

(A free translation of the original in Portuguese)

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Conasa Infraestrutura S.A.
Parent company and consolidated
financial statements at
December 31, 2021
and independent auditor's report





Conasa Infraestrutura S.A.

(A free translation of the original in Portuguese)

Independent auditor's report on the parent company and consolidated financial statements

To the Board of Directors and Stockholders
Conasa Infraestrutura S.A.

Opinion

We have audited the accompanying parent company financial statements of Conasa Infraestrutura S.A. ("Company" or "Parent company"), which comprise the balance sheet as at December 31, 2021 and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, as well as the accompanying consolidated financial statements of Conasa Infraestrutura S.A. and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at December 31, 2021 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Conasa Infraestrutura S.A. and of Conasa Infraestrutura S.A. and its subsidiaries as at December 31, 2021, and the financial performance and the cash flows for the year then ended, as well as the consolidated financial performance and the cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis for opinion

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

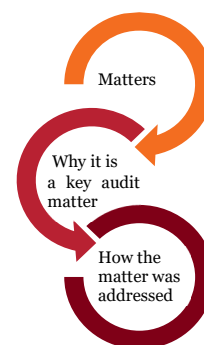


Conasa Infraestrutura S.A.

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 of the current year.

These matters were addressed in the context of our audit of the parent company and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Why it is a Key Audit Matter

How the matter was addressed in the audit

Business combination – acquisition of Zetta Infraestrutura S.A. - Notes 1.1, 3.8 and 12

After complying with the conditions precedent, on November 30, 2021, the Company acquired Zetta Participações S.A., an entity that held non-controlling interests in Via Brasil MT 100 Concessionária de Rodovias S.A., Via Brasil MT 246 Concessionária de Rodovias S.A., Via Brasil MT 320 Concessionária de Rodovias, Luz de Belém S.A. and ASB Ativos de Saneamento do Brasil S.A.; the Company had control only of the latter company. As from this date, the Company started to hold the control of all the other businesses, consequently, they became subsidiaries of the Company.

To account for the business combination, the determination of the fair value of the assets acquired and liabilities assumed involved significant judgments and estimates by management. These judgments and estimates use subjective data and assumptions, such as forecasts of future cash flows, discount rates, among others.

The preliminary amounts involved, as well as the use of significant estimates and judgments in the measurement of assets acquired and liabilities assumed, may have a significant impact on the determination of the purchase price allocation.

Our audit procedures included, among others, obtaining an understanding of the process established by management, including the calculation models to determine the purchase price allocation. With the support of our specialists, we assessed the reasonableness of the methodology and discussed the main assumptions adopted in the identification and measurement of the fair value of the assets acquired and liabilities assumed, comparing this information with the concession contracts of the company acquired.

We assessed the competence and objectivity of the external specialists hired by management for the issuance of the report about the allocation of the purchase price in the business combination.

We have also read the disclosures made by management in the explanatory notes.

Our audit procedures showed that the judgment and assumptions used by management in the process of identifying and measuring the fair value of the assets acquired and liabilities assumed in the transaction are reasonable and that the disclosures are consistent with the data and information obtained.



Conasa Infraestrutura S.A.

Why it is a Key Audit Matter**How the matter was addressed in the audit**

Therefore, we considered this a key audit matter.

Capitalization of expenditures in intangible assets and contract assets - Notes 3.5.6, 3.5.7 and 3.7 (f)

The amounts recorded as intangible assets and contract assets refer to expenditures incurred with construction infrastructure linked to the concession contracts, according to Technical Interpretation ICPC 01 (R1) – Concession Contracts.

We considered the capitalization of expenditures in intangible assets and concession contract assets as a key audit matter since these capitalizations could represent non-qualifying costs in accordance with the accounting standards or that do not represent works effectively carried out pursuant to the concession contract.

Our audit procedures included, among others, an understanding of the main internal controls established in the process, the assessment of the criteria adopted by management for the identification, eligibility and recording of the expenditures capitalized. Based on statistical tests, we compared the additions made with the respective supporting documentation, and assessed the nature and applicability of the expenditures with construction in the concession contract. We have also read the disclosures in the explanatory notes.

Our audit procedures showed that the criteria used by management are reasonable and that disclosures are consistent with the data and information obtained.

Other matters

Statements of value added

The parent company and consolidated statements of value added for the year ended December 31, 2021, prepared under the responsibility of the Company's management and presented as supplementary information for IFRS purposes, were submitted to audit procedures performed in conjunction with the audit of the Company's financial statements. For the purposes of forming our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Value Added". In our opinion, these statements of value added have been properly prepared, in all material respects, in accordance with the criteria established in the Technical Pronouncement and are consistent with the parent company and consolidated financial statements taken as a whole.



Conasa Infraestrutura S.A.

Other information accompanying the parent company and consolidated financial statements and the auditor's report

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

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

In connection with the audit of the parent company and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this 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 in the 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 parent company and consolidated financial statements

Management is responsible for the preparation and fair presentation of the parent company and consolidated financial statements in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (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 parent company and consolidated 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 or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

Auditor's responsibilities for the audit of the parent company and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the parent company and consolidated financial statements 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 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.



Conasa Infraestrutura S.A.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the parent company and consolidated 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 control.
- Obtain an understanding of internal control 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 internal control of the Company and its subsidiaries.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related 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 a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's 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 parent company and consolidated 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent company and consolidated financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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 control that we identify during our audit.



Conasa Infraestrutura S.A.

From the matters communicated with those charged with governance, we determine those matters 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.

Maringá, March 30, 2022

PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/O-5

Adriano Machado
Contador CRC 1PR042584/O-7

MANAGEMENT REPORT

Dear Sirs,

The Officers of CONASA INFRAESTRUTURA S.A. ("Conasa") submit for your consideration the Financial Statements for the year ended December 31, 2021, including the Balance Sheet, Statement of Income, Statement of Cash Flows, Statement of Changes in Equity, Statement of Value Added and Statement of Comprehensive Income.

Resilience and results at the end of a challenging year.

- ✓ 129 new direct jobs created;
- ✓ 100% of financial commitments met;
- ✓ 2 new projects: Via Brasil BR-163 and Águas do Sertão;
- ✓ Merger of assets of Zetta Infraestrutura;
- ✓ Entry of shareholder, Generate Capital, with a contribution of R\$ 395 million;
- ✓ 60% growth in net operating revenue;
- ✓ 235% increase in profit for the year.

ÁGUAS DE ITAPEMA:

Closing in 2021 of the 2019-2021 Investment Plan Cycle, which mainly included:

- ✓ Expansion of the Raw Water Reservoir and collection to 500,000 m³
- ✓ Expansion of water treatment capacity by 125 liters per second (l/s), totaling 698 l/s;
- ✓ Replacement of approximately 12 thousand water meters, about 80% of the water meters in the system;
- ✓ Expansion of the sewage collection network by 37 km, totaling 182 km;
- ✓ Implementation of 7 Sewage Pumping Stations, totaling 23 SPSs in the system;

SANESALTO:

- ✓ Second consecutive year of profit: R\$ 5.9 and R\$ 4.2 million, in 2020 and 2021, respectively.

SANETRAT:

- ✓ ISO 9001; ISO 14001 AND ISO/EC 17025 certifications.

VIA BRASIL:

MT-100:

- ✓ Signing of a loan agreement of R\$ 200 million with BNDES;
- ✓ ISO 14001 certification

MT-320:

- ✓ - First full year of operations;
- ✓ - 3rd issue of debentures in the amount of R\$ 135 million in 2021.
- ✓ - ISO 14001 certification

MT-246:

- ✓ - Start of works in July;
- ✓ - 1st issue of debentures in the amount of R\$ 65 million

BR-163:

- ✓ - Payment of capital in the amount of R\$ 407 million
- ✓ - Start of mobilization of machinery and equipment;

TERESINA LUZ:

- ✓ 93,632 lighting fixtures replaced by LED;
- ✓ Completion of investments in the 100% LED lighting park.

SANEMA:

- ✓ Delivery of asset lease works
- ✓ Beginning of receipt of monthly rental revenue;

IF THE FUTURE ASKS, CONASA DOES IT.

1. Why we do it

Our profile and our values

Over fifteen years of existence, Conasa has consolidated its presence in the national investment scenario and obtained the recognition and trust of the market.

Headquartered in Londrina, PR, Conasa Infraestrutura is present in 9 states in Brazil, with 25 companies working in the sanitation, energy and highways segments, relevant sectors for the country's development and still lacking in investments. The consistent growth in different scenarios is a reflection of a solid trajectory in the national infrastructure market, prioritizing quality and sustainability. Thus, we contribute to national development, through investments that add to the government efforts in various sectors bringing quality infrastructure and services to the population.

Growth, development, quality and diversification in the provision of public infrastructure services to the population: this is our way of building the future.

In 2021, we increased our capital with the entry of the North American investment fund Generate Capital, a leading sustainable infrastructure company that owns and operates more than 2,000 assets across North America, based on the 4D concept: Distribute, Decarbonize, Digitize and Democratize. With this first investment in Latin America, Generate became part of Conasa's shareholders with co-participation in the control of the company.

We also increased our participation in the Via Brasil MT100, MT320, MT246, Sanema and Luz de Belém projects, with the merger of Zetta Infraestrutura e Participações. During the year, two new projects were added to our portfolio:

- **Águas do Sertão** - created by the Alagoas consortium, formed by Conasa Infraestrutura and Allonda Ambiental Saneamento, after gaining the sanitation service concession contract in 34 municipalities in the countryside ("Agreste" and

“Sertão”) of Alagoas (Block B), which will benefit more than 560 thousand inhabitants.

- **Via Brasil BR163** – created by Consórcio Via Brasil, led by Conasa, which won the concession for the management of more than 1,000 km from the BR-163 Highway, in Mato Grosso, to the port of Miritituba-PA, an important grain flow route, considered the main highway of the “soybean route”, which will receive R\$ 2 billion in investments and quality services.

Finally, we secured more than R\$ 540 million in new financing and funding for investments in our infrastructure projects. Among them, we highlight the issue of debentures by Via Brasil MT320 coordinated by ABC and BTG, with a term of 15 years and value of R\$ 135 million, which obtained an AA rating from Fitch and the issue of debentures by Via Brasil MT246 in the amount of R\$ 65 million. MT100, on the other hand, contracted a credit of R\$ 200 million with BNDES, backed only by guarantees from the project itself (revenues and concession rights), a non-recourse project finance model aimed for the first time to a small highway.

Our mission

To provide services in infrastructure sectors such as sanitation, energy and toll roads in a sustainable manner, with high quality, and respect for the environment, generating value for the users, investors, employees, and partners.

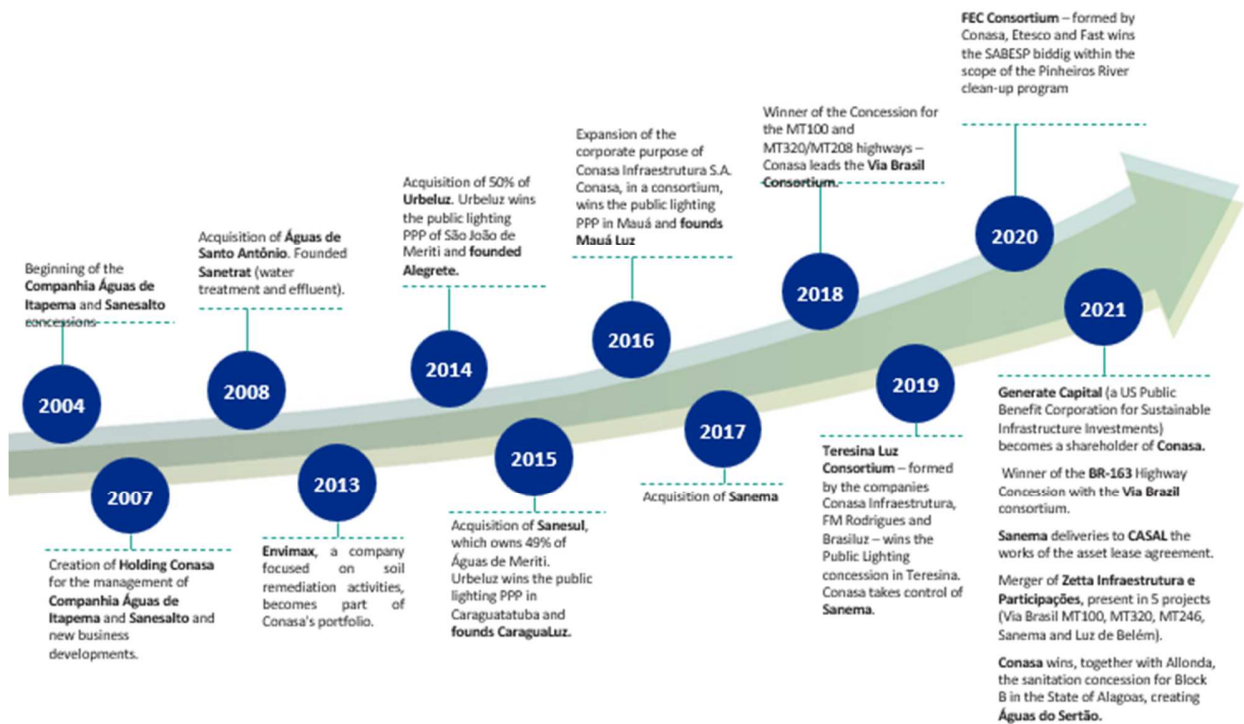
Our vision

To be recognized as a company of excellence in the private sector for the business segments in which it operates.

Our values

- Transparency
- Respect
- Ethics
- Professionalism
- Integrity
- Solidarity
- Prevention
- Coping

Conasa Group Timeline



2. What we do,

The Conasa Group

We operate in the sanitation, energy and highways sectors, investing in the expansion of essential infrastructure services in Brazil.

Initially focused on sanitation services, Conasa is today an investment platform in medium-sized infrastructure concessions, with operating assets in the sanitation, highways and public lighting segments since 2004. In order to integrate the specifics of each sector, the company has five major areas, which manage the operating units of each segment:

- Conasa Sanitation;
- Conasa Services
- Conasa Energy
- Conasa Highways
- Conasa Investments

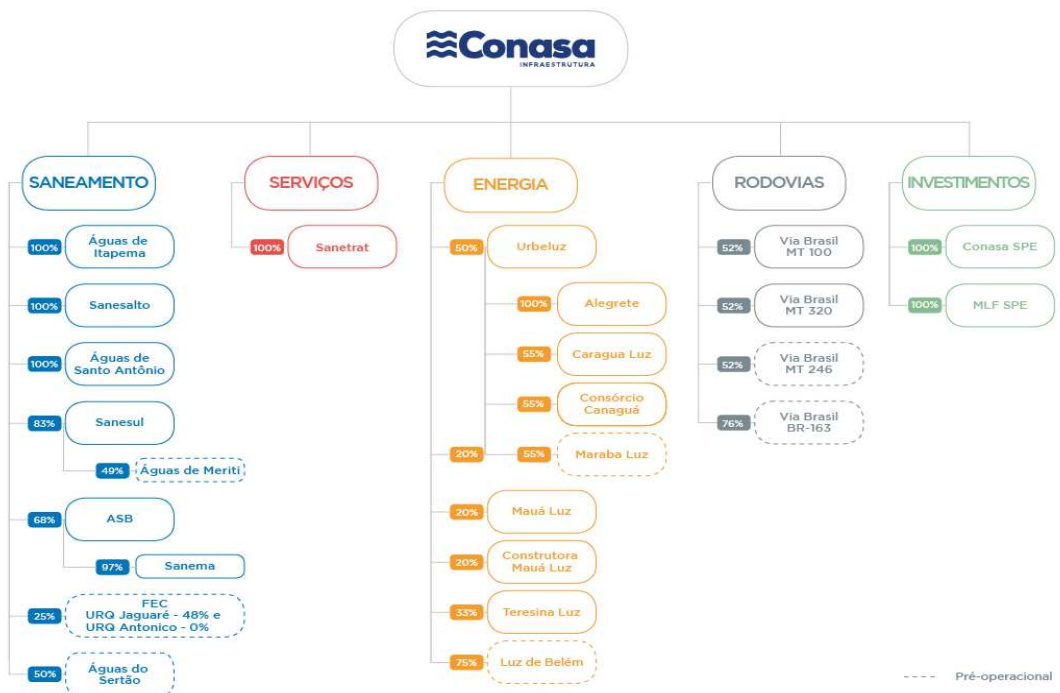
**PRESENTE NAS
5 REGIÕES DO BRASIL**

25 empresas
509 empregos diretos
9 estados brasileiros

*Alagoas, Mato Grosso, Pará, Paraná, Piauí,
 Rio de Janeiro, Roraima, Santa Catarina e São Paulo.*



-  Saneamento
-  Iluminação
-  Rodovias
-  Serviços
-  Investimentos



2021 HIGHLIGHTS

In the midst of the global health crisis, we made all the planned investments and achieved the expected results.

Even in the face of the adverse scenario that surprised the world starting 2020, we were successful in implementing the projects planned in previous years. The funds raised were fully invested in accordance with the commitments assumed and the expected results could be delivered, evidencing Conasa's ability to plan, implement and execute its projects.

We ended the year with all financial and contractual commitments respected and a 60% growth in consolidated net revenue compared to the previous year.

Net revenue ended 2021 at **R\$ 451,721** against **R\$ 282,620** in 2020, as a result of the increase in investments in works, which increase construction revenues and the increase in the remuneration of contract assets as a reflection of the increase in the asset base. The net revenue for the year already includes the consolidation from December 1st onwards of the results of the investees Via Brasil MT100 and Via Brasil MT320, of R\$ 4,236 and R\$ 4,099, respectively, as a result of the merger of the additional 12% interests previously held by Zetta Infraestrutura.

Consolidated Adjusted EBITDA ended 2021 at **R\$ 255,695** against **R\$ 117,169** in 2020, mainly as a result of increased net operating revenue for the year.

Consolidated Profit for 2021 was **R\$ 193,481** against profit for 2020 of R\$ **57,746**, as a result not only of increase in the net operating revenue but also the positive finance income and costs for the year.

