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## Disclaimer

This presentation may contain forward-looking statements regarding Sanepar's business prospects, estimates of operating and financial results, and growth prospects. These are only projections and, as such, are based solely on Sanepar management's expectations regarding the future of the business and its continued access to capitals in order to finance the Company's business plan. Forward-looking statements are no guarantee of performance. Such forward-looking statements substantially depend on changes in market conditions, governmental rules, the performance of the industry and the Brazilian economy, among other factors, in addition to the risks presented in the disclosure documents filed by Sanepar and are therefore subject to change without prior notice.



# Results Presentation

1st quarter of 2021

# Highlights

Comparing 1Q20 to 1Q21, the financial indicators presented the following variations:



Water Connections: + 19.8 thousand



Sewage Connections: + 19.1 thousand



+ 22.7% Increase in Investments  
1Q20 BRL 211.4 MM → 1Q21 BRL 258.8 MM



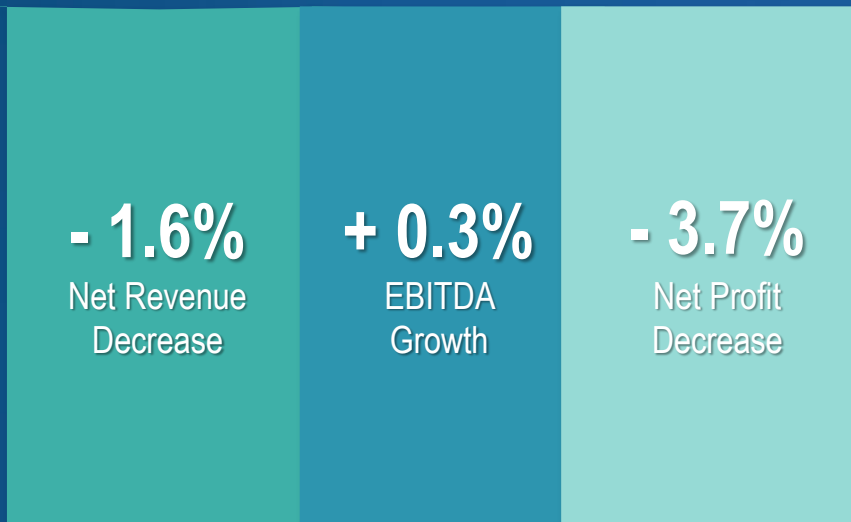
Service Index  
Água 100% | Sewage 76.9%



EBITDA Increase (BRL thousands)  
1Q20 ⇒ 520.9 | 1Q21 ⇒ 522.7



Debentures: 11th Issue | BRL 500 million

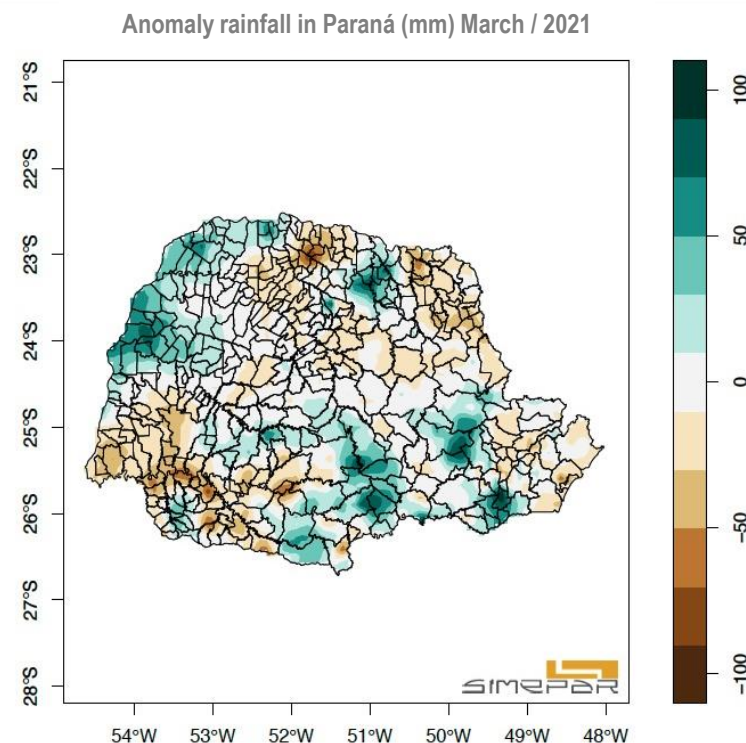
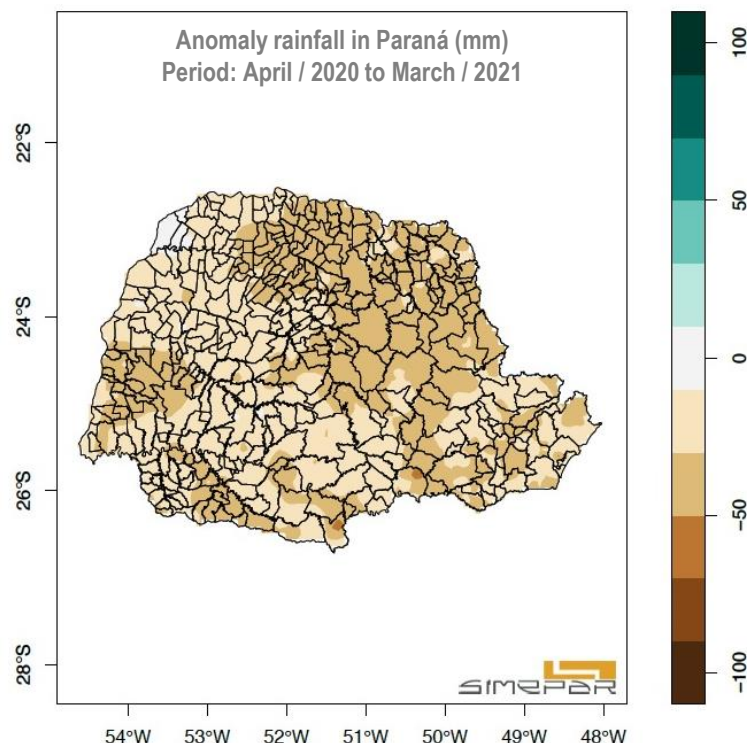


