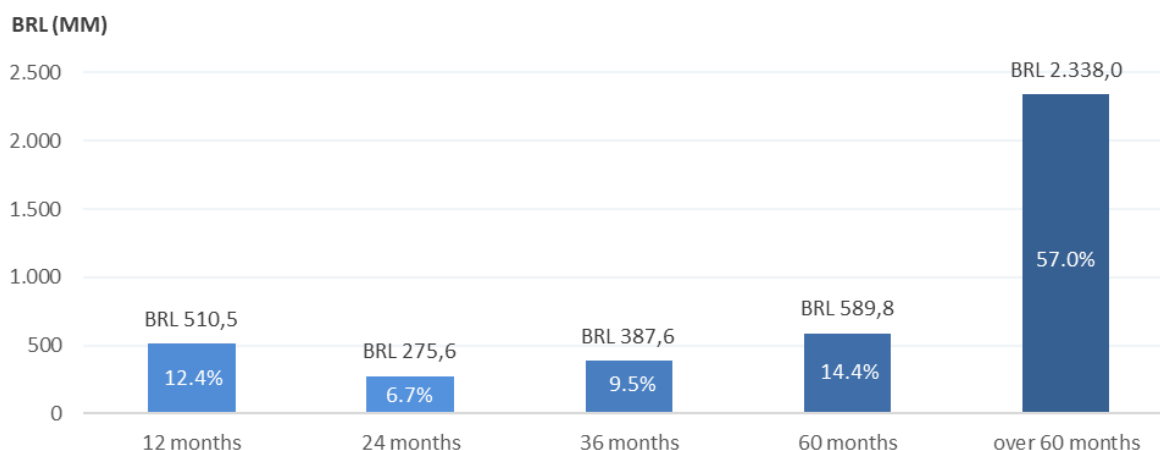
Leverage Ratio (Net Debt / EBITDA - accumulated 12 months) and Indebtedness Level

	1Q20	1Q21
Leverage Ratio	1.3x	1.4x
Indebtedness level	48.8%	48.4%

Loans, Financing, Debentures & Leasing Breakdown in 03/31/2021:

Indebtedness - BRL million	Annual interest rate	Index	Contract term	Debt balance	%
Caixa Econômica Federal	6.62% to 12.00%	TR	7/19/2042	1,167.6	28.5
Debentures 10th Issue - 1st series	4.66%	IPCA	3/15/2027	362.8	8.8
BNDES - PAC2	TJLP + 1.67% and 2.05%	-	7/15/2029	300.3	7.3
Leasing Operations (Paraná Coast)	11.14%	IPC-FIPE	12/7/2036	276.0	6.7
Debentures 11th Issue – 2nd series	4.25%	IPCA	3/15/2029	203.8	5.0
Debentures 9th Issue – 1st series	106.05% on DI	-	6/11/2024	200.3	4.9
Credit Note - Banco BTG Pactual	DI + 2.75%	-	6/13/2022	165.8	4.0
Debentures 11th Issue – 3rd series	4.49%	IPCA	3/17/2031	158.2	3.9
Debentures 8th Issue – 2nd series	108.0% on DI	-	6/21/2023	155.8	3.8
Debentures 9th Issue – 2nd series	107.25% on CDI	-	6/11/2026	151.7	3.7
Debentures 4th Issue – 1st series	TJLP + 1.67%	-	7/15/2027	151.5	3.7
Debentures 11th Issue – 1st series	DI + 1.65%	-	3/13/2026	126.9	3.1
Debentures 8th Issue – 1st series	106.5% on CDI	-	6/21/2021	95.5	2.3
Debentures 4th Issue – 2nd series	7.44%	IPCA	7/15/2027	89.3	2.2
Debentures 2nd Issue – 2nd series	9.19%	IPCA	9/15/2024	84.5	2.1
Leasing - Right of Use	5.97%	-	2/28/2026	73.7	1.8
Debentures 7th Issue – 2nd series*	4.79%	IPCA	11/15/2038	70.5	1.7
Debentures 2nd Issue – 3rd series	TJLP + 1.92%	-	9/15/2024	57.2	1.4
Debentures 7th Issue – 1st series*	5.20%	IPCA	11/15/2038	45.7	1.1
Debentures 2nd Issue – 1st series	TJLP + 1.92%	-	9/15/2024	42.9	1.1
Debentures 7th Issue – 4th series*	6.57%	IPCA	11/15/2038	32.3	0.8
BNDES - AVANÇAR	3.56% to 3.96%	IPCA	6/15/2040	25.9	0.6
Debentures 7th Issue – 3rd series*	6.97%	IPCA	11/15/2038	21.1	0.5
BNDES	TJLP + 1.82%	-	1/15/2023	14.1	0.3
Banco Itaú PSI	3.00% to 6.00%	-	1/15/2025	10.7	0.3
KfW Bank	1.35%	EURO	12/30/2032	9.2	0.2
Banco do Brasil - PSI	3.00% to 6.00%	-	4/15/2024	8.2	0.2
Total				4,101.5	100.0