For us at Conasa Infraestrutura, the main results to celebrate in 2021 are proof of the company's solidity and our resilience in the face of a crisis of serious and far-reaching consequences and also the achievement of two transformational projects in Conasa's main operating segments: the concession of the federal highway BR 163 between Mato Grosso and Pará and the sanitation concession of the 34 municipalities that compose Alagoas' block B.

We carried out the planned investments, mainly in the 2019-2021 cycle, and the expressive results of 2021 reflect the positive results previously expected, which will intensify in the coming years.



Water supply | Sewage collection and treatment

Expanding access to basic sanitation in Brazil is essential and urgent. Conasa is present, investing responsibly and contributing to universalizing the Water and Sewage System in the country.

With the support of adequate public policies and based on current legislation, we operate under a concession in the basic sanitation segment in the municipalities of Itapema (SC) and Salto (SP), in addition to an asset lease agreement in Maceió (AL) . Through the FEC consortium, we participate in the SABESP program to clean up and restore the quality of the water in the Pinheiros River, in São Paulo.

In 2021, Alagoas Consortium became part of the Conasa Group, with the company **Águas do Sertão**, which is responsible for the sewage collection and treatment concession in 34 municipalities in the state.

Águas do Sertão

Full concession (water and sewage) | 2022 to 2057

Countryside of Alagoas

34 municipalities

560 thousand people benefited

R\$ 1.2 billion in investments

As of 2022, Águas do Sertão takes the basic sanitation management in 34 municipalities in the countryside of Alagoas.

The company was created by the Alagoas Consortium, which won the auction held at B3 for the concession of sanitation services in 34 municipalities in the countryside ("Agreste" and "Sertão") of Alagoas (Block B), comprising more than 560 thousand inhabitants. In addition to the payment of R\$ 1.215 billion related to the winning bid to obtain the grant, the contract provides for investments of approximately R\$ 1.200 billion, of which R\$ 393 million for water supply and R\$ 807 million for sewage collection and treatment.

In the municipalities currently served by CASAL, the company will carry out commercial and water distribution services and sewage services. In the municipalities currently served by SAAE (Serviço Autônomo de Água e Esgoto), the water and sewage services will be provided in their entirety.

In Alagoas, only 23% of the population has access to sewage collection and 76% to the distribution of treated water, according to data from the National Sanitation Information System (SNIS). The goal is to reach universal access by 2033, with 100% water supply and 90% sewage treatment.

SANEMA Saneamento de Maceió

Sewage Treatment Asset Lease Agreement | 2021 to 2049 Maceió – AL

R\$ 174 million invested until 2021

94% of the contractual investments made

82km of sewage collection network;

17 sewage pumping stations

+73 thousand inhabitants with access to sewage collection and treatment

The city of Maceió received from Sanema the sewage collection and treatment structure with the capacity to serve 130,000 inhabitants.

In September, Sanema delivered the works provided for in the asset lease agreement to CASAL (Companhia de Saneamento de Alagoas). Caçador Treatment Plant (STP) has the capacity to receive and treat 238 liters of sewage per second, using the Anoxic MBBR (Moving Bed Biofilm Reactor) process, followed by a secondary decanter, by biological means, which presents efficiency greater than 90% in the removal of organic matter.

With 82km in length, the collection network covers 100% of the households within the agreement's perimeter, benefiting a population of 73,250 inhabitants, with the capacity to serve 130 thousand people, expected to grow over the next 30 years, the period of validity of the Asset Lease Agreement entered into between SANEMA and CASAL.

In November 2021, Sanema began to receive the VML (monthly lease amount) of the built assets.

Conasa Águas de Itapema

Full concession (water and sewage) | 2004 to 2044

Itapema - SC

R\$ 222 million Invested until 2021

100% of the population with access to treated water

85% of the population with access to sewage collection

more than 9 million liters in treated water reservoirs

more than 500 million liters of stored raw water

698 liters/second potable water production capacity

450 liters/second sewage treatment capacity

With 537 new connections, we followed the growth of the municipality, ensuring the distribution of potable water to 100% of the population of Itapema, one of the cities with the most valued square meter in the country.

In 2021, we expanded the Sewage Treatment Station, which now has a fully automated and more efficient Pre-Treatment system. The use of new technologies, such as activated sludge, decantation, sludge dehydration and disinfection systems, increased the STP treatment capacity from 250 liters per second to 450 liters per second.

Working for 17 years in the municipality, with the challenge of supplying all the fixed and floating population with treated and quality water that suffered from the lack of regular distribution of water, mainly during the summer seasons, and to start the implementation of sewage collection and treatment, which until then did not exist, Conasa changed the reality of the population with continuous investments, modern techniques and commitment to the quality management of operations and respect for the environment.

Today, with more than R\$ 222 million invested by the company in sanitation infrastructure, Itapema stands out among the best served municipalities with the distribution of drinking water and a sewage collection and treatment system. While the population service rate in Brazil, according to the National Sanitation Information System (SNIS), is 84.1% for the distribution of treated water, Itapema serves 100% of its urban population. With regard to sewage collection, 85% of the population of Itapema benefits from the service, against only 55% of the Brazilian population. In the South region, the share of the population with sewage collection is 47.4%, a percentage even lower than the national average.

Among the economic benefits, a positive impact on real estate appreciation, with a strong impact on tourism. In 2020, Itapema had the second highest real estate appreciation in the country. This movement is synonymous with greater flow in the local economy, enhancing job creation, encouraging entrepreneurship and increasing public revenue.



Sanesalto

Sewage treatment concession | 2007 to 2032

Salto - SP

R\$ 73 million Invested until 2021

98% of the separated sewage treated

For 15 years under Sanesalto management, the municipality is an example of success in expanding access to basic sanitation through investment from the private sector.

The city of Salto, in the State of São Paulo, saw the level of sewage treatment grow from 19.7% (2007) to 70% in the first three years of Sanesalto's management. In addition to the

construction of the Sewage Treatment Plant (ETE), Conasa's investments also allowed for the installation of eleven pumps in the city, currently ensuring access to the collection network for 98% of the population. Equipped with the tertiary level of treatment since 2016, technology that optimizes the removal of the organic load from the treated effluent, STP Santa Isabel treats 100% of the effluent collected and discharged into the Tietê River and is dimensioned to meet the growth of the municipality in the next 20 years.

FEC Consortium

SABESP - Novo Rio Pinheiros Program

Sewage treatment | 2020 to 2030

Sao Paulo - SP

R\$ 87.4 million in estimated investments

Conasa is part of the Novo Rio Pinheiros program, contributing to clean up this important river in the heart of the country's economic capital.

The FEC consortium, composed of Conasa, Etesco and Fast, started the construction of the Water Quality Recovery Unit – WQRU Jaguaré, for the treatment of sewage discharged into the Jaguaré stream, a tributary of the Pinheiros. Scheduled to start operating in the first half of 2022, the WQRU will be equipped with an additional ozone oxidation stage.

Signed in August 2020, the agreement comprises the implementation, operation and maintenance of two water quality recovery units (URQAs) and is part of the Novo Rio Pinheiros program, which establishes a plan of socio-environmental actions for sanitation and for the clean-up of the river.



Industrial Sanitation

In addition to preventing contamination of the soil, surface water, groundwater and air, preserving natural resources for the present and for future generations, the treatment of industrial effluents also has an economic impact aspect.

The complexity and high cost of investment in the treatment process tend to motivate companies to seek service outsourcing, a solution adopted by a large number of industries, regardless of size, ensuring that the entire process is operated by specialists, within treatment stations specific for this purpose at the company's premises (onsite) or in plants owned by the outsourced company (offsite), respecting the legal requirements for the final disposal of waste.

Sanetrat Sanitation

Salto-SP

Performance growth and new customers in 2021: Eucatex, Bosch, WR Greice and Fersol now rely on Sanetrat's effluent treatment services.

AT THE END OF THE YEAR, WE SURPASSED THE 2020 RESULT BY MORE THAN 4%, EVEN IN A VERY DRY PERIOD, A FACTOR WITH A DIRECT IMPACT ON SANETRAT'S RESULTS. The focus on strategic planning brought improvements in controls and processes, culminating in ISO 14001:2015 certification and ISO 9001:2015 and ISO/IEC 17025:2017 revalidation with the implementation of the Integrated Management System (IMS).

During the period of reduced activities due to the pandemic, the processes of conservation and maintenance of equipment were also intensified, which are extremely important for the extension of its useful life and guaranteeing the quality of the services offered to our customers.

SANETRAT OPERATES IN THE TREATMENT OF INDUSTRIAL AND RESIDENTIAL EFFLUENTS, SERVING CUSTOMERS IN THE STATE OF SÃO PAULO FOR OFF-SITE CUSTOMERS, AND THROUGHOUT BRAZIL FOR ON-SITE CUSTOMERS. Equipped to carry out various unit operations that include water-oil separation, removal of heavy metals - including hexavalent chromium - and biological treatment by batches (SBR), the company's industrial plant is able to treat different types of industrial effluents, such as oily solutions, concentrated acidic and alkaline solutions, heavy metals and high organic load effluents, in addition to effluents with traces of hydrocarbons and chlorinated solvents.



The investment in new technologies represents an opportunity to significantly reduce consumption and improve lighting quality.

The speed of urbanization in the world today requires innovative solutions that represent new opportunities for public management. Traffic planning and public safety are some of the benefits today related to street lighting, leading to smarter and more connected cities.

Luz de Belém

Public lighting concession | 2021 to 2035 (estimated term)

Belém/PA

R\$ 80 million in planned investments

90 thousand Lighting points

The second capital of the country in which Conasa is committed to the modernization, maintenance and operation of the public lighting park, Belém is preparing itself to technological innovation in “smart cities”.

With the expected start of operations in 2022, the Luz de Belém Consortium is committed to replacing more than 90 thousand lighting points with LED technology and to expand the park to 101 thousand points over the 13 years of the concession. The municipality of 1.5 million inhabitants (IBGE 2020 estimate) will receive special lighting projects in about 40 tourist spots, in addition to the contribution of new telemanagement technologies.

Teresina Luz

Public lighting concession | 2020 to 2040

Teresina/PI

R\$ 104 million invested until 2021.

98.5 thousand lighting points

100% of the LED migration delivered 3 months ahead of schedule and commitment to quality service to the population.

With 90% of the park replaced by LED in December 2021, Teresina Luz is preparing to deliver to the population all the lighting points with the new technology installed in March 2022, 3 months before the date foreseen in the concession contract.

Teresina's Public Lighting PPP model was the first structured by BNDES within its concession program and is already a reference for other municipalities.

Caraguá Luz

Public lighting concession | 2015 to 2041

Caraguatatuba - SP

R\$ 70.3 million invested until 2021

25.3 thousand lighting points

91% LED

54% reduction in energy consumption

Energy efficiency and quality public lighting with high lighting and maintenance performance. This is how Caraguá Luz contributes to improving the quality of life, comfort and safety of residents of Caraguatatuba.

In six years of Caraguá Luz's management, the city gained more than 3,500 new light points, meeting the vegetative growth and the strong repressed demand. Among the special projects developed throughout the year, we highlight the implementation of the solar energy production project for lighting the Santo Antônio hill (named after the municipality's patron saint), a place of intense public visitation that allows a privileged view of the city, and the lighting of Mirante do Camaroeiro, in the central region, where the largest number of tourists currently visited. The average reduction in energy consumption was of the order of 54%.

At the end of 2020, the contractual amendment resulting from the first economic-financial readjustment of the concession agreement was signed, which considered the variations recorded over the first five years, as well as the supervening impacts of the Covid-19 pandemic. Combining a greater number of lighting points to be modernized, the need to expand the system and reduce the monthly payment, the readjustment enabled the resumption of works to modernize the lighting on the waterfront, the implementation of special projects for ornamental lighting and serving the demand arising from the municipal land tenure regularization program. Among other changes, we highlight the extension of the concession period, which went from 13 to 26 years, incorporating a new cycle of investments in the system from 2029.

Alegrete Participações

Public lighting concession | 2014 to 2039

São João de Meriti - RJ

R\$ 119 million invested

23.8 thousand lighting points

90.3% LED

The first Brazilian municipality to invest in a Public-Private Public Lighting Partnership, São João de Meriti already achieved 64% reduction in energy consumption.

The city already has 90% of the park using LED technology, which corresponds to the entirety of the initial concession contract signed with the company, resulting in a 64% reduction in energy consumption compared to the beginning of the agreement. In 2021, the municipality received new ornamental LED lighting at Praça do Morro do Embaixador and Praça da Matriz, providing better lighting and more safety for pedestrians circulating in the locations.

Mauá Luz

Public lighting concession | 2016 to 2051

Mauá - SP

R\$ 84 million invested

28 thousand lighting points

The creation of Mauá Luz, in 2016, brought Conasa (20%) together with the companies Brasiluz (60%) and FM Rodrigues (20%) in order to serve the municipality of Mauá in the modernization, management and maintenance of its public lighting park.

Of the 28,000 public lighting points in Mauá, a municipality in the ABC Paulista region, more than 25,000 have already been replaced by LED technology, in just over three years of agreement, totaling 90% of the park that has already been modernized.



Highways

Via Brasil BR163

It connects the state of Mato Grosso to ports in Pará, between Sinop (MT) and Miritituba (PA).

State highway concession | 2022 to 2032

Highway | BR-163/MT, BR-163/PA, BR-230/PA

1,009.5 km long

R\$ 1.87 billion in planned investment

Via Brasil Consortium, led by Conasa, won the auction concession for the BR-163/230/MT/PA highway system, considered the most important for Brazilian agribusiness, which comprises six stretches of highway, totaling more than a thousand kilometers. One of the main corridors to transport grain production from the Midwest and North region, the highway connects the state of Mato Grosso to three port terminals in Arco Norte (Rio Tapajós), in Pará, between Sinop (MT) and Miritituba (PA).

With an expected duration of 10 years, renewable for another two, the concession project provides for the installation of three toll plazas, additional lanes, side roads and shoulders, in addition to definitive access to the port terminals of Miritituba, Santarenzinho and Itapacurá, speeding up the transshipment of the cargo in the Tapajós Waterway. The construction of two new stops and rest points for road transport professionals is also planned.

The purpose of the project is the modernization of the highway, with adequate handling of risks, offering permanent traffic conditions for the flow of grains compatible with the existing port structure, in addition to reducing operating costs and vehicle travel time.

Via Brasil MT246

Connects the cities of Jangada and Itanorte

2021 to 2056 State highway concession

MT-246, MT-343, MT-358 e MT-480 Highway

233.2 km long

R\$ 736 million Estimated Investment

Jangada - Itanorte

R\$ 65 million in debentures to ensure the contractual commitments to recover, expand and improve the highway.

The amount obtained from the issue of debentures is added to the capital contribution from shareholders, making up the total amount of investment necessary for the start of the operation, scheduled for 2022. In 2021, more than R\$ 21 million were invested in the initial works, which include, in addition to the construction of toll plazas and operational service bases, the correction of emergency problems with risks to traffic safety on the highway.

The modernization of the highway, which feeds agricultural production flow routes, will contribute to the development of the region, a major grain producer in the state, offering greater safety and trafficability to users. Among the planned improvements are the recovery of the road and the implementation of shoulders, walkways and signaling.

Via Brasil MT100

It connects the cities of Alto Araguaia and Alto Taquari to the border of the State of Mato Grosso do Sul

2018 to 2048 State highway concession

MT-100 Highway

111.90 km long

R\$ 60 million invested until 2021

MT/MS Border - Alto Taquari - BR 364 Access (Alto Araguaia urban perimeter, MT/GO Border)

Restored and functional, the stretch of road managed by Via Brasil MT100 shortens the route between Mato Grosso and the Port of Santos by up to 120 km and stimulates the region's growth.

In addition to the recovery, expansion and improvement works carried out in 2021, Via Brasil implemented the correction of the highway's environmental liabilities, existing prior to the concession contract. The financing agreement entered into with BNDES in 2021, in the amount of R\$ 200 million, together with capital contributions, enables all of the new planned investments, such as the implementation of shoulders, implementation of the 3rd lane, maintenance of the pavement and construction and readjusting roundabouts and intersections.

The highway offers user service structure, with a rest area, restrooms, changing facilities, drinking water, access to communication and an information center. Users also have services such as towing, emergency telephone, pre-hospital care, traffic inspection, firefighting and capture of animals on the road.

After the renovation, traffic on the highway was 15% higher than forecast in the notice, revealing the existence of strong pent-up demand in the region.

Via Brasil MT320

It comprises stretches of two highways in the state of Mato Grosso that connect the cities of Nova Santa Helena, Colíder, Nova Canaã do Norte, Carlinda and Alta Floresta.

2018 to 2048 State highway concession

MT-320 and MT-208 Highway

188.2 km long

R\$ 78 million invested until 2021

**BR-163 (Nova Santa Helena) - Colíder - MT-208 Access (Carlinda)
MT-320 – MT-325 B (Alta Floresta urban perimeter)**

22.6 km of pavement recovered and implementation of the Surface and deep drainage plan

Operational since 2020, the highway received restoration and improvement works, totaling more than R\$ 4 million in investments in the year. This is the main route to interconnect the municipalities in the North and Northwest regions of Mato Grosso with the federal highway BR-163, the largest transport and production outflow axis in the state.

The highway offers user service structure, with a rest area, restrooms, changing facilities, drinking water, access to communication and an information center. Users also have services such as towing, emergency telephone, pre-hospital care, traffic inspection, firefighting and capture of animals on the road.

3. With what and for whom we do,

Our employees

When Conasa grows, our employees grow with us: we generate more jobs and provide more opportunities for professional development and evolution.

In 2021, in a period still of instability and increase in unemployment in the country, we expanded our staff from 509 to 638 employees, in the 13 operating companies of Conasa with the conclusion of all the necessary hiring in the new projects.

Equal employment opportunity and evolution is a fundamental principle of Grupo Conasa, where internal development is based on technical and personal skills and qualification. All new employees receive integration training that includes activities at the Holding company and its units, in addition to safety training specific to their activities and recycling of regulatory standards.