# Operating Result



|  | 1Q19         | 1Q20         | Var %          | 1Q21         | Var %        |
|--|--------------|--------------|----------------|--------------|--------------|
| <b>WATER</b>                                   |              |              |                |              |              |
| Measured Volume ('000)                         | 132,244      | 132,849      | 0.5            | 125,122      | (5.8)        |
| Billed Volume ('000)                           | 137,078      | 137,469      | 0.3            | 130,391      | (5.1)        |
| Connections Increase                           | 14,530       | 13,823       | (4.9)          | 19,849       | 43.6         |
| Total Connections                              | 3,152,290    | 3,208,360    | 1.8            | 3,293,660    | 2.7          |
| Economic Units Increase                        | 17,161       | 19,273       | 12.3           | 21,618       | 12.2         |
| Total Economic Units                           | 3,940,589    | 4,020,347    | 2.0            | 4,109,337    | 2.2          |
| <b>SEWAGE</b>                                  |              |              |                |              |              |
| Measured Volume ('000)                         | 97,470       | 99,718       | 2.3            | 93,544       | (6.2)        |
| Billed Volume ('000)                           | 101,396      | 103,814      | 2.4            | 98,546       | (5.1)        |
| Connections Increase                           | 17,441       | 13,593       | (22.1)         | 19,073       | 40.3         |
| Total Connections                              | 2,158,491    | 2,244,720    | 4.0            | 2,327,211    | 3.7          |
| Economic Units Increase                        | 22,242       | 20,281       | (8.8)          | 27,182       | 34.0         |
| Total Economic Units                           | 2,918,825    | 3,039,584    | 4.1            | 3,141,932    | 3.4          |
| <b>DEFAULT</b>                                 | <b>2.5%</b>  | <b>3.6%</b>  | <b>1.1 p.p</b> | <b>3.6%</b>  | <b>0 p.p</b> |
| <b>OP. EFFICIENCY (Liters/Connections/Day)</b> | <b>224.9</b> | <b>235.5</b> | <b>4.7</b>     | <b>217.1</b> | <b>(7.8)</b> |