* IPCA as a variable component of the TLP

Debt Breakdown by Maturity


3. REGULATIONS

2020 Tariff Review

On 12/29/2020, at its Ordinary Meeting No. 029/2020, AGEPAR decided to partially approve Sanepar's readjustment request for the year 2020, approving the index of 5.11% to be applied as of February 5, 2021, according to Resolution No. 040/2020. The calculation made by AGEPAR considered the provisional suspension of the 4th installment of the tariff deferral, originating from the 1st Periodic Tariff Review ("1st RTP") occurred in 2017, and the replacement in the basket of indexes of the IGP-M by the IPCA.

The Agency also defined that the compensation for the delay in granting the tariff adjustment, in the period between May 2020 and February 2021, should be considered in the 2nd RTP.

On 01/25/2021, the Company filed a request with AGEPAR aiming at offsetting the amounts arising from the replacement of the IGP-M by the IPCA. The Agency, in turn, accepted Sanepar's request and cleared the amounts in the calculation of the 1st Phase of the 2nd Periodic Tariff Review ("2nd RTP"), as well as the compensation resulting from the delay in granting the IRT 2020 (May 2020 to February 2021).

Portion A Cost Variation Account (CVA)

Portion A cost variation offsetting account corresponds to the offset of the monthly differences, whether gains or losses, calculated as a result of the variations in the costs of electricity, chemical products and segment charges, adjusted by IPCA.

The CVA is determined from the historical cost verified in the period $t - 1$ for the three components referred to above and passed by means of adjustments in the t period. However, the basic formulation of the tariff adjustment does not guarantee the perfect pass through of non-manageable costs to consumers, given that it does not consider, for example, the differences between reference and application markets.

As the calculation of the tariff adjustment assumes that exactly the same volume (m³) verified upon the calculation of the adjustment will happen in the following period, by the end of t period the balance of CVA would be zero.

Up to March 2021, the Company's CVA ascertained in a managerial way a positive balance of BRL 5.4 million that Sanepar shall recover via tariff.

Adjusted EBTIDA with non-manageable items - Information not reviewed by independent auditors

The Company demonstrate its pro forma adjusted EBITDA with non-manageable items as a metric to analyze the impacts of the offsetting of the "A" portion (electrical energy, treatment material, fees and charges) of the tariff model. Adjusted EBITDA with non-manageable items is a non-accounting

measurement and should not be considered in isolation as an operating indicator or cash flow or to measure the Company's liquidity or debt capacity.

Below follows the calculation of Adjusted EBITDA based on EBITDA, which follows ICVM 527/12, considering the estimated values of non-manageable items, accumulated up to March 31, 2021:

EBITDA - BRL million *	1Q21
EBITDA	522.7
(+) Non-manageable items	5.4
Electricity	6.6
Treatment material	4.8
Fee and charges	(6.0)
(=) Adjusted EBITDA with non-manageable items	528.1
% EBITDA Margin with non-manageable items	43.1

* Information not reviewed by independent auditors.