With the process of implementing ESG criteria in all areas of the Company, people management has become an essential point of action for the company's evolution in topics related to diversity and inclusion, career plan and benefits and training support, which are included in Conasa's ESG action plan.

ESG | Grow responsibly

As we consolidate our expansion with the incorporation of new sanitation, lighting and highway projects, we also renew our commitment to sustainable and responsible growth.

In December 2020, Conasa's Board of Directors decided to unify and centralize the environmental, social and governance (ESG) policies and actions of all the Group's units.

To ensure the best management of the environmental, social and governance aspects linked to our activities, we started the evaluation and strategic planning work, with the support of an external consultancy, involving all areas of the company. The topic raised awareness among all employees throughout 2021. With this initiative, we intend to gradually transform the company's organizational culture, strengthening our positioning in relation to the ESG criteria for assessing governance and sustainability and corporate citizenship.

From the initial diagnosis, which identified the company's excellence in the governance aspect, an action plan is being established and implemented to evolve our management model, integrating all the aspects addressed, which include Governance, People Management, Communities, Environment, Customers and Practices specific to the sectors in which it operates.

Corporate governance

Conasa's governance adheres to the IBGC guidelines, with its four principles that guide our actions: transparency, equity, accountability and corporate responsibility.

Even though it is a closed-held corporation, Conasa Infraestrutura adopts high standards of corporate governance and follows the best existing practices, meeting the CVM requirements, seeking to adapt to the standards of the Novo Mercado segment and the ISE (Corporate Sustainability Index). We disclose to investors our balance sheets audited quarterly by Pricewaterhouse Coopers - PwC Brasil, through the IR website: <http://www.conasa.com/ri>.

CONSELHO DE ADMINISTRAÇÃO



MARIO VIEIRA MARCONDES NETO
CEO da Conasa e membro do Conselho de Administração
Fundador da Conasa. Advogado, fundador da Águas de Itapema e da Conasa, com experiência jurídica em diversas concessões.



MARCUS GRASSANO
Presidente do Conselho de Administração
Advogado, sócio da Grassano Advogados.



JOSÉ ROBERTO CURAN
Membro independente do Conselho de Administração
Integra o conselho de administração e o comitê estatutário de auditoria da Alphaville SA. Foi diretor e superintendente nos bancos Francês e Brasileiro, Itaú e Votorantim.



FRANCISCO CARLOS COUTINHO PITELLA
Membro independente do Conselho de Administração
Engenheiro civil, foi diretor de RI da GTD Participações S.A, empresa com investimentos da EDP - Energias do Brasil S.A, onde é membro independente do conselho de administração e presidente do comitê de auditoria.



CAMILO NONINO
Membro do Conselho de Administração
Administrador, foi banker na área de infraestrutura do Santander e sócio de empresas de infraestrutura e construção.



MARCO ANTONIO CATTINI MATTAR
Membro independente do Conselho de Administração
Engenheiro civil, foi conselheiro, vice-presidente, CFO, DRI e diretor de engenharia da Trisul S.A. Atualmente integra o conselho de administração da Paramount Têxteis.



SÉRGIO AUGUSTO SÁ DE ALMEIDA
Membro independente do Conselho de Administração
Engenheiro civil e sanitarista, com mestrado em engenharia ambiental. Membro vitalício da Academia de Ciências de Oslo, Noruega e membro ativo e ex-vice-presidente da IWA International Water Association (Londres, Inglaterra).

DIRETORIA



CLÁUDIO RAMOS

Diretor Financeiro, Administrativo e de Relações com Investidores

Engenheiro Mecânico com MBA em Finanças pela New York University, foi diretor e sócio da KPMG.



RICARDO SALLES DE OLIVEIRA BARRA

Diretor de Engenharia e Operações

Engenheiro Civil, MBA em Gestão Empresarial pela FGV, foi diretor na Minas Arena e na Conco

Ethics, Transparency and Compliance

Strictly meeting the regulatory requirements of the sector, we demand from our employees and suppliers the same rigor in relation to legislation and ethical conduct.

Conducted by the Compliance Officer, which is directly linked to the Company's Executive Board and Board of Directors, our Compliance Program covers all units of the Conasa Group and has the assistance of the Compliance Committee, linked to the company's top management.

The company's Code of Ethics and Posture and the Supplier Code of Conduct ensure the full application of the standards adopted in all areas of activity. The two documents include clauses related to human rights, the environment and the fight against corruption, as well as all new contracts signed with partners, suppliers and customers in 2021, totaling 200 adjusted contracts since the inclusion of the clauses, which are now included in the prior agreements to participate in tenders.

In 2021, we implemented Compliance training via EAD, distributed in 22 subject modules, with the participation of more than 75% of the 540 registered employees/consultants. In-person training was also carried out with our Compliance Officer regarding the Ethics Channel. New employees hired during the period received training on the company's codes of conduct and behavior.

FINANCIAL HIGHLIGHTS

FINANCIAL PERFORMANCE

Amounts are expressed in thousands of reais.

The Company has adopted since 2014 a strategy of diversification in the sectors in which it operates, prospecting and winning concession contracts and PPPs in energy and highways, and growth in infrastructure projects. Such strategies have brought significant positive impacts on the Company's financial performance.

In the 2018-2019 period, the relevant achievements of the Company include the attainment of new businesses and funding for the execution of investments, where the following stand out: **i.** raising R\$ 100,000 in debentures from Águas de Itapema for the expansion of sewage networks and water treatment capacity; **ii.** financing agreement of Sanema of up to R\$

133,000 together with the contracting of the EPC for the execution of the work in the amount of R\$ 170,000; **iii.** ending of the works and starting the collection of concession contracts for Via Brasil MT100 and MT320; and **iv.** winning TeresinaLuz's PPP **v.** signing of the concession contract for MT-246 and the FEC Consortium contract. In 2021, the Company achieved significant growth in construction revenues, with the completion of several investments.

In order to make available all the financial resources related to the investments necessary in 2021 for its projects, Conasa Infraestrutura raised R\$ 100,000 in debentures and its investees Via Brasil MT-320 and Via Brasil MT-246 also raised R\$ 135,000 and R\$ 65,000 through the issue of debentures, respectively. In December 2021, Via Brasil MT-100 signed a contract with BNDES for R\$ 200,000 for works to be carried out after the fourth year of the concession.

Also in 2021, Conasa concluded in November the merger of non-controlling interests of Zetta into five Conasa investees, which resulted in a capital increase of R\$ 70,727 at Conasa and ensured the shareholding control of these five companies. Finally, in December 2021, Conasa concluded a highly relevant private equity transaction with Generate Capital from San Francisco, CA, which resulted in a capital increase at Conasa of R\$ 395,000 (R\$ 130,500 at December 2021 and R\$ 264,500 in February 2022), below the amount of up to R\$ 403,000 informed in a material fact disclosed in October 2021 as a result of the exchange rate variation in the period).

Regarding Conasa's organic growth, which will produce significant financial results from 2022 onwards, the Company won 2 new extremely relevant contracts: Via Brasil BR-163 and Águas do Sertão.

REVENUES

Net revenue ended 2021 at R\$ 451,721 against R\$ 282,620 in 2020, as a result of the increase in construction revenues related to investments in the year, the increase in the remuneration of the contract asset and the effect of the increase in the asset base.

With the acquisition on November 30, 2021 of non-controlling interests of Zetta Infraestrutura in CONASA's investees, in the consolidation of the statement of income, only the revenues of these investees referring only to the month of December 2021, period from which Conasa started to have control of such investees, were considered.

COSTS AND EXPENSES

2021 costs increased by R\$ 78,687 compared to 2020. The increase is due mainly due to the construction cost of R\$ 135,745 in 2021 against R\$ 64,770 in 2020, which reflects the investments made by the investees.

Gross Profit increased from R\$ 152,054 in 2020 to R\$ 242,468 in 2021.

EBITDA

The Company uses the definitions of EBITDA - Earnings Before Interest, Income Taxes including Social Contribution on Profit, Depreciation and Amortization of CVM Instruction 527/2012, being the profit for the period, plus taxes on profit, finance costs net of finance income and depreciation, amortization and depletion.

Consolidated EBITDA ended 2021 at R\$ 255,695 against R\$ 117,169 in 2020.

EBITDA Reconciliation	2021	2020	2019
Profit for the Year	193,481	57,746	10,323
(-) Income Tax and Social Contribution	45,694	22,521	9,830
Depreciation and Amortization	20,893	14,329	9,256
Finance Income (Costs)	(4,373)	22,573	17,236
EBITDA	255,695	117,169	46,645

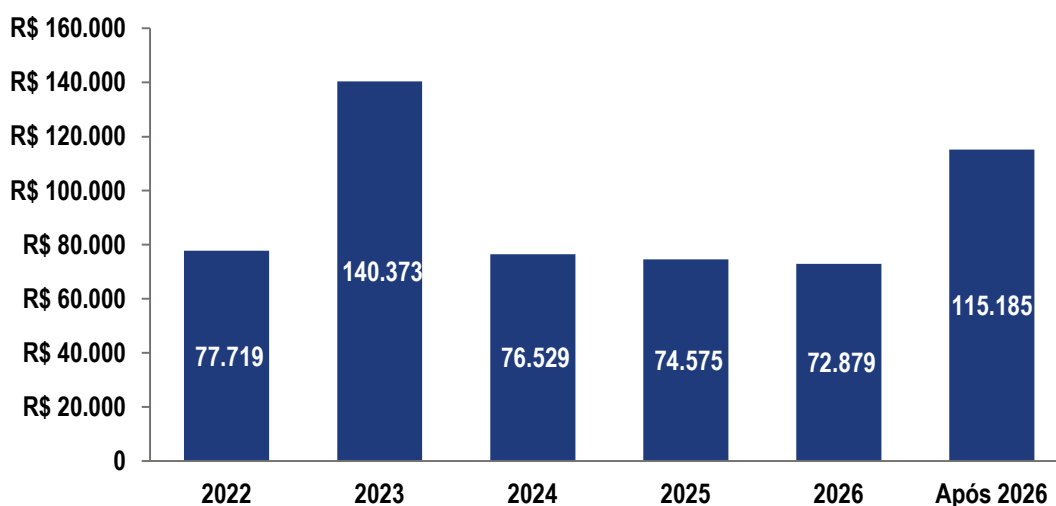
PROFIT FOR THE YEAR

Profit for 2021 was R\$ 193.481 compared to R\$ 57.746 for 2020.

LIABILITIES

The Company's consolidated short-term liabilities are concentrated in the Parent Company, as funds were raised to be invested in the new pre-operational concessions. Long-term financing was structured in the operating companies for investment in the concessionaires' works. Águas de Itapema, Sanesalto and Sanema, as well as the highways (which as a result of the transaction between Conasa and Zetta started to be consolidated) concentrate most of the consolidated debt, mainly as a result of the relevant debenture issues that took place between 2019 and 2021.

The table below shows the flow of financing maturities for the coming years.



Considering the long maturity terms of the long-term financing, the operating cash flows of investees will be sufficient to pay the obligations.

NET DEBT/EBITDA

EBITDA compared to the Company's Net Debt is a non-accounting measure used as an indication of the ability to generate cash to meet the company's financial obligations.

EBITDA Reconciliation	2021	2020	2019
Profit for the Year	193,481	57,746	10,323
(-) Income Tax and Social Contribution	45,694	22,521	9,830
Depreciation and Amortization	20,893	14,329	9,256
Finance Income (Costs)	(4,373)	22,573	17,236
EBITDA	255,695	117,169	46,645
Gross Debt ¹	652,707	252,563	205,445
Cash on Hand and In Banks	242,692	29,638	35,569
Reserve Account	54,446	3,226	2,588
Net Debt	355,569	219,700	167,288
Net Debt / EBITDA	1.39 x	1.88 x	3.59 x

¹ Borrowings, Debentures and Lease Liabilities

The evolution of the consolidated indicator above shows the reduction in the leverage of the Company and its investees measured in terms of net debt as a multiple of EBITDA as a result of the completion of investments in works and the beginning of operating activities of the concession contracts and demonstrate the financial solidity aggregated in recent years through the execution of the business plan.

ASSETS

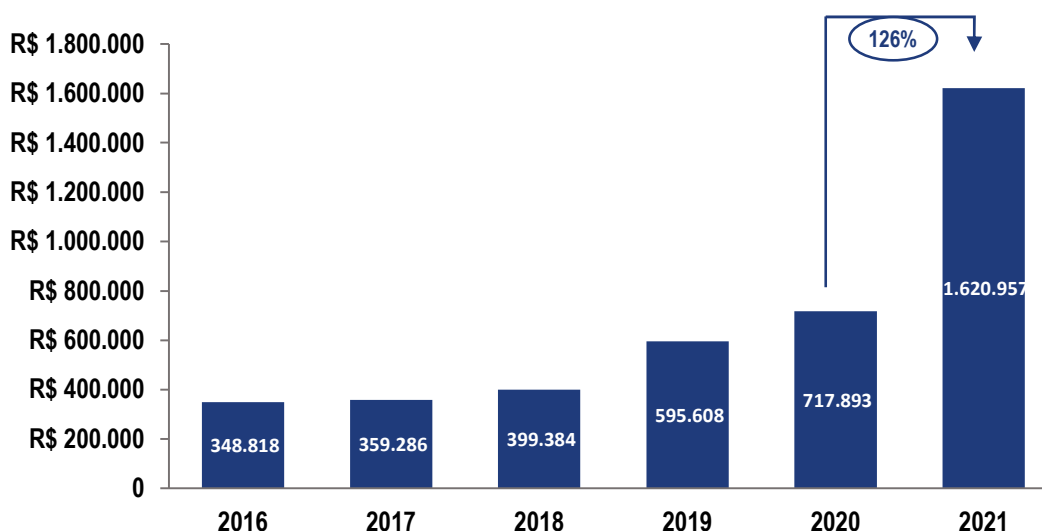
As for the Company's relevant assets, there is a concentration of assets in investments made in current operational projects, especially in intangible assets linked to concessions and contract assets linked to PPPs. Intangible and contract assets concentrate all the investments that will revert to the granting authorities at the end of each concession period.

The Company's total assets in 2021 amounted to R\$ 1,620,957 compared to R\$ 717,893 in 2020.

Regarding regulatory assets, the Company increased its asset base from R\$ 495,135 in 2020 to R\$ 1,074,118 in 2021, an increase of R\$ 578,983, as a result of investments in intangible and financial assets during the years 2018 to 2021 and the consolidation of the balance sheets of the investees, whose control was acquired by Conasa at the end of 2021.

The table below shows the evolution of total assets.

IFRS Assets (R\$ thousand)



ADDITIONAL CONSIDERATIONS

Audidores Independentes

In compliance with CVM Instruction 381/2003, we inform that, in the year ended December 31, 2021, we did not engage our Independent Auditors for work other than those related to the external audit.

The Company's management engaged PwC Auditores Independentes for audit services for the period 2018, 2019, 2020 and 2021.

The payment to auditors in 2021 was R\$ 196 for audit of the Company and R\$ 865 for audit of the subsidiaries, associates or investees. Engaging the same auditor for all group companies allows for an efficient audit process.

Arbitration Clause

CONASA is subject to arbitration at the Market Arbitration Panel as set forth in the arbitration clause included in its Bylaws.

CONASA INFRAESTRUTURA S.A. and its subsidiaries

Balance sheet

All amounts in thousands of reais

(A free translation of the original in Portuguese)

Assets					Liabilities and equity						
	Note	Parent company		Consolidated			Note	Parent company		Consolidated	
		2021	2020	2021	2020			2021	2020	2021	2020
Current assets		147,773	15,065	342,554	102,442	Current liabilities		100,126	46,603	223,460	133,577
Cash and cash equivalents	4	107,338	1,629	242,692	29,638	Borrowings and debentures	18	49,015	31,665	77,719	57,543
Trade receivables	5	1,672	1,825	24,691	27,646	Trade payables	17	2,957	929	84,478	32,143
Marketable securities	10	6,439	7,119	-	-	Lease liabilities	16	-	-	21,261	1,721
Concession contract assets	15	-	-	58,572	23,853	Salaries and social charges	20	569	431	4,051	3,428
Taxes recoverable	6	831	604	3,972	6,362	Taxes payable	19	579	71	9,302	11,226
Assets to be used in concessions	7	-	-	4,716	4,173	Taxes and contributions payable in installments	21	814	731	16,498	13,902
Advances	8	183	161	5,170	4,038	Related parties	9	42,255	11,397	3,085	6,885
Related parties	9	29,933	769	908	5,990	Advances from customers		183	150	712	269
Other current assets		107	121	1,602	742	Proposed dividends	24.4	3,750	914	6,286	5,018
Dividends receivable	12.b	1,270	2,837	231	-	Other payables		4	315	68	1,442
Non-current assets		547,558	276,045	1,278,403	615,451	Non-current liabilities		92,918	13,306	665,293	260,228
Related parties	9	13,768	15,337	38,982	25,833	Borrowings and debentures	18	87,959	6,518	479,541	180,480
Marketable securities	10	14,886	10,968	54,525	34,915	Lease liabilities	16	-	-	74,186	12,819
Taxes recoverable	6	-	-	1,603	2,852	Taxes and contributions payable in installments	21	778	1,451	30,847	33,119
Other non-current assets	11	902	164	11,957	1,150	Deferred PIS and COFINS	22	-	-	20,148	8,474
						Deferred income tax and social contribution	22	-	-	58,996	24,222
Investments	12	516,092	248,188	43,523	49,964	Related parties	9	298	4,597	73	7
Property and equipment	13	1,548	1,183	13,182	13,238	Loss on investments	12	3,883	460	63	-
Intangible assets	14	362	205	520,767	260,425	Provision for contingencies	23	-	280	1,439	1,107
Right-of-use assets	16	-	-	99,085	16,217	Equity attributable to the owners of the parent company		502,287	231,201	502,287	231,201
Concession contract assets	15	-	-	494,779	210,857	Share capital	24.1	360,490	167,338	360,490	167,338
						Carrying value adjustments	24.5	6,625	(2,505)	6,625	(2,505)
						Share premium	24.6	16,914	-	16,914	-
						Legal reserve	24.3	8,561	3,613	8,561	3,613
						Revenue reserves	24.2	109,697	62,755	109,697	62,755
						Non-controlling interests	24.7	-	-	229,917	92,887
Total assets		695,331	291,110	1,620,957	717,893	Total equity		502,287	231,201	732,204	324,088
						Total liabilities and equity		695,331	291,110	1,620,957	717,893