## Draught in Paraná



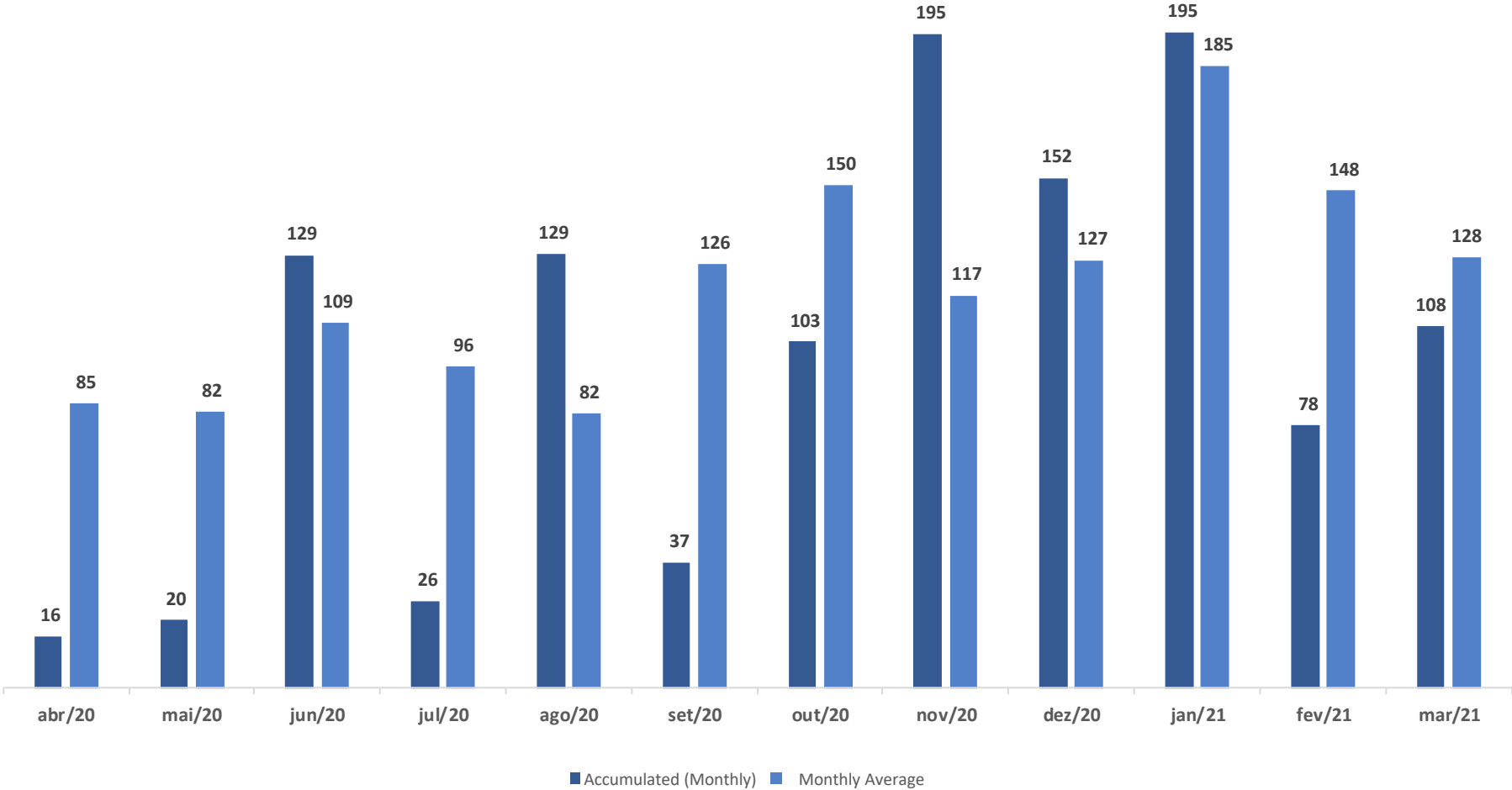
In March, the rainfall activity in Paraná behaved differently in the different regions of the State, with areas of precipitation above normal, areas with precipitation very close to the expected for this month and other areas with values below the expected.

The behavior of the accumulated monthly precipitation was very much in line with the global climate scenario, which indicated an expected accumulated precipitation between the average and below the average and with great local irregularity as the most probable scenario for the month.