1st Phase of the 2nd Periodic Tariff Review ("RTP") and the Deferral of the 1st RTP

On 01/04/2021, AGEPAR promoted the opening of Public Consultation No. 001/2021, referring to the first phase of the second RTP and submitted nine Technical Notes opened for contributions until 02/17/2021. On 03/31/2021, the Agency held Public Hearing No. 001/2021 to discuss the Technical Notes already updated after the contributions of the Public Consultation. On 04/14/2021, AGEPAR's Board of Directors, at the Extraordinary Meeting No. 012/2021, decided to approve the new tariff repositioning of 5.7701%, as a result of the 1st Phase of the 2nd RTP. The repositioned tariff will take effect 30 days after its approval.

Also, in the 1st Phase of the 2nd RTP, AGEPAR updated the calculation rule in relation to the amortization of the portion of the deferral from the 1st RTP. In the proposed calculation, the deferred debt balance was estimated based on the balance of the differences between the Required Revenue and Verified Revenue projected up to May / 2021 and resulted in the amount of BRL 1,708.8 billion. This amount was integrated into the tariff through a fixed-value compensation portion over the tariff cycle (2021 - 2024) of BRL 0.459 per m³, calculated based on the equality of a cash flow discounted by the regulatory WACC.

The deferral comes from Sanepar's 1st RTP, on which occasion the Company was authorized by AGEPAR, through Homologatory Resolution No. 003, of April 12, 2017, to apply the index of tariff repositioning of 25.63% as of April 17, 2017, as provided for in article 3:

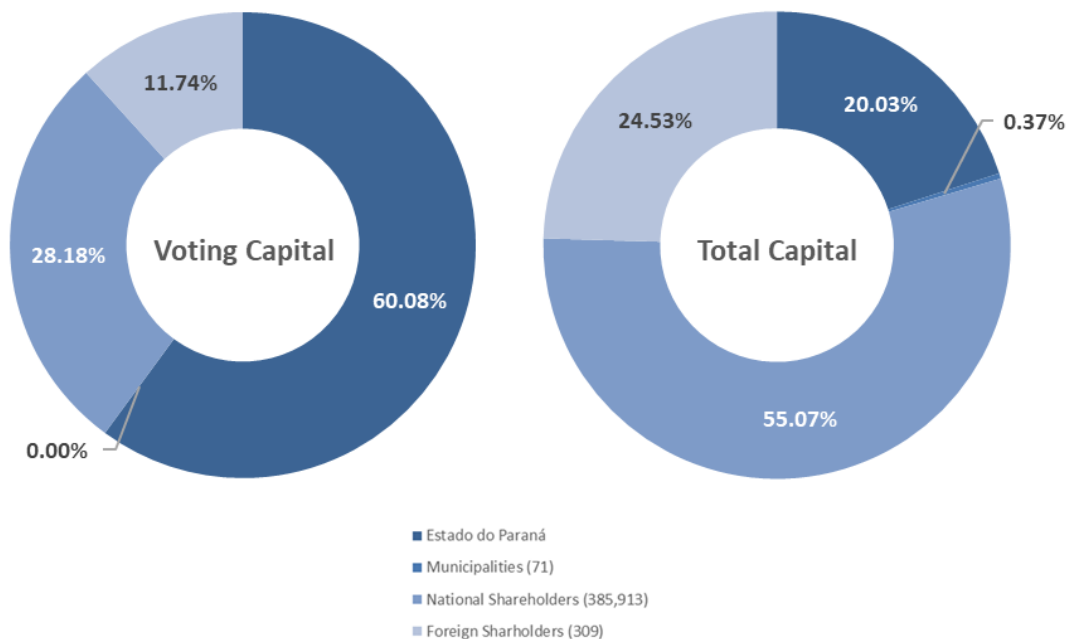
"Art. 3 - Define that the application of the tariff review approved according to article 2 of this Resolution will be deferred in eight years, and the first installment will correspond, in the year of 2017, to an average repositioning of 8.53%, and the remainder in seven installments of 2.11%, plus the corresponding financial correction and economic correction, which will be applied by the weighted average rate of daily financing calculated in the Special Settlement and Custody System (SELIC), under the terms defined in the Technical Note approved in article 1 of this Resolution".