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

CONASA INFRAESTRUTURA S.A. and its subsidiaries

Statement of income

Years ended December 31

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Note	Parent company		Consolidated	
		2021	2020	2021	2020
Net operating revenue	26	4,335	461	451,721	282,620
Cost of services	27	(6,624)	(192)	(209,253)	(130,566)
Gross profit (loss)		(2,289)	269	242,468	152,054
Operating income (expenses)		103,426	15,429	(7,666)	(49,214)
General and administrative expenses	28	(20,091)	(12,757)	(47,826)	(35,763)
Selling expenses	28	(310)	(110)	(11,262)	(9,809)
Other income (expenses), net	29	60,798	6,232	46,853	(2,817)
Equity in the results of investees	12.b	63,029	22,064	4,569	(825)
Operating profit (loss) before finance result		101,137	15,698	234,802	102,840
Finance result	30	(2,172)	3,596	4,373	(22,573)
Finance costs		(8,333)	(1,471)	(50,837)	(30,971)
Finance income		6,161	5,067	55,210	8,398
Profit before income tax and social contribution		98,965	19,294	239,175	80,267
Income tax and social contribution	31	-	(51)	(45,694)	(22,521)
Current		-	(51)	(11,544)	(10,732)
Deferred		-	-	(34,150)	(11,789)
Profit for the year		98,965	19,243	193,481	57,746
Attributable to the owners of the parent company	25			98,965	19,243
Attributable to non-controlling interests	25			94,516	38,503
Basic and diluted earnings per share - in R\$	25			0.5775	0.1150

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

CONASA INFRAESTRUTURA S.A. and its subsidiaries

Statement of comprehensive income Years ended December 31 All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	2021	2020	2021	2020
Profit for the year	98,965	19,243	193,481	57,746
Total comprehensive income for the year	98,965	19,243	193,481	57,746
Attributable to the owners of the parent company	-	-	98,965	19,243
Attributable to non-controlling interests	-	-	94,516	38,503

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

CONASA INFRAESTRUTURA S.A. and its subsidiaries

Statement of changes in equity
Years ended December 31
All amounts in thousands of reais

(A free translation of the original in Portuguese)

Consolidated											
	Note	Share capital	Capital transaction	Share premium	Revenue reserves			Retained earnings	Total	Non-controlling interest	Total
					Legal reserve	Profit retention reserve	Special revenue reserve				
At December 31, 2019		167,338	(2,505)	-	2,651	48,385	1,907	-	217,776	59,757	277,533
Profit for the year		-	-	-	-	-	-	19,243	19,243	38,503	57,746
<i>Allocation:</i>											
Transfer to legal reserve	24.3	-	-	-	962	-	-	(962)	-	-	-
Mandatory minimum dividends	24.4	-	-	-	-	-	-	(914)	(914)	-	(914)
Distribution of dividends	24.2	-	-	-	-	(246)	(1,907)	-	(2,153)	-	(2,153)
Distribution of dividends on revenue reserve (Urbeluz)	12.b (a)	-	-	-	-	(2,751)	-	-	(2,751)	(5,373)	(8,124)
Transfer to profit retention reserve		-	-	-	-	17,367	-	(17,367)	-	-	-
At December 31, 2020		167,338	(2,505)	-	3,613	62,755	-	-	231,201	92,887	324,088
Payment of capital in the merger of assets (Zetta) with goodwill and gain on the acquisition of an additional portion from non-controlling interests	24.1	70,727	9,130	16,914	-	-	-	-	96,771	-	96,771
Payment of capital	24.1	130,500	-	-	-	-	-	-	130,500	-	130,500
(-) Expenses with the issuance of shares	24.1	(8,075)	-	-	-	-	-	-	(8,075)	-	(8,075)
Distribution of dividends in kind (CCI)	24.2	-	-	-	-	(31,689)	-	-	(31,689)	-	(31,689)
Distribution of dividends from other periods	24.2	-	-	-	-	(10,685)	-	-	(10,685)	-	(10,685)
Other changes		-	-	-	-	-	-	-	-	269	269
Reversal of dividends in subsidiary (Urbeluz)	12.b	-	-	-	-	-	-	-	-	2,436	2,436
Acquisition of an additional interest in Sanema from non-controlling interest	24.7	-	-	-	-	-	-	-	-	(63,532)	(63,532)
Non-controlling interest arising from business combination	1.1	-	-	-	-	-	-	-	-	103,341	103,341
Profit for the year		-	-	-	-	-	-	98,965	98,965	94,516	193,481
<i>Allocation:</i>											
Transfer to legal reserve	24.3	-	-	-	4,948	-	-	(4,948)	-	-	-
Mandatory minimum dividends	24.4	-	-	-	-	-	-	(4,701)	(4,701)	-	(4,701)
Transfer to profit retention reserve	24.2	-	-	-	-	89,316	-	(89,316)	-	-	-
At December 31, 2021		360,490	6,625	16,914	8,561	109,697	-	-	502,287	229,917	732,204

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

CONASA INFRAESTRUTURA S.A. and its subsidiaries

**Statement of cash flows
Years ended December 31**

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit for the year	98,965	19,243	193,481	57,746
Adjustments to reconcile profit for the year to cash provided by (used in) operating activities:				
Depreciation and amortization of intangible assets and right of use (Notes 13.2, 14.b and 14.c)	184	101	17,848	14,187
Disposals of property and equipment and intangible assets (Notes 13.2 and 14.b)	1	4	987	168
Constitution (reversal) of provision for contingencies (Note 23.b)	(280)	-	255	-
Interest on borrowings and debentures (Note 18.3)	7,583	2,088	42,376	22,313
Interest and adjustment to present value on lease liabilities (Note 16.2.1)	-	-	2,434	1,423
Interest accrued on payments in installments (Note 29)	104	49	2,146	5,079
Amortization of funding costs (Note 18.3)	195	-	828	568
Remeasurement of contract assets (Note 15.1)	-	-	(78,014)	(25,939)
Deferred taxes (PIS, COFINS, IRPJ and CSLL)	-	-	46,448	16,960
Income from marketable securities (Note 10.2)	(5,849)	(5,029)	(546)	(589)
Provision for impairment of trade receivables (Note 5.1)	-	-	8,207	6,814
Provision for losses - Aguas de Santo Antônio (Note 12.b)	-	4,194	-	-
Gain on remeasurement of equity interest at fair value (Note 29.e)	(57,360)	-	(57,360)	-
Equity in the earnings of investees (Note 12.b)	(63,029)	(22,064)	(4,569)	(825)
(Increase) /decrease in assets:				
Trade receivables	154	(625)	(1,600)	(11,332)
Other receivables and advances	(3,468)	(4,673)	10,176	(1,459)
Tax credits	(227)	407	3,898	4,805
Assets to be used in concessions	-	-	(544)	(614)
Investments in contract assets	-	-	(246,250)	(58,687)
Increase/(decrease) in liabilities:				
Trade payables	2,028	(391)	42,915	(258)
Taxes payable	508	(628)	67	3,531
Salaries and social charges	138	118	72	(22)
Taxes and contributions payable in installments	(693)	293	(3,140)	9,084
Advances from customers	(288)	564	-	661
Other payables	(12,032)	(6,068)	92	(6,823)
	(33,366)	(12,417)	(19,793)	36,791
Interest received on marketable securities (Note 10.2)	327	698	-	-
Income tax and social contribution paid	-	-	(4,075)	(2,574)
Interest paid on lease liabilities (Note 16.2.1)	-	-	(1,178)	(815)
Interest paid on borrowings and debentures (Note 18.3)	(3,604)	(1,195)	(26,365)	(13,474)
Net cash provided by (used in) operating activities	(36,643)	(12,914)	(51,411)	19,928
Net cash used in investing activities				
Purchase of property and equipment and intangible assets (Notes 13.b and 14.b)	(690)	(362)	(17,232)	(21,415)
Proceeds from marketable securities (Note 10.2)	2,290	1,502	974	-
Acquisition of marketable securities (Note 10.2)	(6)	-	(755)	(589)
Payment of concession contract assets	-	-	(51,183)	(41,998)
Proceeds from concession contract assets	-	-	28,039	10,136
Dividends received (Note 12.b)	6,166	86	-	-
Capital increase in investees (Note 12.b.)	(73,046)	(23,807)	(69)	(19,227)
Net cash used in investing activities	(65,286)	(22,581)	(40,226)	(73,093)
Third parties:				
Proceeds from borrowings and debentures (Note 18.3)	138,627	34,800	259,198	58,717
Cost for obtaining borrowings and debentures (Note 18.3)	(2,382)	-	(3,966)	(131)
Repayment of borrowings and debentures (Note 18.3)	(42,559)	(3,088)	(86,703)	(21,033)
Repayment of lease liabilities (Note 16.1.1)	-	-	(2,156)	(1,104)
Transaction cost upon the issuance of shares (Note 24.6)	(8,075)	-	(8,075)	-
Stockholders:				
Loans between related parties	2,212	5,432	26,578	10,785
Profits distributed (Note 24.2)	(10,685)	(317)	(10,685)	-
Payment of capital of stockholders (Note 24.1)	130,500	-	130,500	-
Net cash provided by financing activities	207,638	36,827	304,691	47,234
Increase (decrease) in cash and cash equivalents	105,709	1,332	213,054	(5,931)
Cash and cash equivalents				
At the beginning of the year	1,629	297	29,638	35,569
At the end of the year	107,338	1,629	242,692	29,638
Increase (decrease) in cash and cash equivalents	105,709	1,332	213,054	(5,931)

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

CONASA INFRAESTRUTURA S.A. and its subsidiaries

Statement of value added

Years ended December 31

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	2021	2020	2021	2020
Services revenue	4,958	484	441,588	273,300
Remuneration of financial assets	-	-	29,958	19,829
Other income	12,128	10,374	7,397	6,105
Provision for impairment of trade receivables	-	-	(8,207)	(6,814)
	17,086	10,858	470,736	292,420
Inputs acquired from third parties	(15,007)	(12,812)	(249,541)	(140,695)
Chemicals consumed	-	-	(1,904)	(1,911)
Materials used	-	-	(9,680)	(9,212)
Electricity	(76)	(69)	(21,290)	(18,812)
Other costs of products and services	-	-	(9,345)	(12,299)
Construction costs	(6,624)	(192)	(136,343)	(64,770)
Outsourced services contracted	(12,236)	(6,434)	(35,533)	(24,062)
Gains/losses on realization and recovery of assets	-	(4)	410	(501)
Other operating expenses	3,929	(6,113)	(35,856)	(9,128)
Gross value added	2,079	(1,954)	221,195	151,725
Depreciation and amortization	(184)	(101)	(17,848)	(14,187)
Net value added	1,895	(2,055)	203,347	137,538
Equity in the results of investees	63,029	22,064	4,569	(825)
Gain on remeasurement of equity interest at fair value	57,360	-	57,360	-
Finance income	6,161	5,067	55,210	8,398
Total value added to distribute	128,445	25,076	320,486	145,111
Personnel				
Direct compensation and benefits	4,265	3,277	16,698	14,642
Direct compensation	3,535	2,678	13,031	11,352
Benefits	558	427	2,660	2,315
Government Severance Indemnity Fund for Employees (FGTS)	172	172	1,007	975
	4,265	3,277	16,698	14,642
Taxes and contributions				
Taxes and contributions	17,042	739	74,678	41,917
Federal	1,664	717	70,493	37,705
State	15,210	16	334	295
Municipal	168	6	3,851	3,917
	17,042	739	74,678	41,917
Third-party capital remuneration				
Rentals	418	349	1,005	858
Interest and monetary variations	7,755	1,468	45,309	29,948
Distribution of dividends	(10,685)	914	(10,685)	-
	(2,512)	2,731	35,629	30,806
Profit for the year not distributed	109,650	18,329	193,481	57,746
Total	128,445	25,076	320,486	145,111

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

(A free translation of the original in Portuguese)

CONASA INFRAESTRUTURA S.A. and its subsidiaries

Notes to the financial statements

Years ended December 31, 2021

All amounts in thousands of reais unless otherwise stated

1. Operations

CONASA INFRAESTRUTURA S.A. (“Company”, “Conasa” or, together with the other companies, “Group”) is a privately-held corporation, which operates as a holding company focused on infrastructure, investment as a stockholder in companies, especially in the environmental sanitation, public lighting and highways sectors, with headquarters in Londrina, State of Paraná.

As described in Note 1.1 below, Conasa acquired equity interests in certain companies from Zeta Infraestrutura S.A. and U2S, through which Conasa started to hold control of these businesses in exchange for the issuance and delivery of 18,593,118 common shares of R\$ 70,727 on its behalf, in return for the acquisition of this interest with a share premium of R\$ 26,044.

At the end of 2021, the Company, through FIP – Infra Setorial Fundo de Investimentos e Participações, issued 29,931,192 common shares, thus increasing its share capital by R\$130,500.

1.1. Business combination

On May 3, 2021, the Company established a binding Memorandum of Understanding for the merger of a portion of the assets of Zeta Infraestrutura S.A. (“Zeta Infraestrutura”), transferring shares to U2S Participações Ltda. (“U2S”), equivalent to 10% of Conasa's capital. The acquisition, concluded on November 30, 2021, aimed to consolidate the investments in assets already held by the Company in which Zeta Infraestrutura S.A. holds a non-controlling interest, aiming to consolidate the control of Conasa over such assets.

Zeta held 34% of ASB, 25% of Luz de Belém, 12% of Via Brasil MT 100, 12% of Via Brasil MT 320 and 12% of Via Brasil MT 246. With the merger, Conasa started to hold 68% of ASB, which was controlled by voting agreement, 75% of Luz de Belém, 52% of Via Brasil MT 100, 52% of Via Brasil MT 320 and 52% of Via Brasil MT 246 and will control such companies in the main corporate decisions.

U2S, which is the parent company of Zeta Infraestrutura, will become part of the Company's shareholding block. As a result, the four assets that were not yet subsidiaries started to be consolidated in the financial statements as from the date of acquisition of control, where for all effects of results, the balances of the trial balance sheets at November 30, 2021, date of completion of the acquisition, were used. On this date, the assets and liabilities assumed by the Company in exchange for the issuance of shares amounted to R\$ 70,727 with share premium of R\$ 16,914 and gain on the acquisition of the additional portion from non-controlling interests in the amount of R\$ 9,130. Details in Note 12 (a).

1.2. Investments (Concession assets and others)

Currently, the Company holds a significant direct and indirect interest in 21 companies, of which 12 are concessions or Public-Private Partnerships (“PPP”), in addition to three consortia that were winners of concessions and contracts in 2020 and one in 2021, as described below:

Companhia Águas de Itapema (“Águas de Itapema”)

Águas de Itapema is a concessionaire that provides water supply and sewage treatment services in the Municipality of Itapema, State of Santa Catarina. The services include the execution of all investments and activities necessary for the management of the water supply and sewage systems, by charging a tariff, as shown below:

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Years ended December 31, 2021

All amounts in thousands of reais unless otherwise stated

Beginning	End	Activity	City/State
2004	2044	Concessionaire of the water supply and sewage systems	Itapema-SC

In 2019, 2020 and 2021, Águas de Itapema invested R\$ 47,866, R\$ 19,561 and R\$ 7,612, respectively, for the expansion of water collection, treatment and distribution systems, and sewage collection and treatment systems. In December 2020, Decree 102/2020 authorized a tariff adjustment of 12.14% as from February 1, 2021.

Sanesalto Saneamento S.A. (“Sanesalto”)

Sanesalto is a listed corporation that holds the Sewage Treatment Concession Contract of the city of Salto, State of São Paulo, as follows:

Beginning	End	Activity	City/State
2004	2032	Concessionaire of the sewage system	Salto-SP

In 2019, the Company completed the acquisition process initiated in 2012, acquiring the remaining 50.05% of shares. With this transfer of shares, the Company now holds 100% of Sanesalto's shares and consolidates the financial statements of the subsidiary.

ASB Ativos de Saneamento do Brasil S.A. (“ASB”)

In February 2017, the Company acquired 34% of the shares of ASB, parent company of Sanema Saneamento de Maceió Ltda. At the end of 2019, Conasa assumed the control of ASB, through a stockholders' agreement, consequently consolidating ASB and Sanema.

Sanema – Saneamento de Maceió Ltda. (“Sanema”)

Beginning	End	Activity	City/State
2021	2051	Contract for the lease of assets of the sewage collection and treatment system.	Maceió-AL

Sanema signed a contract for the lease of assets of the sewage collection and treatment system in the city of Maceió/AL with CASAL - Companhia de Saneamento de Alagoas. The contract establishes that the assets will be leased to CASAL for 30 years after the delivery of the works, contractually scheduled for September 2021.

On December 18, 2020, the State of Alagoas and BRK Ambiental signed a concession contract of CASAL for water and sewage services in the 13 cities of the Metropolitan Region of Maceió. Accordingly, BRK is the successor of CASAL in the asset lease agreement with Sanema.

Sanesul Construtora Saneamento do Sul S.A. (“Sanesul”)

Sanesul is a privately held corporation and is currently engaged in the investment as quotaholder in Águas de Meriti Ltda., holding 49% of the quotas of this concessionaire.

Águas de Meriti Ltda. (“Águas de Meriti”)

Águas de Meriti is a concessionaire of sanitation services in São João do Meriti, Rio de Janeiro, and is responsible for the sewage collection system of the municipality with 460 thousand inhabitants. The

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Years ended December 31, 2021

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concession period is for 30 years, however, the company has not yet started its operations.