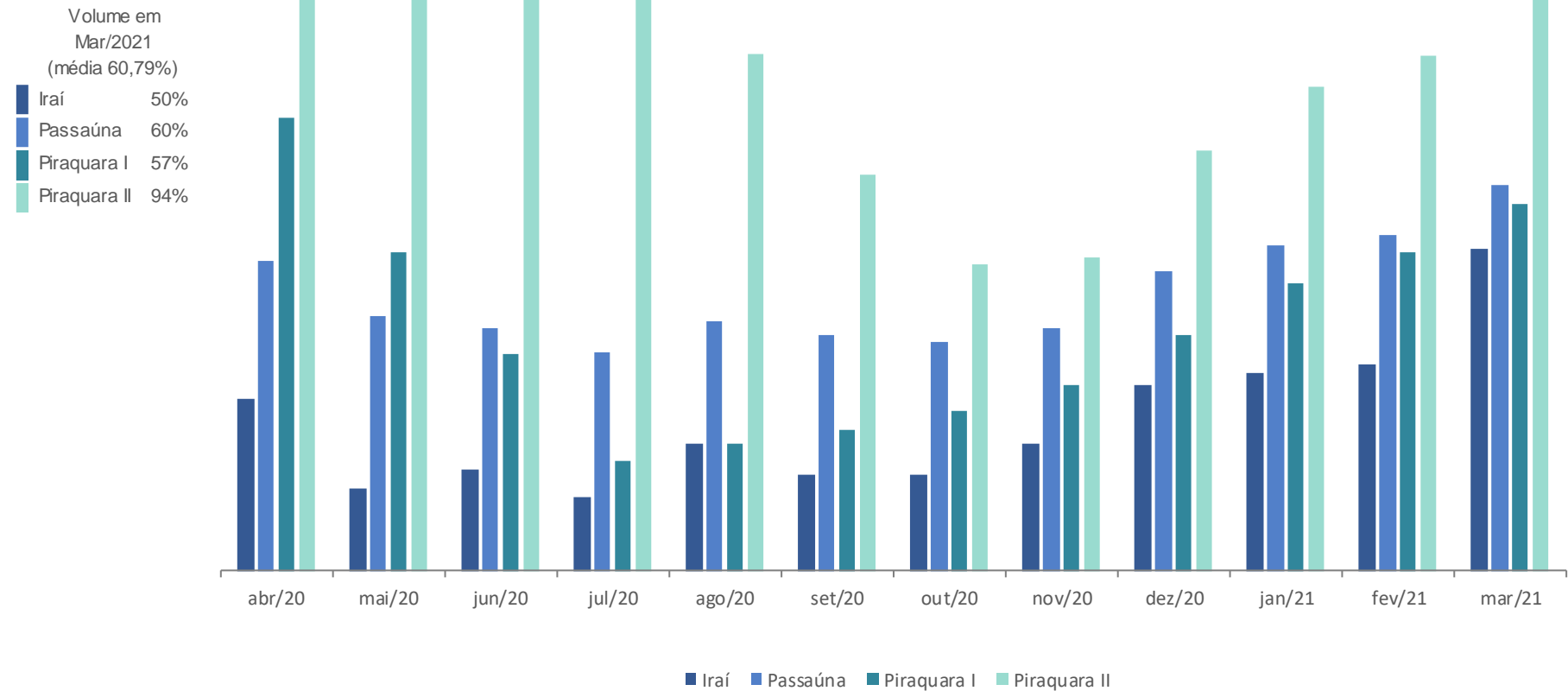
Source: SIMEPAR

## Rainfall precipitation (mm)

Curitiba



## Reservoir Levels





# Performance Indicators

## COVENANTS

1Q19

1Q20

1Q21

### Debentures: 8th, 9th 10th & 11th issues & CCB

Net Bank Debt / Adjusted EBITDA  $\leq 3.0$  1.47 1.23 1.38

Net Financial Expense Coverage Index  $\geq 1.5$  8.81 11.56 9.74

### BNDES / Debentures: 2nd, 4th & 7th issues

Net Bank Debt / EBITDA  $\leq 3.0$  1.51 1.30 1.44

Debt Service Coverage Ratio / EBITDA  $\geq 1.5$  2.13 2.74 3.04

Other Onerous Debts / EBITDA  $\leq 1.0$  0.57 0.61 0.61


### CAIXA Contracts

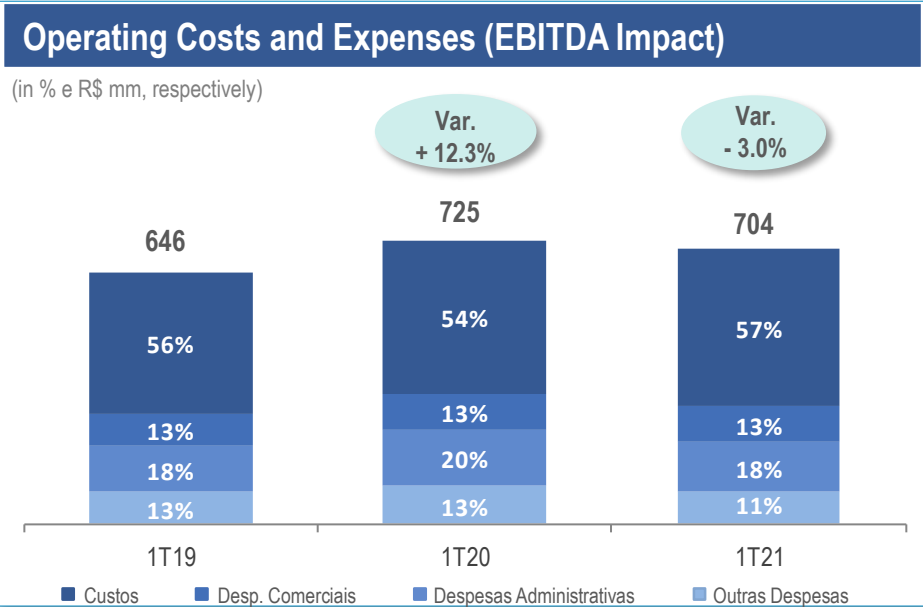
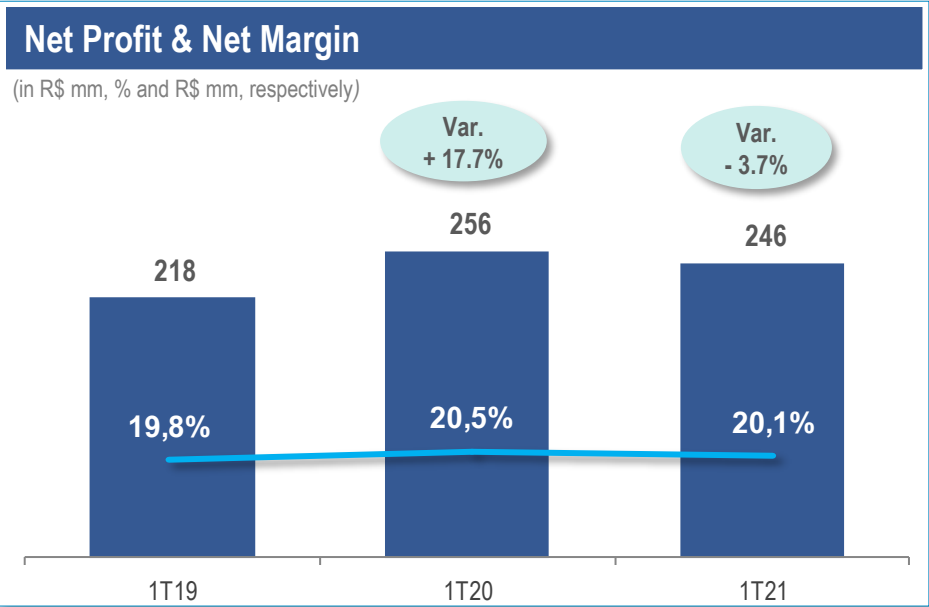
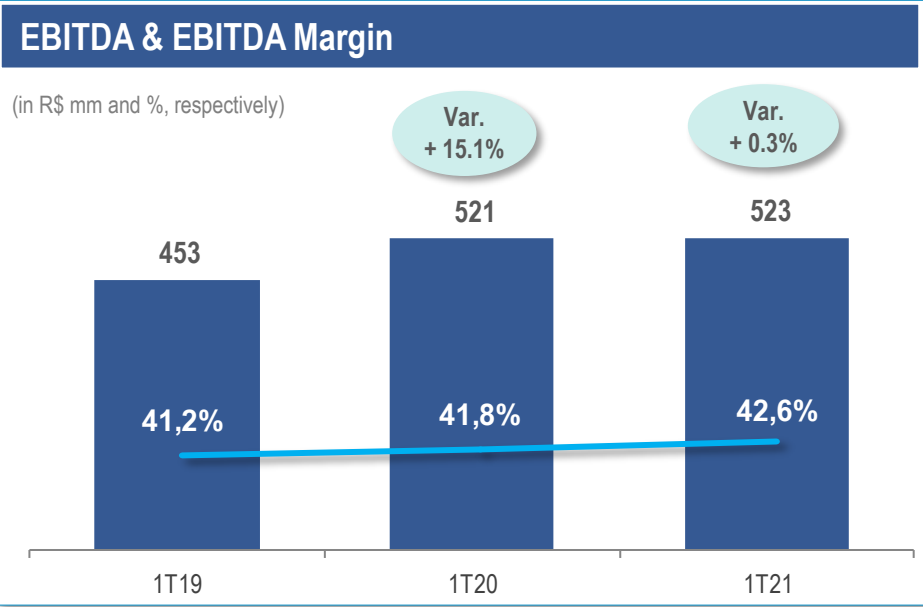
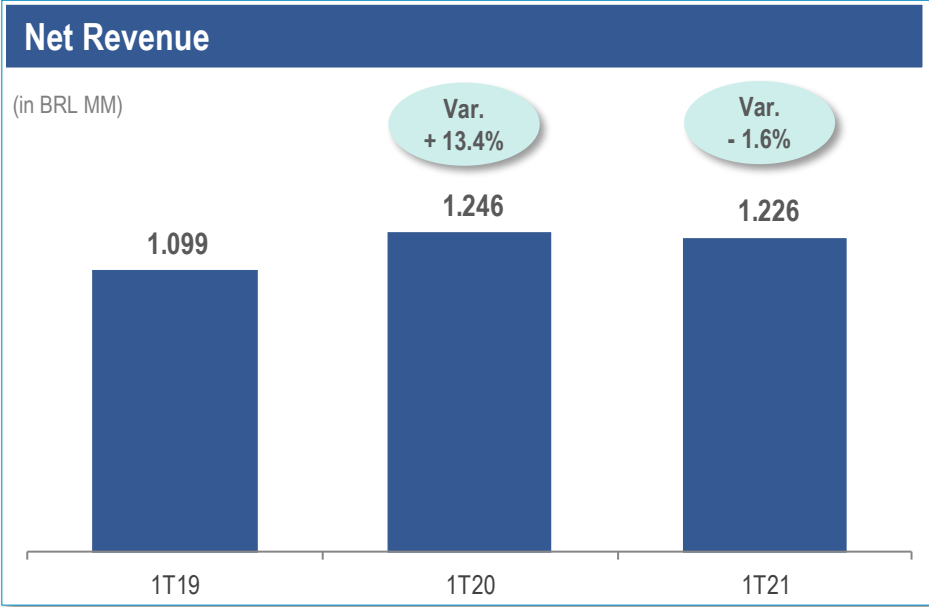
Net Financial Expense Coverage Index  $\geq 1.5$  8.81 11.56 9.74

Net Bank Debt / Adjusted EBITDA  $\leq 3.0$  1.47 1.23 1.38

Other Onerous Debts / Adjusted EBITDA  $\leq 1.0$  0.56 0.58 0.59

# Performance Indicators

| COVENANTS / RATIOS   |             | 1Q19  | 1Q20  | 1Q21  |
|--|-------------|-------|-------|-------|
| <b>KfW Contracts</b>  |             |       |       |       |
| Debt Service Coverage Ratio / EBITDA   | $\geq 1.5$  | 2.13  | 2.74  | 3.04  |
| Net Bank Debt / EBITDA   | $\leq 3.0$  | 1.51  | 1.30  | 1.44  |
| Other Onerous Debts / EBITDA   | $\leq 1.0$  | 0.57  | 0.61  | 0.61  |
| Debt Level   | $\leq 0.60$ | 46.7% | 48.8% | 48.4% |
| <b>RATIOS</b>  |             |       |       |       |
| EBITDA Margin  |             | 41.2% | 41.8% | 42.6% |
| ROIC   |             | 12.5% | 13.8% | 11.5% |
| ROE  |             | 15.8% | 17.8% | 14.0% |