In relation to accounting records, in analogy to Technical Guideline OCPC 08 - Recognition of Certain Assets and Liabilities in the General Purpose Accounting-Financial Reports of Electricity Distributors issued in accordance with Brazilian and International Accounting Standards, the Company does not record in the Financial statements the amounts receivable arising from the deferral, considering that: (i) the realization or enforceability of these amounts would depend on a future event not fully controllable by the entity - future billing of water and sewage services; (ii) it is not practicable to know, when the right to receive arises, who are the debtors of these amounts; and (iii) the effective receipt of these amounts will only occur with the maintenance of the concessions.

4. CAPITAL MARKET

4.1 SHAREHOLDING COMPOSITION

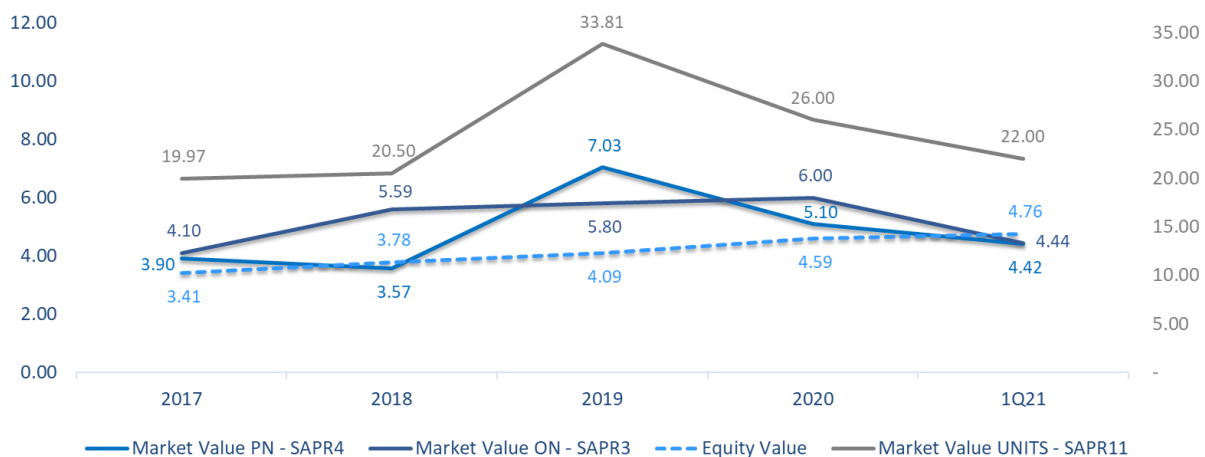
SHAREHOLDERS	Number of Shares			Shareholder Cap (BRL thousands)			% of share	
	ON	PN	Total	ON	PN	Total	Voting Capital	Total Capital
Estado do Paraná	302.658.716	3	302.658.719	801.105	0	801.105	60,08%	20,03%
Municipalities (71)	-	5.572.423	5.572.423	-	14.750	14.750	0,00%	0,37%
National Shareholders (385,913)	141.934.403	690.299.488	832.233.891	375.685	1.827.148	2.202.833	28,18%	55,07%
Foreign Sharholders (309)	59.142.140	311.598.346	370.740.486	156.543	824.768	981.311	11,74%	24,53%
TOTAL	503.735.259	1.007.470.260	1.511.205.519	1.333.333	2.666.667	4.000.000	100%	100%



4.2 SECURITIES

Security	Ticker	Closing Value 1Q20	Closing Value 1Q21	Variation between 1Q20 and 1Q21
Common Shares	SAPR3	BRL 4.85	BRL 4.44	-8.45%
Preferred Shares	SAPR4	BRL 4.81	BRL 4.42	-8.11%
UNITS	SAPR11	BRL 23.85	BRL 22.00	-7.76%

Comparison between equity value and market value (in BRL)*



* Adjusted to the split occurred on 03/30/2020

The equity value of each share in 1Q21 was BRL 4.76, while in 1Q20, BRL 4.25 was recorded (adjusted due to the stock split event). The Company's market cap on 03/31/2021 was BRL 6.7 billion.