Beginning	End	Activity	City/State
2015	2045	Concessionaire of the sewage system.	São João do Meriti-RJ

On December 29, 2020, the Government of the State of Rio de Janeiro published International Bidding Notice 001/2020, comprising the Regional Concession of Water Supply and Sewage Public Services for the concession of the metropolitan region of Rio de Janeiro. This Notice confirms the validity of the concession contract of Águas de Meriti and will allow, as expected by management, the resumption of the concession up to 2022. In fact, on April 30, 2021, the Aegea Consortium led by Aegea Saneamento e Participações S.A. (with participation of the Equipav Group, the Singaporean Sovereign Wealth Fund - GIC and Itaúsa), won the offers presented for blocks 1 and 4 (the latter comprises the municipality of São João do Meriti), according to the bid carried out (“auction of Cedae”) in B3 S.A. - Brasil, Bolsa, Balcão (“B3”).

Sanetrat Saneamento S.A. (“Sanetrat”)

Sanetrat is a privately-held corporation engaged in the treatment of industrial effluents and related investments. It has an operational plant in Salto, State of São Paulo, and a plant in the phase of obtaining an environmental permit in Itapema, Santa Catarina, whose property has already been acquired.

Águas de Santo Antônio S.A. (“Águas de Santo Antônio”)

Águas de Santo Antônio is a privately-held corporation, whose corporate purpose is the concession of water of the municipality of Santo Antônio de Pádua, state of Rio de Janeiro, for a period of 30 years, starting from the signing of the contract, on April 30, 2004.

On January 12, 2017, the mayor of Santo Antônio de Pádua, through Decree 003, declared the expiration of the concession established between the municipality and Águas de Santo Antônio, against which Águas de Santo Antônio has filed an appeal.

Beginning	End	Activity	City/State
2004	2034	Concessionaire of the water supply system.	Santo Antônio de Pádua-RJ

FEC Consortium

The FEC Consortium, composed of Conasa (25.44%), Etesco and Fast won in August 2020 the bidding of Sabesp for the implementation of two water quality recovery units (URQA) in informal areas included in the Novo Rio Pinheiros program package, which establishes sanitation and social and environmental interventions with the objective of recovering the Pinheiros River.

The contract with Sabesp determines the implementation, operation and maintenance of the URQAs that will treat the sewage discharged into Jaguaré and Antonico streams, both tributaries of Pinheiros with flows of 300L/s and 180L/s respectively, this strategy is designed to address the lack of space that makes it impossible to deploy a collector system through conventional infrastructure.

The estimated period for implementation is up to 22 months, with operation and maintenance in a total period of 10 years. The contract value is R\$ 87.4 million (unaudited) of the performance type and counts on an additional technological innovation pioneering in the country, incorporating the nanobubbles ozone oxidation to the conventional process.

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Urbeluz Energética S.A. (“Urbeluz”)

Subsidiary Urbeluz is a privately-held corporation specialized in public lighting management and energy efficiency projects.

Urbeluz operates mainly in the management of public lighting and energy efficiency, as stockholder in Special Purpose Entities, Public-Private Partnership concessionaires of energy efficiency and public lighting management. Currently, Urbeluz holds a significant interest in Alegrete, CaraguaLuz and MarabáLuz, presented below.

Alegrete RJ Participações S.A. (“Alegrete”)

Alegrete is a privately-held corporation established as a special purpose entity for the management and improvement of the efficiency of the public lighting structure and public buildings of São João de Meriti, according to an administrative concession contract. The duration of the concession contract is 25 years, up to 2039.

Beginning	End	Activity	City/State
2014	2039	Concessionaire responsible for the management and improvement of the efficiency of the public lighting structure and public buildings of the municipality	São João do Meriti-RJ

Caraguá Luz S.A. (“CaraguaLuz”)

CaraguaLuz is a special purpose corporation, established for the execution of the Administrative Concession Contract signed between the respective SPE and the Municipal Government of Estância Balneária de Caraguatatuba, whose purpose is the improvement of the efficiency and management of the public lighting structure of the municipality.

On December 30, 2020, the Company formalized the second amendment to the agreement with the Municipal Government of Caraguatatuba, according to the definitions of the first economic and financial rebalancing of the agreement and consequent extension of the agreement for additional 13 years, totaling 26 years.

Among the main changes are the increase in the quantity of lamps to be installed in the city's lighting structure and the dilution of the amount equivalent to five (5) monthly considerations whose billing was suspended, establishing the payment in installments over the period of the agreement, and a new cycle of investment and modernization.

Beginning	End	Activity	City/State
2015	2041	Concessionaire responsible for the management and improvement of the efficiency of the public lighting structure of the municipality	Caraguatatuba-SP

Marabá Luz SPE S.A. (“MarabáLuz”)

On July 18, 2016, the Company and Urbeluz participated in the bidding process 001/2016/CEL/PMM, of Public-Private Partnership for the management of public lighting in the Municipality of Marabá. On

CONASA INFRAESTRUTURA S.A. and its subsidiaries

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All amounts in thousands of reais unless otherwise stated

September 5, 2016, the proposal was approved and the consortium was called for the signing of the contract. The special purpose company was created and signed an agreement with the Municipality for the administrative concession with a duration of 25 years. The Company and Urbeluz hold 25% and 55%, respectively, of the SPE. After signing the agreement on January 25, 2017, the Municipality requested the annulment of the agreement through a decision act. The concessionaire filed a writ of mandamus and cognizance suit requesting the cancellation of the annulment, in which it obtained a favorable decision at the lower court and awaits the process for the initiation of the PPP.

Mauá Luz Ltda. (“Mauá Luz”)

Mauá Luz is a special purpose entity for the establishment of a Public-Private Partnership for the public lighting management of the Municipality of Mauá. The duration of the administrative concession is 35 years, from the start of the service provision in December 2016.

Beginning	End	Activity	City/State
2016	2051	Concessionaire responsible for the management and improvement of the efficiency of the public lighting structure of the municipality	Mauá - SP

Teresina Luz Ltda. (“Teresina Luz”)

Teresina Luz is a special purpose company for the establishment of a Public-Private Partnership for the public lighting management of the Municipality of Teresina, State of Piauí. The duration of the administrative concession is 20 years, from the start of the service provision in August 2020.

Beginning	End	Activity	City/State
2020	2040	Concessionaire responsible for the management and improvement of the efficiency of the public lighting structure of the municipality	Teresina/PI

A writ of mandamus was filed by Zoponi, 2nd place in the bidding process, against Brasiluz Eletrificação e Eletrônica LTDA, leader of the consortium that won the bidding of which the Company is a member, under number 0830280-47-2019-818-0140, in progress in the 1st tax court of Teresina/PI, with acceptance of the remedy request to suspend bidding process 042.002249/19. In TJ/PI, the consortium suspended the effects of the decision with the remedy request in interlocutory appeal 0715483-90-2019-818-0000.

The Bid Committee and the Audit Court of the State of Piauí unanimously approved the consortium, and management understands that Zopone's request is groundless.

Luz de Belém S.A. (“Luz de Belém”)

In November 2020, the Company participated as the leader (50%) of the auction for the public lighting PPP in Belém, State of Pará, a project structured by CAIXA ECONÔMICA FEDERAL and an auction held by B3, in which the Company was the winner. The contract includes efficiency improvement through the implementation of LEDs in the entire lighting structure in up to 24 months, and the management of the structure for 13 years.

A writ of mandamus was filed by Proteres, 2nd place in the bidding process, against Conasa Infraestrutura, leader of the consortium that won the bidding of which the Company is a member, in progress in the 1st tax court of Belém/PA, with acceptance of the remedy request to suspend bidding process 8082/19 of

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public tender 005/2020. In TJ/PA, the consortium suspended the effects of the decision with the remedy request in interlocutory appeal.

The Bid Committee and the Audit Court of the State of Pará are still analyzing the issue and management understands that Proteres' request is groundless.

Estimated beginning	Estimated end	Activity	City/State
2021	2034	Consortium winner of the concession responsible for the management and improvement of the efficiency of the public lighting structure of the municipality	Belém/PA

Construtora Luz de Mauá Ltda. (“Construtora LM”)

Construtora LM is a company created for the execution of energy efficiency works, operating in full or partial job contracting regimes, as well as in management, in which the Company holds 20% of the quotas.

Conasa SPE S.A. (“CONASA SPE”)

The Special Purpose Entity (SPE) was established on May 9, 2014, and it is engaged in the financing of the expansion of public and/or private service exploration projects in sanitation, in partnership with its parent company Conasa.

Via Brasil MT 100 Concessionária de Rodovias S.A. (“Via Brasil MT 100”)

Via Brasil MT 100 was created as a special purpose corporation for the management of the MT100 state highway stretch between the municipalities of Alto Araguaia and Alto Taquari in Mato Grosso, assuming the highway on September 24, 2018. After the investments established in the first year of the concession, mainly the implementation of two toll plazas and the renovation of the pavement to guarantee the traffic and road safety, Via Brasil MT 100 began the collection of toll fees in December 2019.

On December 28, 2021, the Company entered into a financing agreement with the National Bank for Economic and Social Development (BNDES) in the amount of R\$200,000 for investments planned until the 7th year of the concession.

In December 2021, according to the first amendment to the concession agreement, the terms of the Company's economic rebalancing was signed, according to clause 39.4 of the concession agreement, where the characteristics of the agreement were changed, among them the variable grant paid to the Infrastructure Department (SINFRA) which was 1% of the tariff revenue and will be reduced to 0% from the second quarter of 2021, in addition to the postponement of several investments.

Beginning	End	Activity	State
2018	2048	Concessionaire responsible for the management of the stretch of MT 100 highway	Mato Grosso

Via Brasil MT 320 Concessionária de Rodovias S.A. (“Via Brasil MT 320”)

Via Brasil MT 320 was created as a special purpose corporation for the management of stretches of state highways MT320 and MT208 between the municipalities of Alta Floresta and Nova Santa Helena in Mato Grosso, assuming the management of the highways on May 21, 2019. After the investments established in

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All amounts in thousands of reais unless otherwise stated

the first year of the concession, mainly the implementation of three toll plazas and the renovation of the pavement to guarantee the traffic and road safety, Via Brasil MT 320 began the collection of toll fees in October 2020.

Beginning	End	Activity	State
2019	2049	Concessionaire responsible for the management of stretches of MT 320 and 208 highways	Mato Grosso

Via Brasil MT 246 Consortium (“Via Brasil MT 246”)

On November 26, 2020, the Via Brasil MT 246 Consortium won the auction of Lot 2-Tangará da Serra for the concession of state highways MT-246, MT-343, MT-358 and MT-480 with 233.2 kilometers, held at B3 by the Government of the State of Mato Grosso. The concession will have a 30-year period and management expects that the agreement will be signed in March 2021.

The lot includes a 233.2 km stretch of highways between Jangada and Itanorte, passing through Tangará da Serra. The contract establishes an estimated investment of R\$ 730 million (unaudited) and has a duration of 30 years. The highway has a high agribusiness demand and feeds the crop flow routes. Management expects the works to be completed in May 2022, with start of collection in June.

Estimated beginning	Estimated end	Activity	State
2021	2051	Concessionaire responsible for the management of stretches of MT246, MT343, MT358 and MT480 highways	Mato Grosso

Via Brasil BR 163 Consortium (“Via Brasil BR 163”)

On July 7, 2021, Via Brasil was declared the winner of the auction of highway BR-163/230/MT/PA, whose highway system comprises a total of 1,009.5 km of extension that makes the interconnection between the Midwest and North regions of Brazil. This interconnection is fundamental to ship the production (mainly farming) of the Paraná stretch of the North Region and of the north of the Midwest Region, connecting the port terminals of Arco Norte (Tapajós River) to the municipality of Sinop (MT). The winning toll rate was R\$ 0.07/km, representing a discount of 8% in relation to the ceiling established in the notice. The investments in the concession are estimated at more than R\$ 1.8 billion in reais of 06/2021 and have as objective implementing improvements in the infrastructure over the ten years of duration of the concession agreement, scheduled to begin in April 2022. Conasa has a 76% stake in Via Brasil Consortium and with the completion of the merger of assets of Zetta Infraestrutura its stake will be 90%.

Estimated beginning	Estimated end	Activity	State
2021	2051	Concessionaire responsible for the management of stretches of BR-163/230/MT/PA highways	Mato Grosso

Alagoas Consortium (Block B)

On December 13, 2021, the Consortium formed by Conasa Infraestrutura and Allonda Ambiental Saneamento won the auction held at B3 for the concession of sanitation services in 34 municipalities in the countryside (“Agreste” and “Sertão”) of Alagoas (Block B), comprising more than 560 thousand inhabitants. The bid was BRL 1.215 billion for the management of services for the next 35 years.

In addition to the grant, the consortium will make planned investments of approximately R\$ 1.9 billion. For water supply, investments are estimated at R\$ 883,411 and comprise the Sertão, Bacia Leiteira,

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Carangueja, Caçamba and Agreste water collection systems. For sewage collection and treatment, the investments will be R\$ 1,014,053.

In the municipalities currently served by CASAL, the consortium will carry out commercial and water distribution services and sewage services. In the municipalities currently served by SAAE (Serviço Autônomo de Água e Esgoto), all services will be provided in their entirety. Universalization shall occur until 2033, considering reaching 100% of water supply and 90% of sewage treatment.

Estimated beginning	Estimated end	Activity	State
2022	2057	Concessionaire responsible for the management of water and sewage treatment in 34 municipalities in the Agreste of Alagoas.	Alagoas

1.2. Pandemic impacts

The impacts of the pandemic on the Company and its investees were limited, with a marginal revenue loss and a controllable increase in default. In addition, there have been delays in investments planned for 2020, without prejudice to the concession contracts and obligations established, but with the postponement of the results arising from such investments. In 2021, the Company was affected in the first quarter mainly in investee Águas de Itapema, since it is a coastal city, where restrictive decrees led to a reduction in the revenue of this investee in the estimated amount of R\$ 3,700, even taking into account the tariff increase of 12.14%. Even considering this drop in revenue in the first quarter of 2021, compared to the same period of 2020, the investee did not have impact on its cash flows since in the other periods there was no drop in its revenues and at the end of 2021, it had a significant increase of 15.91% in annual revenue, recovering its revenue with the resumption of tourism in the Santa Catarina coast.

2. Approval of the issue of the financial statements

The Company's Board of Directors approved the parent company and consolidated financial statements for the year ended December 31, 2021 on March 24, 2022.

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3. Basis of preparation of the accounting information:

3.1. Statement of compliance

The financial statements have been prepared in accordance with accounting practices adopted in Brazil, including the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC), as well as according to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and disclose all (and only) the applicable significant information related to the financial statements, which is consistent with the information utilized by management in the performance of its duties.

3.2. Basis of measurement

The main accounting policies applied in the preparation of these financial statements are set out in Note 3.5.

The financial statements have been prepared under the historical cost convention, which, for certain financial assets and liabilities, have their cost adjusted to reflect measurement at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.7.

3.3. Basis of consolidation

The dates of the financial statements of the subsidiaries and joint ventures used for the consolidation and calculation of equity in the results coincide with those of the Company.

For the 2021 closing, as mentioned in note 1.1, the assets and liabilities of the four companies in which Conasa Infraestrutura already held interests were consolidated based on December 31, 2021. The results of these companies were used only in the changes in December 2021, when the control of such equity interests began.

The Company uses the full consolidation criteria and the direct interests in subsidiaries, included in the consolidation, are as follows:

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	Ownership interest	
	12/31/2021	12/31/2020
Direct subsidiaries		
Águas de Santo Antonio S.A.	100.00%	100.00%
Companhia Águas de Itapema	100.00%	100.00%
Sanetrat Saneamento S.A.	100.00%	100.00%
Conasa SPE S.A.	99.99%	99.99%
Urbeluz Energética S.A.	50.00%	50.00%
Sanesul Construtora Saneamento do Sul S.A.	89.91%	89.91%
Sanesalto Saneamento S.A.	100.00%	100.00%
ASB Ativos de Saneamento do Brasil S.A.	68.72%	34.36%
Luz de Belém	75.00%	-
Via Brasil MT- 100 Concessionária de Rodovias S.A.	52.00%	40.00%
Via Brasil MT- 320 Concessionária de Rodovias S.A.	52.00%	40.00%
Via Brasil MT- 246 Concessionária de Rodovias S.A.	52.00%	40.00%
Via Brasil BR- 163 Concessionária de Rodovias S.A.	76.00%	0.00%
Indirect subsidiaries (**)		
Alegrete RJ Participações S.A.	50.00%	50.00%
Caragua Luz S.A.	27.50%	27.50%
Consórcio Caraguá	27.50%	27.50%
Sanema Saneamento de Maceió Ltda.	66.66%	33.33%
Associates (*)		
Mauá Luz Ltda.	20.00%	20.00%
Construtora Luz de Mauá Ltda	20.00%	20.00%
Marabá Luz SPE S.A.	20.00%	20.00%
Indirect associates (*)		
Concessionária Águas de Meriti Ltda.	49.00%	49.00%
Joint venture (***)		
Teresina Luz S.A.	33.33%	33.33%

(*) Companies that are not consolidated in these financial statements.

(**) Alegrete, CaraguaLuz and Caraguá Consortium are subsidiaries through Urbeluz, and Sanema is a subsidiary through ASB.

(***) Investee Teresina Luz is jointly managed, in which decisions must have at least a 75% approval, which requires unanimity among the stockholders.

(****) Urbeluz, despite its 50% interest, is part of the consolidation under the voting agreement with the non-controlling stockholder.

Transactions eliminated on consolidation

Balances and transactions between Group companies and any unrealized revenues or expenses arising

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from transactions between Group companies are eliminated in the preparation of the consolidated financial statements. Unrealized gains arising from transactions with investees recorded based on equity accounting method are eliminated to the extent of the Company's interest in the investee. Unrealized losses are eliminated in the same manner, but only to the extent that there is no objective evidence of impairment.