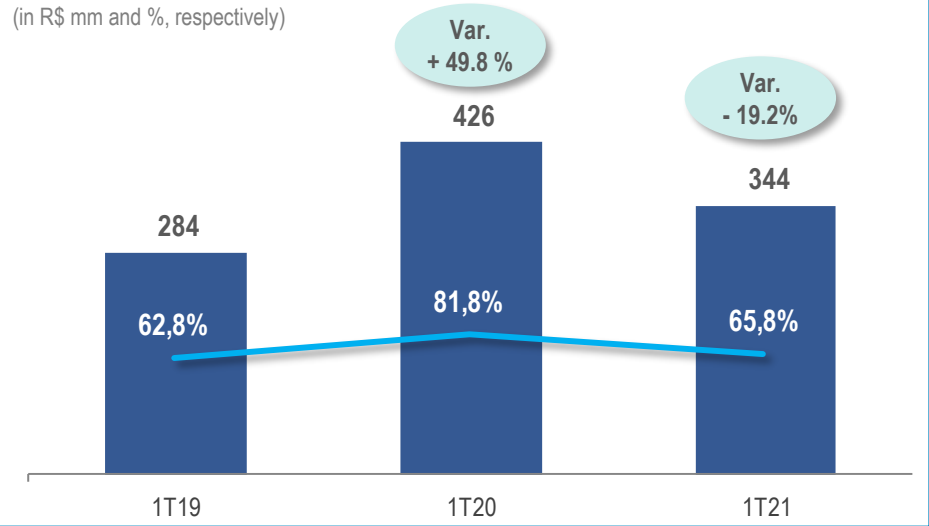


# Financial Performance



## Cash Generation and EBITDA Conversion

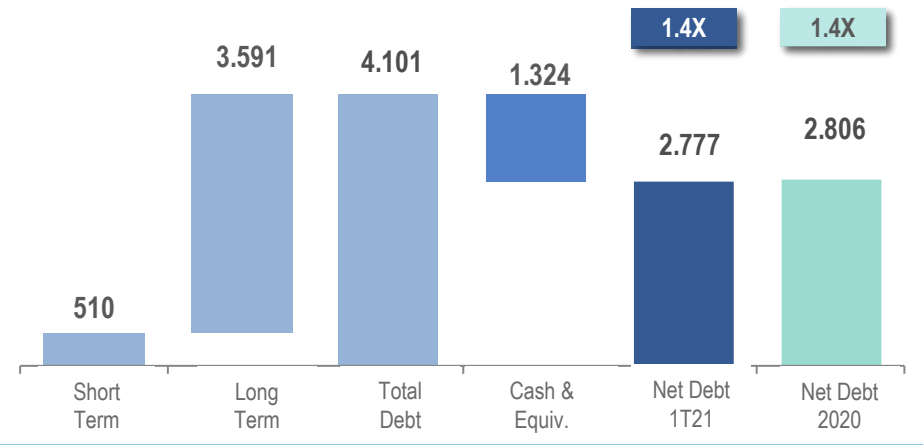
(in R\$ mm and %, respectively)



## Net Debt and Leverage

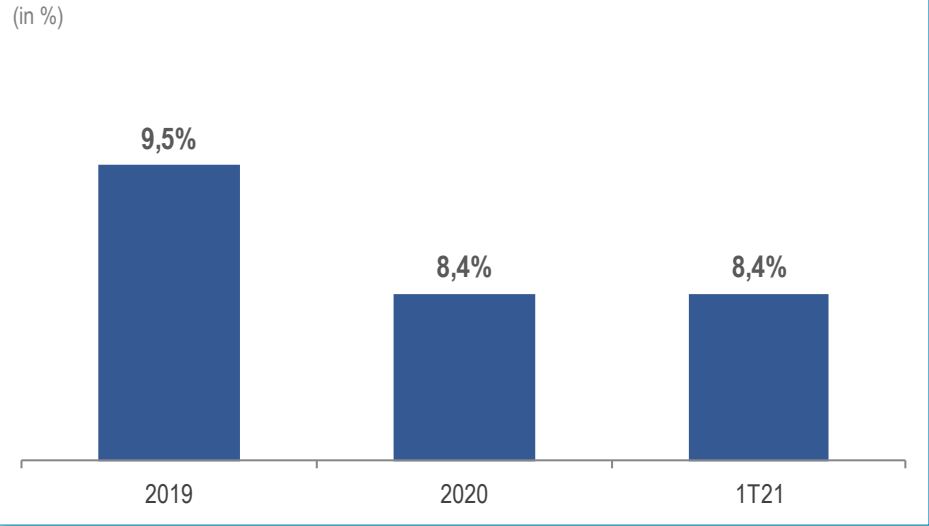
(in R\$ mm and ratio between Net Debt and EBITDA, respectively)