4.3 PAYOUT

According to the Bylaws, the portion referring to the mandatory dividend may not be less than 25% of adjusted net profit, pursuant to article 202 of Law 6.404/76.

Under the current dividend policy, Management may, in addition to the mandatory annual dividend, observing the financial health and public interest that motivated the incorporation of the Company, approve the distribution as an additional Dividend and / or Interest on Capital ("IoC") of up to 25% of net profit. For shareholders of preferred stocks, Dividend / Interest on Capital per share 10% higher than that assigned to common stocks, was assigned.

The remuneration credit to the Company's shareholders is assigned based on the share holding position on the last working day of June and December of each financial year. And any negotiations subsequent to the credit are considered as ex-dividends (interest on shareholders' equity and dividends).

For the first half of 2020, the calculated (gross) value of Interest on Capital, observing the legal limit of the TJLP variation in the period, was BRL 150,687,449.07. This amount is in lieu of Mandatory Dividends, according to the statutory forecast and based on the income calculated in the first half of 2020. The Interest on Capital was resolved by the Board of Directors at its 6th/2020 Ordinary Meeting of June 25, 2020 and informed to the market in the Notice to Shareholders of the same date, considering the shareholding position of June 30, 2020.

For the second half of 2020, the calculated (gross) value of Interest on Capital, observing the legal limit of the TJLP variation in the period, was BRL 145,740,318.85. This amount is in lieu of Mandatory Dividends, according to the statutory forecast and based on the income calculated in the second half of 2020. The Interest on Capital was resolved by the Board of Directors at its 12th/2020 Ordinary Meeting of December 18, 2020 and informed to the market in the Notice to Shareholders of the same date, considering the shareholding position of December 30, 2020.

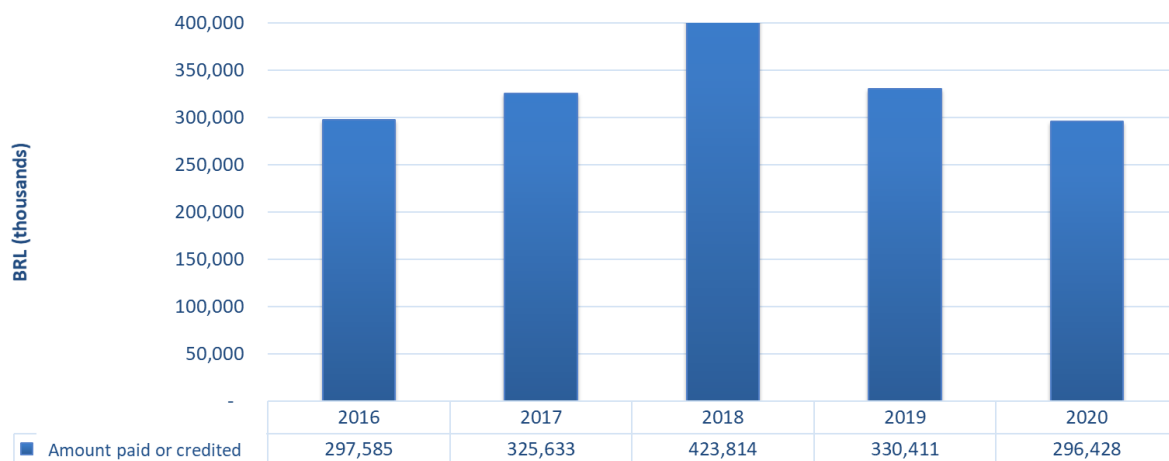
Interest on Capital is subject to the incidence of Income Tax, except for shareholders who declare themselves immune or exempt.

Earnings per Share:

Security	Total per Share 2019*		IoC 1st Half 2020		IoC 2nd Half 2020	
Common Shares	BRL	0.20498	BRL	0.09348	BRL	0.09041
Preferred Shares	BRL	0.22547	BRL	0.10283	BRL	0.09945
UNITS	BRL	1.10687	BRL	0.50480	BRL	0.48823

* Adjusted to the split occurred on 03/30/2020

Remuneration to shareholders:



5. OTHER INFORMATION**5.1 CORONAVIRUS (COVID-19) IMPACT**

The Company disclosed the impacts of the new coronavirus pandemic (COVID-19) in Explanatory Note No. 31 to the Interim Financial Statements for the 1Q21.