3.4. Functional and presentation currency

The Company's functional currency is the Brazilian real, since it represents its main operation conditions: sale, main costs and expenses, and primary borrowing facilities with financial institutions. The parent company and consolidated financial statements are presented in thousands of reais.

3.5. Summary of significant accounting policies

The accounting policies described in detail below have been consistently applied in all years presented in these financial statements.

3.5.1. Consolidation

The following accounting policies are applied in the preparation of the consolidated financial statements.

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. They are fully consolidated from the date on which control is transferred to the Group and deconsolidated from the date that control ceases.

Identifiable assets acquired and liabilities and contingent liabilities assumed for the acquisition of subsidiaries in a business combination are measured initially at their fair values at the acquisition date, and only when there is acquisition.

The Group recognizes any non-controlling interest in the acquiree on an acquisition- by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the fair value of the acquiree's identifiable net assets. Non-controlling interests are determined on each acquisition. Acquisition-related costs are expensed as incurred.

Transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated, unless the transaction provides evidence of impairment of the asset transferred. The accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the proportion acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded directly in equity, in "Carrying value adjustments", if any.

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(c) Associates and joint arrangements

Associates are all entities over which the Group has significant influence but not control, generally accompanying a material shareholding that assures it the right to influence management through Meetings, the Board of Directors or the Executive Board, but without the individual control over these bodies.

Joint arrangements are all entities over which the Group shares control with one or more parties. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

Joint arrangements are accounted for in the financial statements in a manner consistent with the Group's contractual rights and obligations. Therefore, the assets, liabilities, revenues and expenses related to its interests in joint operations are individually accounted for in its financial statements.

Investments in associates and joint ventures are accounted for on the equity method and are initially recognized at cost. The Group's investment in associates and joint ventures includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of the profit or loss of its associates and joint ventures is recognized in the statement of income and its share of reserve movements is recognized in the Group reserves. When the Group's share of losses in an associate or joint venture equals or exceeds the carrying amount of the investment, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate or jointly-controlled investee.

Unrealized gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of the associates and jointly-controlled investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss where appropriate.

Dilution gains and losses arising on investments in associates are recognized in the statement of income.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. The amounts previously recognized in other comprehensive income are reclassified to profit or loss.

3.5.2 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits with banks and other short-term highly liquid investments with original maturities of three months or less, and with immaterial risk of change in value. The balance is presented net of bank overdrafts in the statement of cash flows. In the balance sheet, bank overdrafts and/or borrowings in current accounts are shown within "Borrowings and debentures" in current liabilities.

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3.5.3 Financial assets and liabilities

3.5.3.1 Financial assets - classification

The Company classifies its financial assets in the measured at amortized cost category. The classification depends on the nature and purpose for which the financial assets were acquired. Management determines the classification of financial assets upon their initial recognition. At December 31, 2021 and 2020, the Company had financial instruments classified solely in the amortized cost category.

• Amortized cost

This category includes financial assets that meet the following conditions: (i) are held within a business model whose objective is to hold financial assets to collect contractual cash flows; and (ii) the contractual terms of the financial asset give rise, on specified dates, to cash flows that constitute exclusively payments of principal and interest on the principal amount outstanding.

They are included in current assets, except for maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets. The Company's financial assets measured at the amortized cost comprise cash and cash equivalents, restricted cash, trade receivables, financial assets, balances with related parties, and other receivables.

3.5.3.2 Financial liabilities - classification

The Company classifies its financial liabilities in the measured at amortized cost category. The classification depends on the purpose for which the financial liabilities were assumed. This category includes balances payable to contractors and suppliers, borrowings and debentures, services payable, and balances payable under Public-Private Partnerships (PPP).

The effective interest method is used to calculate the amortized cost of a financial liability and allocate its interest expense over the respective period. The effective interest rate is the rate that exactly discounts estimated future cash flows (including fees, transaction costs and other issuance costs) through the expected life of the financial liability, or, where appropriate, a shorter period, for the initial recognition of the net carrying amount.

3.5.4 Trade receivables and provision for impairment of trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of the Company's business. They are classified as current assets, except for those with maturities greater than 12 months after the end of the reporting period, which are classified as non-current. The Company records a provision for impairment of trade receivables for the balances receivable at an amount deemed sufficient by management to cover any losses. The analysis is based on objective data from "accounts receivable", history of receipts, existing guarantees, and future expected losses.

3.5.5 Assets to be used in concessions and services

Assets to be used in concessions and services are stated at the lower of cost and net realizable value. These assets are determined using the weighted moving average method. Costs of these assets include the transfer from equity of any gains/losses on qualifying cash flow hedges of purchases of materials. These assets are materials intended for consumption, allocation in services to be provided and maintenance of the infrastructure of: a) water treatment and distribution; b) sewage collection and treatment; and c) maintenance of public lighting. Materials intended for the construction of the infrastructure linked to the

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concession of the subsidiaries are classified as “intangible assets in progress”. Provisions for obsolete inventories are established whenever considered necessary by management.

3.5.6. Concession contract assets

The assets linked to the concession infrastructure, whose right to consideration depends on the satisfaction of performance obligations, are classified as concession contract assets.

Upon initial recognition, the concession contract asset is recorded with the execution of the investments established in the concession contracts measured at fair value. Fair value is determined by the contractually defined price, if applicable, or the acquisition cost. Subsequently, the concession contract asset is presented at amortized cost; it is updated by the Contract Asset Remuneration Rate (“TRAC”) and amortized according to the receipt of consideration. At the beginning of each concession, TRAC is estimated by the Company using internal components of each contract and the market. The concession contract asset will be remunerated at this rate during the concession period, and this rate is periodically reviewed.

The balance of the concession contract asset reflects the future cash flow discounted at the concession TRAC. The Company's estimates in determining the monthly financial consideration that should remunerate the infrastructure are considered in the future cash flow.

3.5.7. Intangible assets

a) Intangible assets - concession contracts

The Company, through its direct and indirect subsidiaries and associates, operates concession contracts including the provision of environmental and basic sanitation services, water supply and sewage collection, signed with concession authorities.

The Company, its subsidiaries and associates recognize the intangible assets depending on the characteristics of the concession, as it makes the investments linked to the Concession Contract and holds the right (authorization) to collect tariff from users of utilities or consideration due by the granting authority, according to ICPC 01 (R1) / IFRIC 12 – Service Concession Arrangements and OCPC 05 – Service Concession Arrangements.

Under this model, from the date of signature of the Concession Contract, the Company records the investments made in intangible assets, which are recovered by the receipt of tariffs during the concession, or in the concession contract asset, when the consideration is due directly by the granting authority or the recovery of the asset exceeds the term of the Concession Contract.

For intangible assets, the assets are amortized on a straight-line basis, at the shorter of the concession contract periods and the economic useful lives of the assets. For concession contract assets, the amortization is carried out according to the consideration defined for the amortization of the asset. The concession contracts establish the reversal of the asset at the end of the contractual period, thus the amortization occurs until the end of the contract period. In specific cases where there is economic and financial imbalance of the Concession Contract, unamortized intangible assets shall be indemnified by the Granting Authority for the reversal of the asset.

b) Surplus value in investments

The surplus value recognized on the acquisition of subsidiaries represents the difference between the amount paid and the fair value of identifiable assets and liabilities at the time of acquisition, and is

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allocated to the intangible asset and contract asset linked to the concession and is amortized over the period of concession of the investees.

c) Software

Computer software licenses are capitalized on the basis of the costs incurred to purchase and bring to use the specific software. These costs are amortized over the estimated useful life of the software (five years).

Costs associated with maintaining computer software programs are recognized as an expense as incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets.

3.5.8. Property and equipment

Land and buildings comprising mainly offices and assets not linked to the concessions and PPPs or not reversible at the end of these concessions. Property and equipment are stated at historical cost less accumulated depreciation. Historical cost includes finance costs related to the acquisition of qualifying assets. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with these costs will flow to the Group and they can be measured reliably. The carrying amount of the replaced items or parts is derecognized. Land is not depreciated. Depreciation of other assets is calculated using the straight-line method, limited to the concession period, when it is shorter than the useful life, to reduce their cost to their residual values over their estimated economic useful lives, as follows:

	Annual depreciation rate
Buildings	4%
Facilities	4%
Machinery and equipment	10%
IT equipment	20%
Furniture and fittings	10%
Vehicles	20%
Leasehold improvements	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is immediately written down to the recoverable amount when it exceeds that amount. Gains and losses on disposals are determined by comparing the amounts of sales with the carrying amounts and are recognized within "Other income (expenses), net" in the statement of income.

3.5.9. Impairment of non-financial assets

Management tests annually the Group's non-financial assets for impairment. Assets that are subject to amortization are tested for impairment at least annually. An impairment loss is recognized when the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

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For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows; each investment is considered a Cash-generating Unit (CGU), since each investment is made to comply with a concession contract. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs (or groups of CGUs) that is expected to benefit from the synergies of the combination, which are identified at the operating segment level.

Non-financial assets that were adjusted due to impairment are subsequently reviewed for possible reversal of the impairment at the balance sheet date. The impairment of goodwill recognized in the statement of income is not reversed.

The Company prepares annually the impairment testing of any surplus value and goodwill on acquisitions, considering each individual company as a Cash-generating unit (CGU) under the value in use method through the discounted cash flow. The method is appropriate because it estimates the going concern status up to the end of the concession contracts.

3.5.10. Right-of-use assets and lease liabilities

The lease contracts are recorded in assets under Right of use, which corresponds to the one representing the transfer to the lessee of the right of use of the leased asset over the lease period; the related liability generated represents the lessee's obligation to pay installments to the lessor over the lease period, according to the degree of enforceability known as the lease liability, with the exception of short-term leases (less than 12 months) or leases of low-value assets, according to CPC 06 (R2)/IFRS 16.

The contracts may contain both lease and non-lease components. The Group allocates the costs of the contracts to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Lease contracts do not include restrictive covenants. However, the related leased assets must not be given as guarantees for borrowings.

The Group determines the implicit discount rate to be applied to its lease contracts, which is used to calculate the present value of lease liabilities at the initial recording of the contract.

3.5.11. Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Accounts payable are classified as current liabilities if payment is due in one year or less. If not, they are presented as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

3.5.12. Borrowings and debentures

Borrowings are recognized initially at fair value, net of transaction costs incurred, and are subsequently carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the total amount payable is recognized in the statement of income over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

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General and specific borrowing costs, such as funding cost, are recognized as a reduction of the liability and are amortized in the same current period of the borrowings payments. The other borrowing costs are recognized as finance costs in the period in which they are incurred.

3.5.13. Provisions

Provisions for environmental restoration, restructuring costs and legal claims (labor, civil and tax) are recognized when: (i) the Group has a present legal or constructive obligation as a result of past events; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) the amount can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions do not include future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the time elapsed is recognized as interest expense.

3.5.14. Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are recognized as personnel expenses as the related service is provided. The liability is recognized at the estimated amount to be paid on healthcare plans, meal vouchers, life insurance, among other short-term benefits if the Company and its investees have a legal or constructive obligation to pay this amount for the rendering of past services by the employee, and the obligation can be reliably measured.

3.5.15 Current and deferred income tax and social contribution

The income tax and social contribution expenses for the year comprise current and deferred taxes. Taxes on profit are recognized in the statement of income, except to the extent that they relate to items recognized in comprehensive income or directly in equity. In such cases, the taxes are also recognized in comprehensive income or directly in equity.

The current and deferred income tax and social contribution are calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken by the Group in income tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The current income tax and social contribution are presented net, separated by taxpaying entity, in liabilities when there are amounts payable, or in assets when the amounts prepaid exceed the total amount due on the reporting date.

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Deferred income tax and social contribution are recognized, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognized only to the extent it is probable that future taxable profit will be available against which the temporary differences and/or tax losses can be utilized. The Group does not adopt the practice of recognizing deferred taxes on tax losses, even considering expectations of realization.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, except for a deferred tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are presented net in the balance sheet when there is a legally enforceable right and the intention to offset them upon the calculation of current taxes, generally when related to the same legal entity and the same tax authority. Accordingly, deferred tax assets and liabilities in different entities or in different countries are generally presented separately, and not on a net basis.

In the calculation under the taxable income system, income tax and social contribution are calculated considering the addition of non-deductible expenses, as well as the exclusion of non-taxable income. For the calculation under the deemed income system, in most investees, the presumption of income is calculated at 32%, except for those companies treated as civil construction, where the presumption is 8% and 12% for income tax and social contribution, respectively.

The Group's management evaluates annually through its business plans, the current year and the economic situation of investees, which is the best tax system to be applied in each one. The parent company opted for the taxable income system for the year ended December 31, 2021, as well as for 2020. The following are the tax system of the direct and indirect investees of the Group, regardless of consolidation:

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Investees - Conasa Group	Tax system - 2021	Tax system - 2020
Companhia Águas de Itapema	Taxable income	Taxable income
Sanesalto Saneamento S.A.	Deemed income	Deemed income
Sanetrat Saneamento S.A.	Taxable income	Taxable income
Conasa-SPE S.A.	Deemed income	Taxable income
Sanesul – Construtora Saneamento do Sul S.A.	Taxable income	Taxable income
Águas de Santo Antônio	Deemed income	Deemed income
Concessionária Águas de Meriti Ltda.	Deemed income	Deemed income
Mauá Luz Ltda.	Taxable income	Taxable income
Construtora Luz de Mauá Ltda	Deemed income	Deemed income
Marabá Luz Ltda	Deemed income	Deemed income
ASB Ativos de Saneamento do Brasil S.A.	Deemed income	Deemed income
Sanema – Saneamento Maceió Ltda	Deemed income	Deemed income
Urbeluz Energética S.A.	Deemed income	Deemed income
Alegrete RJ Participações S.A.	Deemed income	Deemed income
CaraguaLuz SPE S.A.	Deemed income	Deemed income
Caragua Consortium	Deemed income	Deemed income
Via Brasil MT-100	Taxable income	Taxable income
Via Brasil MT-320	Taxable income	Taxable income
Via Brasil MT-246	Taxable income	-
Luz de Belém S.A.	Taxable income	Taxable income
Teresina Luz S.A	Taxable income	Taxable income
Via Brasil BR 163	Taxable income	-

3.5.16. Share capital

Common shares are classified in equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

3.5.17. Revenue recognition

Revenues from services provided are recognized upon the provision of the services. Revenues, including unbilled revenue, are recognized at the fair value of the consideration received or to be received for the provision of such services and are presented net of taxes and rates, rebates and discounts. Unbilled revenues comprise revenues for which the related services were provided but which had not been billed up to the end of each period, and are recognized as trade receivables based on monthly estimates of the completed services.

The Company recognizes revenue when it: i) identifies the contracts with customers; ii) identifies the different obligations of the contract; iii) determines the transaction price; iv) allocates the transaction price to the performance obligations of the contracts; and (v) satisfies all performance obligations. The amounts to be received under litigation are recognized when they are received.

- a) **Finance income and costs:** Income is represented by gains on changes in the value of financial assets according to interest obtained using the effective interest method. It includes interest income on amounts invested (including financial assets available for sale), gains on disposal of financial assets available for sale, and changes in the value of financial assets. Interest income is recognized using the effective interest rate method. Finance costs mainly include expenses with interest on borrowings. Borrowings costs that

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are not directly attributable to the acquisition, construction or production of a qualifying asset are recorded in the statement of income using the effective interest method.

- b) Construction revenue:** Construction revenue is recognized in accordance with ICPC 01 (R1)/IFRIC 12 (Service Concession Arrangements) and CPC 47 (R1)/IFRS 15 (Revenue from Contracts with Customers) to the extent that all performance obligations are satisfied over the period. During the construction phase of the contract, the asset is classified as an intangible asset, in which case the Company estimates that the fair value of its consideration is equivalent to the expected construction costs plus margin. The Company has adopted for the measurement of revenues and construction costs the zero margin, except in cases where the contract establishes objectively the contractual amount involved, as in the case of the subsidiary Sanema, in which the construction revenue is recognized using the Percentage of Completion (POC) method, on a contract for leasing assets in Sanema, establishing a margin between the contract amount and the budgeted cost. Revenues from the provision of services are derived from contracts for the maintenance or construction of works in sanitation and management of public lighting with municipalities and private companies. The following information is disclosed for the ongoing contracts at the end of the reporting period: (a) the aggregate amount of costs incurred and recognized profits (less recognized losses) to date; (b) the amount of advances received; and (c) the retention amounts.
- c) Operation and maintenance revenue:** After the infrastructure implementation phase, the operation and maintenance phase begins, in which this revenue is recognized at the amount actually measured or billed.
- d) Remuneration of the concession contract asset:** Revenue from the remuneration of the concession contract asset is recognized on the monetary adjustment of the balances of investments made over the contract period, which is part of the asset to be received over the concession contract periods through consideration.

3.5.18. Distribution of dividends

Distribution of dividends to the Company's stockholders is recognized as a liability in the Group's financial statements at year-end based on the Company's bylaws. Any amount that exceeds the minimum required is only provided on the date it is approved by the stockholders at an Extraordinary General Meeting. The Group's companies provide for amounts below the minimum required only when explicit in the bylaws.

3.5.19. Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to stockholders of the Company by the weighted average number of common shares outstanding during the year, excluding common shares purchased and held as treasury shares.

(b) Diluted

Diluted earnings per share are calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all financial instruments convertible into potential common shares with dilutive effects.

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3.5.19. Impairment of concession contract assets

The Company recognizes provisions for expected credit losses on concession contract assets measured at amortized cost and measures the provision for loss at an amount equal to the lifetime expected credit loss. When determining whether the credit risk of a concession contract asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without excessive cost or effort. This includes quantitative and qualitative information and analysis, based on the Company's historical experience, credit assessment, and also considers forward-looking information.

3.6. Statement of value added

The Company spontaneously discloses its parent company and consolidated statements of value added, which aim to highlight the wealth created by the Company. Its distribution over a given period is presented in accordance with the accounting practices adopted in Brazil applicable to listed companies and is introduced as an integral part of the financial statements. Under IFRS, the presentation of such statement is considered supplementary information.