Covenant  $\leq 3,0X$



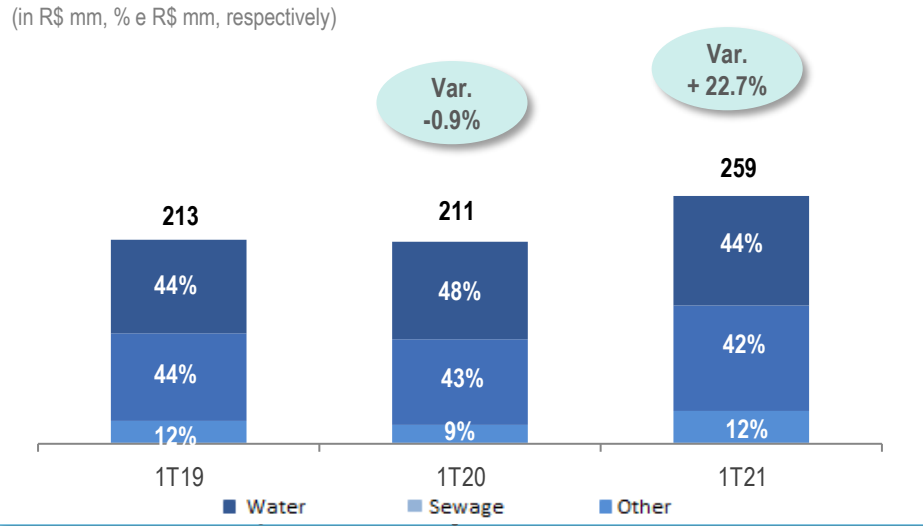
## Weighted Average Cost of Debt

(in %)



## CAPEX

(in R\$ mm, % e R\$ mm, respectively)



# Income Statement



| Accumulated Results                           | 1Q19             | 1Q20             | Var %          | 1Q21             | Var %           |
|---|------------------|------------------|----------------|------------------|-----------------|
| <b>NET REVENUE</b>                            | <b>1,098,581</b> | <b>1,246,136</b> | <b>13.4</b>    | <b>1,226,476</b> | <b>(1.6)</b>    |
| Personnel                                     | 245,394          | 261,150          | 6.4            | 257,024          | (1.6)           |
| PPR   | 22,940           | 25,371           | 10.6           | 17,377           | (31.5)          |
| Material                                      | 42,785           | 56,241           | 31.5           | 53,542           | (4.8)           |
| Electricity                                   | 114,490          | 121,149          | 5.8            | 122,691          | 1.3             |
| Third Party Services                          | 143,983          | 152,794          | 6.1            | 156,481          | 2.4             |
| General and Tax                               | 36,092           | 41,670           | 15.5           | 38,820           | (6.8)           |
| Civil, Work, Environ., Fiscal, Tax Provisions | 40,781           | 20,258           | (50.3)         | 47,654           | 135.2           |
| Health Care and Social Security Provisions    | 14,952           | 16,707           | 11.7           | 14,717           | (11.9)          |
| Financial Expenses (Revenues)                 | 45,781           | 52,787           | 15.3           | 55,344           | 4.8             |
| Other Costs and Expenses                      | 66,928           | 116,748          | 74.4           | 89,808           | (23.1)          |
| <b>TOTAL COSTS AND EXPENSES</b>               | <b>774,126</b>   | <b>864,875</b>   | <b>11.7</b>    | <b>853,458</b>   | <b>(1.3)</b>    |
| Income Tax and Social Contribution            | 106,908          | 125,236          | 17.1           | 126,528          | 1.0             |
| <b>NET RESULT</b>                             | <b>217,547</b>   | <b>256,025</b>   | <b>17.7</b>    | <b>246,490</b>   | <b>(3.7)</b>    |
| <b>Net Margin %</b>                           | <b>19.8%</b>     | <b>20.5%</b>     | <b>0.7 p.p</b> | <b>20.1%</b>     | <b>-0.4 p.p</b> |
| <b>EBITDA</b>                                 | <b>452,640</b>   | <b>520,943</b>   | <b>15.1</b>    | <b>522,738</b>   | <b>0.3</b>      |
| <b>EBITDA Margin %</b>                        | <b>41.2%</b>     | <b>41.8%</b>     | <b>0.6 p.p</b> | <b>42.6%</b>     | <b>0.8 p.p</b>  |
| <b>EBIT</b>                                   | <b>370,236</b>   | <b>434,048</b>   | <b>17.2</b>    | <b>428,362</b>   | <b>(1.3)</b>    |
| <b>EBIT Margin %</b>                          | <b>33.7%</b>     | <b>34.8%</b>     | <b>1.1 p.p</b> | <b>34.9%</b>     | <b>0.1 p.p</b>  |

## Adjusted EBITDA with non-manageable items

(in BRL MM) 1Q21

EBITDA 522.7

(+) Non-manageable items 5.4

Electricity 6.6

Treatment material 4.8

Fees and Charges (6.0)