Income Statement	1Q21	1Q20	1Q19
Net Operating Revenue	1,226.5	1,246.1	1,098.6
Costs of Services Provided	-480.8	-461.5	-429.7
Gross Profit	745.7	784.6	668.9
Operating Expenses	-317.4	-350.6	-298.7
Commercial	-94.3	-95.7	-84.8
Administrative	-142.2	-157.2	-131.9
Civil, Labor, Tax & Environmental Provisions	-47.7	-20.3	-40.8
Retirement and Health Care Plan Provisions	-14.7	-16.7	-15.0
Profit Sharing Program	-17.4	-25.4	-22.9
Other Operating Expenses (Revenues)	-0.7	-34.1	-2.0
Equity Results Method	-0.4	-1.2	-1.3
Income Before Financial Result and Taxes	428.3	434.0	370.2
Financial Result	-55.3	-52.8	-45.8
Financial Revenues	15.6	15.1	12.8
Financial Expenses	-70.9	-67.9	-58.6
Result before taxes on the profit	373.0	381.2	324.4
Income Tax and Social Contribution on the Profit	-126.5	-125.2	-106.9
Net Profit in the Period	246.5	256.0	217.5

Balance Sheet - Assets	MAR/21	DEC/20	DEC/19
Current Assets			
Cash & Cash Equivalent	1,324.4	874.3	274.1
Accounts Receivable from Customers	842.4	779.4	809.7
Stocks	49.9	53.9	46.1
Taxes to Recover	6.9	6.8	0.3
Linked Deposits	14.2	4.7	2.9
Derivative Financial Instruments	10.0	9.5	-
Other Accounts Receivable	25.8	27.7	37.6
Total Current Assets	2,273.6	1,756.3	1,170.7
Non-current Assets			
Accounts Receivable from Customers	27.9	20.2	19.8
Deferred Income Tax & Social Contribution	664.7	656.5	629.1
Linked Deposits	57.2	56.9	55.7
Judicial Deposits	354.0	320.5	297.8
Derivative Financial Instruments	-	-	2.0
Contractual Financial Assets	524.5	490.1	435.2
Contracts Assets	1,682.5	1,634.8	1,756.7
Other Accounts Receivable	45.4	45.9	48.6
Investments	2.0	2.4	2.7
Fixed Asset	276.8	286.0	297.7
Intangible Asset	8,020.4	7,921.3	7,223.6
Total Non-current Assets	11,655.4	11,434.6	10,768.9
Total Assets	13,929.0	13,190.9	11,939.6

Balance Sheet - Liabilities	MAR/21	DEC/20	DEC/19
Current Liabilities			
Labor Obligations	134.9	181.4	119.5
Suppliers	173.2	209.4	214.5
Tax Obligations	98.9	72.7	100.8
Loans & Financing	510.5	521.5	357.2
Dividends & IoC - Payable	208.9	206.2	229.3
Concession Contracts	-	-	31.4
Contractual Collateral and Withholding	2.7	2.3	2.2
Revenue to be Appropriated	3.8	4.2	4.2
Derivative Financial Instruments	8.2	8.2	-
Other Bills to Pay	90.8	77.3	56.5
Retirement and Health Care Plan Provisions	79.1	78.1	82.4
Labor Provisions	111.8	87.6	93.4
Total Current Liabilities	1,422.8	1,448.9	1,291.4
Non-current Liabilities			
Suppliers	4.4	4.4	-
Loans & Financing	3,591.0	3,126.1	2,723.2
Taxes and Contributions	0.0	0.1	0.6
Revenue to be Appropriated	0.0	0.7	4.9
Derivative Financial Instruments	-	-	2.0
Other Bills to Pay	21.8	29.6	42.7
Retirement and Health Care Plan Provisions	1,107.0	1,093.2	1,154.2
Provisions	592.3	544.7	546.7
Total Non-current Liabilities	5,316.5	4,798.8	4,474.3
Total Liabilities	6,739.3	6,247.7	5,765.7
Equity			
Issued Capital Share	3,996.1	3,996.1	2,851.1
Revaluation Reserve	63.0	64.3	69.5
Profit Reserve	2,853.6	2,853.6	3,306.8
Accumulated Profits	247.8	-	-
Equity Valuation Adjustments	4.7	4.7	5.2
Other Statements of Comprehensive Income	24.5	24.5	-58.7
Total Shareholders' Equity	7,189.7	6,943.2	6,173.9
Total Liabilities and Shareholders' Equity	13,929.0	13,190.9	11,939.6