3.7. Critical accounting estimates and judgments

Accounting estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Based on assumptions, the Company makes estimates concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

- a) **Impairment of financial assets - loans receivable:** the Company, through its subsidiary Urbeluz, recorded R\$ 14,537 in "Related parties" arising from loans with its related party Cobrapar - Companhia Brasileira de Participações, which is also a stockholder of Urbeluz, as disclosed in Note 9. Annually, the Company evaluates the assumptions and critical judgments involved in the assessment of the impairment risk of such credit and the ability to pay of the counterparty. The Company has been monitoring, with the support of its legal counsel, the evolution of the case. During 2020, the Company obtained in court the right to the execution of future receivables held by Cobrapar, which will be used for the settlement of the loans receivable.
- b) **Revenues to be billed:** At December 31, 2021, the Company, through its subsidiary Urbeluz, recorded R\$ 5,841 (R\$ 6,857 in 2020) in "Receivables - to be billed" arising from measurements made and not billed through its investees Caraguá Luz and Alegrete of PPP contracts with the Municipalities of Caraguatatuba and São João do Meriti, respectively, in which the revenue is recognized through measurements made at the end of each month, with billing by the municipal governments soon after the authorization of the finance department of each municipality. The Company makes these estimates and recognition of revenue, as disclosed in Note 5, and records provisions for receivables past due for more than 180 days.
- c) **Key assumptions used in the value-in-use calculations:** The Company tests annually whether its intangible assets have suffered any impairment, in accordance with the accounting policy stated in Note 3.5.9. The recoverable amounts of the cash-generating units (CGUs) have been determined based on value-in-use calculations based on estimates and budget projections approved by management. The

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complexity is due to significant judgments in relation to the estimate of discounted future cash flows, which include assumptions that are affected by macroeconomic and market conditions.

- d) Provision for impairment of trade receivables** - The Company records a provision for impairment of trade receivables after an individual analysis of customers and consumers. In addition, the Company has as its policy to recognize the balances past due for more than 180 days as a loss and to evaluate the estimate of certain expected losses in accordance with CPC 48/IFRS 9. The Company and its subsidiaries periodically assess their trade receivables to identify and recognize possible losses regardless of their maturities.
- e) Definition of construction margin** – The Company adopts the construction cost as a metric for construction revenue whenever there is no definition of the amount of construction revenue in the concession contracts and PPPs. In the specific case of Sanema, the construction contract followed by leasing has a specific definition of the contract amount, and the investee adopted such amount to account for the construction revenue, thus recording a construction margin between such revenue and the construction cost. In other concession contracts and PPPs, the respective managements adopt a zero margin for accounting for revenues and construction costs. Under this understanding, the Company does not recognize the construction margin because the concession models are not intended to generate profits from the construction of the infrastructure, but from the use of the assets invested with the respective provision of services, therefore, any construction margins are irrelevant.
- f) Accounting for concession contracts:** In accounting for highway concession contracts, the Company performs analyses that involve Management's judgment, mainly with regard to: applicability of the interpretation of concession contracts, determination and classification of expenses with infrastructure development, expansion and reinforcements as an operating intangible asset of the Company. The concession contract for highways in the state of Mato Grosso establishes a variable grant of 3% of the gross revenue, however in investee Via Brasil MT-100, with the economic rebalancing of the concession contract, it was changed to 2% after the first quarter of 2021. Management elected to recognize directly in the statement of income as deductible from revenue, recognizing the liability to the granting authority, which is paid quarterly, considering one of the assumptions in item 28 of OCPC 05.

3.8. Business combination

The Company applies the acquisition cost accounting allocation method to record business combinations. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the fair values of the assets transferred, the liabilities incurred at the acquisition date to the former owners of the acquiree, and the equity interests issued in exchange for the control of the acquiree. Acquisition-related costs are expensed as incurred.

The excess of: i) the consideration transferred; ii) the amount of any non-controlling interest in the acquiree (when applicable); and iii) the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net assets acquired is recognized as goodwill.

If the total of the three items above is less than the fair value of the net assets acquired, the gain is recognized directly in the statement of income, as "Gain from a bargain purchase".

3.9. The following amendments to standards were issued by the IASB and are effective as from January 1, 2021:

- Interest Rate Benchmark Reform - Phase 2: amendments to IFRS 9/CPC 48, IAS 39/CPC 38 and IFRS 7/CPC 40 - "Financial Instruments", to IFRS 16/CPC 06(R2) - Leases, to IFRS 4/CPC 11 "Insurance Contracts". Phase 2 of the IBOR reform brings the following temporary reliefs to the application of the

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forementioned standards, which were adopted by the Company, in relation to:

(i) Contractual cash flows for financial assets and liabilities: changing the basis for determining contractual cash flows is allowed without derecognition of the contract and, consequently, without immediate effect of gain or loss in the income statement, provided that it is directly related to the benchmark interest rate reform and replacement of the interest rate, and that new basis is considered economically equivalent to the prior base.

(ii) Hedge relationships: the formal designation of the hedging relationship must be changed only to designate the alternative benchmark rate as a hedged risk, change the description of the hedged item, and/or change the description of the hedging instrument. Such change in the formal designation of the hedging relationship does not constitute a discontinuation of the hedging relationship or a new hedging relationship, therefore without immediate effects in profit or loss.

- COVID-19-related Rent Concessions: amendments to IFRS 16 / CPC 06 (R2) "Leases": extension of the application of the practical expedient of recognition of reductions obtained by the Company in lease payments directly in profit or loss and not as a contract modification, until June 30, 2022.

No impacts were identified by the Company in the adoption of the respective standards.

3.10. Amendments to new standards that are not yet effective

The following amendments to new standards were issued by the IASB but are not effective for 2021. The early adoption of standards, even though encouraged by the IASB, has not been implemented in Brazil by the Brazilian Accounting Pronouncements Committee (CPC).

Amendment to IAS 16 - Property, plant and equipment: in May 2020, IASB issued an amendment that prohibits an entity from deducing from the cost of property, plant and equipment the amounts received from the sale of items produced while the asset is being prepared for its intended use. These revenues and related costs must be recognized in profit or loss. The effective date to apply such amendment is January 1, 2022.

- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: in May 2020, the IASB issued said amendment to clarify that, for purposes of assessing whether a contract is onerous, the cost of fulfilling the contract includes the incremental costs of fulfilling this contract and an allocation of other costs that directly relate to its fulfillment. The effective date to apply such amendment is January 1, 2022.
- Amendment to IFRS 3 - Business Combinations: issued in May 2020 with the objective of replacing the references of the former version of the conceptual framework with the most recent version. The amendment to IFRS 3 will be effective as from January 1, 2022.
- Annual Improvements – 2018- 2020 Cycle: in May 2020, IASB issued the following amendments as part of the annual improvement process, effective as of January 1, 2022:
 - (i) IFRS 9 - Financial instruments - clarifies which rates should be included in the 10% test for the derecognition of financial liabilities.
 - (ii) IFRS 16 - Leases - amendment of example 13 to exclude the example of lessor payments related to leasehold improvements.
 - (iii) IFRS 1 - First-time adoption of the International Financial Reporting Standards - simplifies the application of that standard by a subsidiary that adopts IFRS for the first time after its parent company in relation to the measurement of the accumulated amount of foreign exchange gains (losses).

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(iv) IAS 41 - Biological assets - elimination of the requirement of excluding the cash flows from taxation when measuring the fair value of biological assets and agricultural produce, aligning the fair value measurement requirements in IAS 41 with those of other IFRS standards.

Amendment to IAS 1 “Presentation of Financial Statements”: issued in May 2020, this amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the ‘settlement’ of a liability. The amendment to IAS 1 will be effective as of January 1, 2023.

- Amendments to IAS 1 and IFRS Practice Statement 2 - Presentation of Financial Statements: issued in February 2021, the amendments to IAS 1 require companies to disclose their “material” accounting policy information rather than their “significant” accounting policies. The amendments include the definition of “material accounting policy information” and explain how to identify them. The amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information. In order to support this amendment, IASB also amended "IFRS Practice Statement 2 Making Materiality Judgments" to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendment will be effective as of January 1, 2023.
- Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors: the amendment issued in February 2021 clarifies how entities should make a distinction between changes in accounting policies and changes in accounting estimates, since changes in accounting estimates are applied prospectively to future transactions and other future events, and changes in accounting policies are generally applied retrospectively to past transactions and other past events, as well as to the current period. The amendment will be effective as of January 1, 2023.
- Amendments to IAS 12 - Income Taxes: the amendment issued in May 2021 requires entities to recognize deferred taxes on transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. This is normally applied to lease transactions (right-of-use assets and lease liabilities) and decommissioning and restoration obligations, for example, and requires the recognition of additional deferred tax assets and liabilities. The amendment will be effective as of January 1, 2023.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group financial statements.

4. Cash and cash equivalents

These refer to cash, banks and cash equivalents as follows:

	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2020	12/31/2020
Cash and balances in current accounts	25	52	2,318	7,508
Immediate liquidity investment (a)	107,313	1,577	240,374	22,130
	107,338	1,629	242,692	29,638

- (a) The financial investments are considered cash equivalents since they may be redeemed at any time without significant change in value. The carrying amount approximates the fair value. At December 31,

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2021, the average remuneration of financial investments is equivalent to 81% of the Interbank Deposit Certificate (CDI) (98% of the CDI in 2020).

5. Trade receivables

	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Receivables - sanitation	-	105	17,873	17,181
Receivables - public lighting	-	-	18,658	17,425
Receivables - highways	-	-	4,562	-
Receivables - related parties	1,672	1,720	512	760
Receivables - other customers	-	-	531	502
Receivables - to be billed (*)	-	-	5,841	6,857
(-) Provision for impairment of trade receivables	-	-	(23,286)	(15,079)
	1,672	1,825	24,691	27,646

(*) The supply to be billed corresponds to the recognition of revenue from services provided in the field of PPPs in public lighting contracts, according to their measurements, which were not billed up to the closing of the year, on the accrual basis.

The Company records a provision for impairment of trade receivables after an individual analysis of customers and consumers. In addition, the Company recognizes the balances past due for more than 180 days as a loss, and evaluates the estimate of certain expected losses, which, on average, ended 2021 at 1.82% (3.04% in 2020), under CPC 48/IFRS 9. The Company and its subsidiaries periodically assess their trade receivables to identify and recognize possible losses regardless of their maturities.

Receivables by maturity of amounts past due and not yet due are as follows:

	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Not yet due - billed	1,672	1,825	14,532	14,325
Not yet due - to be billed	-	-	5,841	6,857
Past due from 1 to 30 days	-	-	4,519	4,018
Past due from 31 to 60 days	-	-	3,008	3,267
Past due from 61 to 180 days	-	-	8,110	3,214
Past due for more than 180 days	-	-	11,967	11,044
(-) Provision for impairment of trade receivables	-	-	(23,286)	(15,079)
	1,672	1,825	24,691	27,646

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5.1 Changes in provisions for impairment of trade receivables

	12/31/2021	12/31/2020
Opening balances	15,079	8,264
Adjustment/ reversal of the provision for impairment of trade receivables	(1,201)	(1,279)
Receivables provided for in the year	9,408	8,094
Closing balances	<u>23,286</u>	<u>15,079</u>

Through credit analysis, history of receipts, and estimates of future loss, in addition to the analysis of the current scenario of the Covid-19 pandemic, the management of the Company and its subsidiaries decided to establish a provision for impairment of trade receivables of R\$ 8,207 (R\$ 6,815 in 2020). The loss records are mostly concentrated in investee Alegrete Participações S.A. where there are past receivables from the Municipality of São João do Meriti-RJ.

6. Taxes recoverable

	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Current assets				
Social Integration Program (PIS) recoverable	34	-	351	628
Social Contribution on Revenues (COFINS) recov	159	-	1,624	2,897
Services Tax (ISS) recoverable	-	-	-	6
National Institute of Social Security (INSS) to be	21	4	178	1,455
Withholding Income Tax (IRRF) to be offset	588	572	1,674	1,217
Social Contribution on Net Income (CSLL) recove	-	-	103	103
Other taxes recoverable	29	28	42	56
	<u>831</u>	<u>604</u>	<u>3,972</u>	<u>6,362</u>
Non-current assets				
PIS recoverable on intangible assets	-	-	23	223
COFINS recoverable on intangible assets	-	-	110	1,028
INSS to be offset (a)	-	-	1,470	1,116
IRRF to offset	-	-	-	485
	<u>-</u>	<u>-</u>	<u>1,603</u>	<u>2,852</u>
	<u>831</u>	<u>604</u>	<u>5,575</u>	<u>9,214</u>

- a) Investees Urbeluz and Caraguá Luz have withheld INSS credits on the provision of services, for which a request for refund was filed with the Federal Revenue of Brazil, and their refund is estimated for the next year.

7. Assets to be used in concessions and services

Inventories in concessions and PPPs are classified as assets to be used in concessions and services to be provided and arise from subsidiaries Águas de Itapema S.A., Urbeluz Energética S.A., Caraguá Luz S.A. and Alegrete RJ Participações S.A.:

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	Consolidated	
	12/31/2021	12/31/2020
Materials for use and consumption	441	272
Pumps and equipment	287	290
Water pipes and fittings	167	146
Sewage pipes and fittings	929	918
Poles and accessories	146	81
Wires and cables	159	345
Light bulbs and lamps	1,738	1,366
Reactors and relays	179	233
Air conditioning and fans	18	22
Tools	2	451
Other maintenance materials	650	49
	4,716	4,173

The respective assets are stated at average acquisition cost. Management analyzes, on a timely basis, the risk of losses on these assets and verified that the amounts are recorded at the lower of cost and market value. The Company's management evaluated that there is no need to record a provision for obsolescence of these assets.

8. Advances

	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Advances to employees	24	24	244	184
Advances to suppliers (a)	-	-	4,667	3,716
Other	159	137	259	138
	183	161	5,170	4,038

- (a) Advances to suppliers made during the year, which derive from advance payments, mainly for the purchase of products and concession assets that will be used in the provision of services in the coming months. Advances made by subsidiary Urbeluz of R\$ 3,241. These amounts are not subject to monetary adjustment, as they are already realized and recognized as investments in the month following the advance through the measurements carried out.

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9. Related parties

9.1. Breakdown

	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Current assets				
Advance for future capital increase and other transactions				
Via Brasil BR 163 (a)	4,260	-	-	-
Seven Apoio Administrativo Ltda	-	-	-	100
Fortnort Desenvolvimento Ambiental e Urbano Ltda	-	-	-	191
	<u>4,260</u>	<u>-</u>	<u>-</u>	<u>291</u>
Loans				
Construtor Catarinense Consoritum	886	765	886	765
Sanema Saneamento de Maceió Ltda. (i)	24,787	-	-	-
Zetta Infraestrutura e Participações S.A. (d)	-	-	-	4,930
Via Brasil MT 320	-	4	22	4
	<u>25,673</u>	<u>769</u>	<u>908</u>	<u>5,699</u>
	<u>29,933</u>	<u>769</u>	<u>908</u>	<u>5,990</u>
	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Noncurrent assets				
Advance for future capital increase and other transactions				
Maua Luz(a)	266	266	266	266
Construtora Luz de Mauá (a)	1,873	-	1,873	-
Águas de Santo Antônio (b)	19,391	15,577	19,391	15,577
Urbeluz (a)	4,547	4,547	-	-
Via Brasil MT 100 (a)	-	8,341	-	8,341
Sanesul (c)	2,304	2,183	-	-
Cld Construtora, Lacos Detetores e Eletrônica Ltda.	-	-	116	-
Construtora Rocha Cavalcante Engenharia de Materiais Ltda.	-	-	55	-
Fbs Construção Civil e Pavimentação S.A.	-	-	23	-
M4 Investimentos e Participações Ltda	-	-	11	-
Construtora Ibérica Ltda	-	-	381	-
Fremix Pavimentação e Construções S.A.	-	-	34	-
Ello Serviços, Obras e Participações(k)	-	-	11,015	-
Caragua Consortium (other partners)	-	-	2,563	-
Seven Apoio Administrativo Ltda	-	-	562	-
Fortnort Desenvolvimento Ambiental e Urbano Ltda	-	-	1,214	-
Teresina Luz (g)	4,778	-	4,778	-
Marabá Luz (a)	-	-	49	89
	<u>33,159</u>	<u>30,914</u>	<u>42,331</u>	<u>24,273</u>
Loans				
Cobrapar Companhia Brasileira de Participações Ltda (e)	-	-	14,537	14,537
Zetta Infraestrutura e Participações S.A. (d)	-	-	-	1,633
Other	-	-	1,505	967
	<u>-</u>	<u>-</u>	<u>16,042</u>	<u>17,137</u>

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	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Current liabilities				
Sanesalto (f)	5,947	2,135	-	-
Sanetrat	-	1,446	-	-
Marabá Luz Ltda	70	-	263	-
Caraguá Consortium (j)	3,000	-	1,794	179
Conasa SPE	716	1,150	-	-
Luz e Belém S.A. (h)	32,522	-	-	-
Construtora LM (g)	-	6,666	-	6,666
GPI Participações em Investimentos S.A.	-	-	-	40
	42,255	11,397	2,057	6,885
Non-current liabilities			8,158	
Caraguá Consortium	-	-	7	7
Via Brasil MT-246	232	-	-	-
Cld Construtora, Lacos Det. e Elet. Ltda.	66	-	66	-
Sanesalto (f)	-	4,597	-	-
	298	4,597	73	7
	42,553	15,994	2,130	6,892

- (a) The balances refer to advances for future capital increase to concessionaires (subsidiaries and associates), which require strong investments in the first years of concession, as a result of investments contractual provision. It is important to point out that the group does not have as its internal practice the remuneration of these advances, to provide and/or take guarantees and there is no specific deadline for settlements. The advances for future capital increase will be converted when authorized at the general meetings or the meeting of the investees' stockholders for capital increase.
- (b) Due to the expiration of the concession contract of Águas de Santo Antônio, the contributions and loans made to the Company were provided for due to the risks of realization of the balance, after all the possibilities of resuming the investee's business were exhausted, through discussion with the applicable body, in which a compensation for the asset invested is being discussed. The Company, despite seeking compensation, decided to record a provision for losses.
- (c) Sanesul has made contributions for the concession of Águas de Meriti Ltda., of which a part has already been converted into capital contribution, and the remaining amount will be converted in subsequent periods. The contributions made in Sanesul were intended for investment in the concession of Águas de Meriti Ltda.
- (d) On December 30, 2019, with the receipt of the settlement of its debentures, the subsidiary Conasa-SPE signed an intercompany loan agreement with Zetta Infraestrutura S/A, which is subject to an interest rate of 8.75% per annum, to be settled in 24 installments beginning on May 30, 2020, and which are being paid according to the payment schedule. With the completion of the acquisition of equity interest in Zetta's investments on December 16, 2021, Conasa settled its credit.
- (e) On September 1, 2011, Urbeluz Energética S.A. conducted a loan with its former parent company Cobrapar - Companhia Brasileira de Participações, for its investment in Small Hydroelectric Power Plants (PCHs). The respective contract matured on December 31, 2015. Due to the default, on March 6, 2017, the Company filed a judicial execution procedure to recover the loan amount.