(=) Adjusted EBITDA with non-manageable items 528.1

EBITDA Margin (non-manageable items adjustment) 43.1%

Real EBITDA Margin 42.6%

# Balance Sheet



|   | 2019               | 2020               | Var %         | 1Q21               | Var %       |
|---|--------------------|--------------------|---------------|--------------------|-------------|
| <b>Net Debt</b>                           | <b>(3,035,713)</b> | <b>(2,979,501)</b> | <b>(1.9)</b>  | <b>(2,986,018)</b> | <b>0.2</b>  |
| Cash and Cash Equivalent                  | 16,878             | 5,127              | (69.6)        | 9,087              | 77.2        |
| Financial Investments                     | 257,181            | 869,196            | 238.0         | 1,315,280          | 51.3        |
| Loans, Financing and Debentures           | (3,080,431)        | (3,647,588)        | 18.4          | (4,101,521)        | 12.4        |
| Dividends and Interest on Equity          | (229,341)          | (206,236)          | (10.1)        | (208,864)          | 1.3         |
| <b>Operating Working Capital</b>          | <b>448,388</b>     | <b>370,721</b>     | <b>(17.3)</b> | <b>496,008</b>     | <b>33.8</b> |
| Accounts Receivable from Customers, net   | 829,562            | 799,603            | (3.6)         | 870,272            | 8.8         |
| Stocks for Operation                      | 46,146             | 53,857             | 16.7          | 49,937             | (7.3)       |
| Contractors and Suppliers                 | (214,445)          | (213,820)          | (0.3)         | (177,556)          | (17.0)      |
| Salaries and Social Charges               | (212,875)          | (268,919)          | 26.3          | (246,645)          | (8.3)       |
| <b>Other Assets / Liabilities</b>         | <b>804,754</b>     | <b>854,541</b>     | <b>6.2</b>    | <b>858,024</b>     | <b>0.4</b>  |
| Provisions                                | (546,672)          | (544,677)          | (0.4)         | (592,331)          | 8.7         |
| Retirement and Health Care Plans          | (1,236,602)        | (1,171,352)        | (5.3)         | (1,186,069)        | 1.3         |
| Contract Assets                           | 1,756,714          | 1,634,802          | (6.9)         | 1,682,534          | 2.9         |
| Other Assets / Liabilities                | 831,314            | 935,768            | 12.6          | 953,890            | 1.9         |
| <b>Fixed Assets</b>                       | <b>7,956,485</b>   | <b>8,697,402</b>   | <b>9.3</b>    | <b>8,821,639</b>   | <b>1.4</b>  |
| <b>Net Equity</b>                         | <b>(6,173,914)</b> | <b>(6,943,163)</b> | <b>12.5</b>   | <b>(7,189,653)</b> | <b>3.6</b>  |
| <b>Operating Working Capital Turnover</b> | <b>24</b>          | <b>35</b>          |               | <b>37</b>          |             |

Note: Other assets / liabilities consider recoverable and deferred taxes, restricted deposits and judicial deposits, other assets, concession contracts, contractual guarantees and retentions and other liabilities. Fixed assets consider intangible assets, fixed assets, investments and contractual financial assets

# Cash Flow



|   | 1Q19             | 1Q20             | Var %          | 1Q21             | Var %         |
|---|------------------|------------------|----------------|------------------|---------------|
| <b>Operating Activities</b>               | <b>284,325</b>   | <b>426,014</b>   | <b>49.8</b>    | <b>344,271</b>   | <b>(19.2)</b> |
| Net Profit of the Adjusted Financial Year | 393,799          | 433,582          | 10.1           | 484,514          | 11.7          |
| Decrease (Increase) of Assets             | (67,573)         | 29,321           | (143.4)        | (115,569)        | (494.2)       |
| Increase (Decrease) of Liabilities        | (41,901)         | (36,889)         | (12.0)         | (24,674)         | (33.1)        |
| <b>Investment Activities</b>              | <b>(212,674)</b> | <b>(212,588)</b> | <b>(0.0)</b>   | <b>(258,813)</b> | <b>21.7</b>   |
| <b>Financing Activities</b>               | <b>(46,456)</b>  | <b>302,156</b>   | <b>(750.4)</b> | <b>364,586</b>   | <b>20.7</b>   |
| Loans and Financing                       | 61,208           | 418,826          | 584.3          | 563,606          | 34.6          |
| Financing Payment                         | (91,448)         | (86,802)         | (5.1)          | (156,794)        | 80.6          |
| Leasing Payment                           | (20,213)         | (19,121)         | 100.0          | (19,861)         | 3.9           |
| Other Variations                          | 3,997            | (10,747)         | (368.9)        | (22,365)         | 108.1         |
| <b>Increase (Decrease)</b>                | <b>25,195</b>    | <b>515,582</b>   | <b>1,946.4</b> | <b>450,044</b>   | <b>(12.7)</b> |
| <b>At the beggining of the period</b>     | <b>326,624</b>   | <b>274,059</b>   | <b>(16.1)</b>  | <b>874,323</b>   | <b>219.0</b>  |
| <b>At the end of the period</b>           | <b>351,819</b>   | <b>789,641</b>   | <b>124.4</b>   | <b>1,324,367</b> | <b>67.7</b>   |



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