Cash Flow Statement	1Q21	1Q20	1Q19
Cash Flow From Operating Activities			
Net Profit in the Period	246.5	256.0	217.5
Adjustments to reconcile net profit and net cash			
Depreciation & Amortization	94.4	86.9	82.4
Costs of write-offs in fixed and intangible assets	1.0	3.1	1.8
Adjustment to Recoverable Value of Assets	-0.6	-0.8	-1.6
Adjustment to Present Value - Financial Assets	-5.1	7.0	-3.8
Provision for Losses in credit realizations	17.6	11.6	5.9
Deferred Income Tax & Social Contribution, net	-8.2	-30.2	-28.1
Civil, Labor, Tax and Environmental Provisions	47.7	20.3	40.8
Retirement & Health Care Plan	14.7	16.7	15.0
Interest of Financing	50.7	47.8	47.8
Monetary Variations on Financing	15.9	4.7	6.0
Interest and Monetary Updates on Leasing	8.2	8.8	8.8
Exchange Variations, net	0.5	0.5	0.0
Financial Derivatives Variation	-0.4	-0.5	0.0
Result of Equity Method	0.4	1.2	1.3
Appropriation of costs on the third parties fundraising	0.9	0.2	0.1
Fair Value Adjustment - Investments	0.3	0.3	-0.1
	484.5	433.6	393.8
Variation in Assets & Liabilities			
Accounts Receivable from Customers	-88.2	6.0	-11.0
Taxes and Contributions to recover	-0.1	-	-0.1
Stocks	3.9	3.4	0.1
Judicial Deposits	-33.5	19.0	-51.7
Other Credits and Accounts Receivable	2.4	0.9	-4.9
Suppliers	-36.3	-28.2	-28.5
Concession Contracts	-	-31.4	-29.8
Taxes and Contributions	107.3	117.8	102.6
Salaries and Charges Payable	-22.3	30.1	16.7
Contractual Collateral and Withholding	0.4	-0.1	-0.3
Revenues to be Appropriated	-1.1	-1.1	-1.0
Income Tax and Social Contribution, paid	-78.6	-121.5	-87.7
Other Accounts to pay	5.9	-2.5	-13.9
	-140.2	-7.6	-109.5
Caixa Gerado pelas Atividades Operacionais	344.3	426.0	284.3
Cash Flow from Investments			
Investment in Fixed & Intangible Assets	-258.8	-211.4	-247.2
Investments Application	-	-1.2	-0.3
Cash Generated by Investment Activities	-258.8	-212.6	-247.5
Cash Flow from Financing Activities			
Financing Obtained	563.6	418.8	61.2
Amortization on Financing	-106.8	-49.3	-50.2
Interest Payments on Financing	-50.0	-37.5	-41.2
Leasing Payments	-19.9	-19.1	-20.2
Costs in the Third Parties Fundraising	-12.5	-9.3	-
Linked Deposits	-9.8	-1.5	4.0
Payment of Interest on Equity (IoE)	-	-	-
Cash Generated by Financing Activities	364.6	302.1	-46.4
Variation in Cash and Cash Equivalent Balance	450.1	515.5	25.2
Cash and Cash Equivalent Initial Balance	874.3	274.1	326.6
Cash and Cash Equivalent Final Balance	1,324.4	789.6	351.8

Earnings Conference Call | 1Q21

Friday, May 14, 2021 | 10:00 am (BRT)

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