Urbeluz requested in court that part of the amounts relating to the sale of PCH projects owned by Cobrapar be frozen as a guarantee for the payment of the aforementioned loan. On December 17, 2019, the request

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for the freezing of the receivables was approved and has already been recorded as judicial deposits on behalf of Urbeluz as described below.

Urbeluz obtained a favorable decision in the execution procedure, with the pledge of the receivables owned by Cobrapar, in accordance with Decision 0701369-23.2017.8.07.0001 of the Court of the Federal District and Territories.

In 2020, Tradener, which acquired the PCHs of Cobrapar, stated its intent to enter into an agreement with Cobrapar (which is reversed on behalf of Urbeluz) through the advance of future payments that will be subject to judicial pledge to meet the judicial notification received.

On October 7, 2020, Tradener entered into an agreement for the payment in 12 monthly installments due from the 36th month after the date of completion by Cobrapar of the conditions established in the renegotiation instruments. Tradener stated that only PCH Tamboril complied with all the conditions precedent established in the renegotiation instruments. The other PCHs await only the issuance of installation permits by SEMARH/GO. Accordingly, Tradener has already made deposits in court totaling R\$ 2,814 referring to the installments from October 2020 to March 2021 of the payment of PCH of Tamboril. The amount of each PCH is presented below:

PCH	AMOUNT
TAMBORIL	R\$ 5,494
GALAMEIRA	R\$ 5,636
SALGADO	R\$ 4,831
SÃO BARTOLOMEU	R\$ 6,441
TOTAL	R\$ 22,403

The value of the PCHs pledged as receivables is higher than the carrying amount of the credits that Urbeluz is entitled to. The Company's adjusted balance at December 31, 2021 was R\$ 44,639. Urbeluz made adjustments due to impairment and maintained the accounting balance of R\$ 14,537.

Management understands that there are no risks of realization, since Cobrapar is a stockholder of the Company (43%), and the amount may be realized by retaining proceeds from the debtor stockholder, as well as withholding dividend distribution, or the shares themselves.

- (f) The amounts owed by the parent company refer to funds received that will be settled in the short term with future results in the amount of R\$2,035. The remaining amounts refer to the tax credits of the Special Tax Regularization Program (PERT) in 2017, from the parent company and associates, which acquired from Sanesalto Saneamento S.A. tax credits for offset against tax debts upon enrollment in the program. The parent company's amount totaled R\$ 3,912, and the amounts of associates Companhia Águas de Itapema and Sanetrat Saneamento S/A totaled R\$ 2,918 and R\$ 539, respectively. Balances will be settled with final maturity on May 31, 2022.
- (g) Teresina Luz entered into a turnkey contract with Construtora LM. The contract provides for the payment of an advance, which was made through the transfer of credit held by TeresinaLuz with its stockholders; the portion of Conasa is R\$ 6,666, therefore, this obligation was assumed by Conasa Infraestrutura. The amounts payable by Conasa to the related party Construtora LM were divided into six installments, they were concluded in September 2021 and were not subject to interest. With the need to complete the works on the Teresina project, Conasa contributed R\$ 4,778 by the end of 2021, which will be paid next year.
- (h) The Company made the initial investments to sign the service order with the investee Luz de Belém S.A. contributing with the necessary capital. However, due to the delay in signing the contract, the investee

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decided to enter into a loan agreement with the parent company until it signs the contract for the execution of the works.

- (i) The Company entered into a loan agreement with its investee Sanema Saneamento de Maceió Ltda. for the completion of its works. maturing on September 30, 2022, which is not subject to interest. Management considers that they were carried out under conditions agreed between the parties.
- (j) The Company entered into a loan agreement with Caraguá Consortium, an investee of its subsidiary Urbeluz Energética S.A., subject to interest of 1% p.m. + IPCA, maturing on December 5, 2022.
- (k) The investee Luz de Belém S.A. received investment to pay in its necessary capital. However, due to the delay in signing the contract, the investee decided to enter into a loan agreement with the stockholder Ello Serviços, Obras e Participações S.A. until it signs the contract for the execution of the works.
- (l) The non-controlling stockholders of Via Brasil BR-163 entered into a non-interest bearing loan agreement, which should be settled up to the signing of the concession contract.

9.2. Revenues between related parties

As an increase in its revenue, the parent company has vehicles, machinery and equipment that are rented to its investees for use in their operations. These rentals are eliminated in the consolidation of the financial statements of the consolidated investees.

The Company also provides shared administrative services at the central office in Londrina, State of Paraná. These services comprise general expenses required for maintaining the administrative structure for the provision of services to investees by Conasa, such as controllership, accounting, finance, tax, supplies, IT, legal, engineering, human resources, compliance, environment and key management compensation. The other operating revenues are mostly determined according to the proportion of revenue from the prior year of its subsidiaries and associates. Revenues between related parties are presented below:

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	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Revenue from vehicles and equipment rental				
Companhia Águas de Itapema	176	176	-	-
Sanesalto Saneamento S.A.	62	62	-	-
Teresina Luz S.A.	154	-	154	-
Sanetrat Saneamento S.A.	104	104	-	-
	496	342	154	-
Other operating revenues (g)				
Companhia Águas de Itapema	4,953	4,303	-	-
Sanesalto Saneamento S.A.	3,703	3,093	-	-
Sanetrat Saneamento S.A.	903	873	-	-
Via Brasil MT100 Concessionária de Rodovias S.A.	365	352	30	352
Via Brasil MT320 Concessionária de Rodovias S.A.	358	340	30	340
Teresina Luz S.A.	123	40	123	40
Urbeluz Energética S.A.	753	733	-	-
Alegrete RJ Participações S.A.	194	189	-	-
Caraguá Luz S.A.	107	105	-	-
Caraguá Consortium	83	81	37	36
	11,542	10,109	221	768
	12,038	10,451	375	768

9.3. Impairment

To monitor the risks associated with its ability to continue as a going concern, the Company assesses annually the business plan of all the companies in which it has investments, projecting the future cash flow and the return on investments made. Management assesses whether the related assets will be properly remunerated during the concession or the PPPs period.

Up to date, no impairment losses were identified and the Group did not recognize any expenses with uncollectible debts related to transactions with related parties, except for those related to Águas de Santo Antônio, which has already been provided for.

9.4. Key management compensation

Key management includes five members of the Board of Directors and three officers who receive fixed compensation. No variable payments are made to key management.

The Company does not grant any kind of post-employment benefit or other benefits, and does not offer share-based compensation or stock option plans. In 2021, officers' compensation was adjusted based on the General Market Price Index (IPCA-M) accumulated for the period and officers received R\$ 4,484 during 2021 (R\$ 4,115 in 2020), including the compensation of key management in all Group companies.

9.5. Expenses between related parties

The compensation of part of the officers of the Company and investees is paid under legal entities' service agreements, as shown below.

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	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Statutory legal entities				
Mario Marcondes Consultoria Ltda	-	-	655	520
Betta Consultoria e Assessoria Ltda	610	150	610	150
CR2 Advisors Consultoria	677	600	677	600
Mais Arquitetura Ltda	-	-	-	440
Arteplan Engenharia Ltda	-	-	341	332
Cortes Velloso Ltda	-	-	429	308
WSM Consultoria Ltda	-	-	480	480
Gafas Engenharia Ltda	-	-	-	368
	1,287	750	3,192	3,198
Board of Directors				
Members of the Board of Directors	1,292	917	1,292	917
	1,292	917	1,292	917
Total officer's compensation	2,579	1,667	4,484	4,115

10. Marketable securities

10.1. Breakdown

	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Current assets				
Marketable securities				
Private debentures (CDI + 5.2% p.a) (c)	6,439	7,119	-	-
	6,439	7,119	-	-
Non-current assets				
Marketable securities				
Private debentures (12% p.a. + IGP-M) (b)	14,874	10,380	-	-
Private debentures (CDI + 5.2% p.a) (c)	-	583	-	-
Real Estate Credit Note (a)	-	-	-	31,689
Merger of assets (Note 1.1)	-	-	50,972	-
Permanent financial investments(d)	12	5	3,553	3,226
	14,886	10,968	54,525	34,915
Total marketable securities	21,325	18,087	54,525	34,915

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10.2. Changes

	Parent company	Consolidated
Opening balance at January 1, 2021	18,087	34,915
(+) Proceeds	6	51,727
(-) Receipts of principal	(2,290)	(974)
(-) Receipts of interest	(327)	-
(+) Recognition of interest on past due installments	1,255	-
(+) Write-off due to spin-off of CCI (Sanetrat)	-	(31,689)
(+) Update of interest on debt balance	4,594	546
Opening balance at December 31, 2021	21,325	54,525

	Parent company	Consolidated
Opening balance at January 1, 2020	15,258	34,326
(+) Proceeds	-	589
(-) Receipts of principal	(1,502)	-
(-) Receipts of interest	(698)	-
(+) Recognition of interest on past due installments	1,324	-
(+) Update of interest on debt balance	3,705	-
Opening balance at December 31, 2020	18,087	34,915

- (a) On May 30, 2014 and August 5, 2014, the companies Brasil Food Service Group S.A. – BFG and Vênus Capital e Participações S.A. (called issuers-assignors) assigned and transferred the right to Real Estate Credit Notes (CCI) 0001 and 0002 to subsidiary Sanetrat Saneamento S.A.

Sanetrat acquired these CCIs for R\$ 16,500 and R\$ 12,184, respectively.

These CCIs securitized the receivables of the lease agreement established among the issuers-assignors mentioned above and Marfrig Alimentos S.A.

The CCI was issued with real estate real guarantee, the statutory lien on the property located in Nova Xavantina/MT, duly recorded in the title of the property subject to guarantee (No. 12.342) of the Real Estate Registry Office of Nova Xavantina/MT (“Property”).

In relation to the statutory lien, the value of the property pledged as guarantee is higher than the carrying amount of the two CCIs assigned and transferred to Sanetrat, which, in March 2019 was valued at R\$ 43,338, and at December 31, 2020, the adjusted value of CCIS was R\$ 69,119. Sanetrat made adjustments due to impairment and maintained the accounting balance of R\$ 31,689.

BFG acquired the property as a result of the bankruptcy of IFC – International Food Company Indústria de Alimentos S.A., Proceeding 0039687-52.2008.8.26.0309, which is in progress in the 3rd Civil Court of Jundiaí, State of São Paulo (“Act of Bankruptcy - IFC”) and leased it. After the issuance of the CCIs and the establishment of the statutory lien with authorization, the Act of Bankruptcy - IFC determined the provisional attachment of the amounts paid under the lease by the lessee to Brasil Food Service Group S.A., which were partially assigned to Sanetrat, in order to guarantee the outstanding bankruptcy credits. The credits amounted approximately to R\$ 30,000 and comprised mainly Advances against Exchange Contracts of IFC with commercial banks (ACC). With the provisional attachment of the lease

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receivables, the ACCs were settled.

With the settlement of the ACCs, Sanetrat obtained a decision in the lower and appellate courts for the release of the judicial mortgage on the property of Nova Xavantina, the guarantee of the CCIS. In the judgment on the merits of both appeals, the most recent on March 27, 2019, the Court of Justice of São Paulo maintained the decision of the lower court, which was favorable to Sanetrat.

After the decision and release of the property under the Act of Bankruptcy - IFC, Brasil Foodservice Manager S.A., subsidiary of BFG, had its bankruptcy adjudicated in connection with Proceeding 0411258-46.2014.8.19.0001, in progress with the 7th Business Court of the State Capital of Rio de Janeiro ("Act of Bankruptcy - BFM").

In the Act of Bankruptcy - BFM, the bankruptcy estate filed the motion for piercing corporate veil 0053624-29.2018.8.19.0001 ("IDPJ"), with the intent to extend the effects of the Act of Bankruptcy - BFM to BFG and requesting, as a preliminary matter, the provisional attachment of several assets, including the Property.

Sanetrat filed a third party's motion to stay execution seeking to cancel the provisional attachment of the Property since the statutory lien was regularly constituted before the Act of Bankruptcy - BFM and the filing of the IDPJ.

Notwithstanding the need for analysis of the third party's motion to stay execution, the statutory lien of the Property was regularly recorded in the property title. Furthermore, although BFG, which is the defendant in the IDPJ, will have the effects of the bankruptcy extended to it, the statutory lien of the Property shall prevail, since it was legally and correctly constituted.

On March 5, 2021, a General Meetings of the Bankruptcy Creditors was held, in which the Proposal of the Creditors was discussed and approved, whereby Brazal Brasil Alimentos S.A. and Vênus Capital e Participações S.A., debtors of Real Estate Credit Notes issued on behalf of Sanetrat Saneamento S.A., presented, with regard to the bankruptcy of Brasil Foodservice Manager S.A. and Porcão Licenciamentos e Participações S.A., an alternative proposal for payment of the liabilities.

The Alternative Proposal does not involve Sanetrat's credits, which is not a creditor of the bankruptcy, nor the Property in statutory lien. The statutory lien and the issuances of the CCIs were never questioned in court.

The probability of loss in the proceeding that discusses the provisional attachment of the property to the bankrupt estate is classified as remote, supported by the opinion of management's legal counsel.

On May 19, 2021, the Company held a general meeting of Sanetrat's stockholders, in which the spin-off of the subsidiary was discussed, segregating the CCI asset. On the same date, management decided, with the authorization of the stockholder INFRA Setorial FIP, for the distribution of dividends in kind, transferring the CCI to FIP. Therefore, from that date, the CCI does not integrate the assets of the subsidiary or of the Company. As a consequence, the profit retention reserve was decreased by R\$ 31,689.

- (b) The Parent company has investments in debentures amounting to R\$ 14,874 (R\$ 10,380 in 2020), issued by its subsidiary Águas de Itapema, maturing on July 2, 2029. This amount is remunerated at an interest rate of 12% per annum and monetarily adjusted using the IGP-M.
- (c) The Company holds private debentures amounting to R\$ 6,439 (R\$ 7,702 in 2020) issued by its subsidiary Alegrete. The debenture matures in April 2022 and is remunerated at CDI + 5.2% p. a.

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- (d) The amounts of long-term investments refer to the portion applicable to the guarantee of investments to be made in 2023 in the 3rd issuance of debentures by the investee Via Brasil MT-320 in the amount of R\$51,382. The amount of R\$ 3,070 refers to the investment of 3 installments as guarantee of payments of debentures of the investee Sanesalto Saneamento S.A. The remaining R\$ 73 refers to investments of capital quotas in cooperative banks.
- (e) The financial investments in fixed income funds refer to the reserve account for guarantee of investments from 2023 to 2026 of investee Via Brasil MT-320. This amount arises from the 3rd issue of debentures. At December 31, 2021, the average remuneration of financial investments exceeds 100% of the CDI. As a result of the equalization of the cash flows, management decided to invest the cash balance in short-term financial investments, which can be accessed, but the funds cannot be used due to the debentures.

11. Other non-current assets

At December 31, 2021 and 2020, the line item “other non-current assets” comprises deposits for appeal, investments in MIPs (private initiative expression of interest), in addition to credits with third parties for the execution of works, and is represented as follows:

	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Deposits for appeal	173	164	743	726
Investments in MIPs (a)	-	-	-	424
Investments in new businesses (b)	3,984	-	3,983	-
Prepaid expenses of projects and studies (c)	-	-	3,564	-
Advances to suppliers(d)	-	-	6,922	-
	<u>4,157</u>	<u>164</u>	<u>15,212</u>	<u>1,150</u>

- (a) MIPs (private interest expression) are expenditures authorized by municipalities to evaluate the efficiency of public lighting for bidding processes. In the event Urbeluz wins the bid, it will be reimbursed immediately or as negotiated in the contract. Urbeluz was authorized to perform the technical, legal and economic studies, which are in the final process of evaluation of the documents of the Municipal Government of Campos do Goytacazes, State of Rio de Janeiro. As the expenses were not approved by the Municipal Government, management decided to write off the asset to profit or loss for the year.
- (b) On 07/07/2021, Via Brasil Consortium led by Conasa Infraestrutura was declared the winner of the auction of highway BR-163/230/MT/PA. Considering all studies and projects on this new business, the Parent Company obtained its related costs and maintains the amount in its asset, considering that these expenses are apportioned among the other stockholders.
- (c) The balance of prepaid expenses refers to feasibility studies of the project carried out by the National Bank for Economic and Social Development (BNDES), contracted by the municipal government of Teresina-PI and which would be the responsibility of the winner of the bid, as provided for in the bidding notice. These prepaid expenses with the project payment will be amortized on a straight-line basis until the end of the PPP contract.
- (d) Refers to advances made to contractors and service providers in the execution of works and initial works of the investee Via Brasil MT-246.

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12. Investments

a) Analysis of investments

	Parent company					
	12/31/2021			12/31/2020		
	%	Equity of the investee	Investment	%	Equity of the investee	Investment
Investments (assets):						
Companhia Águas de Itapema	100.00%	66,611	66,611	100.00%	33,869	33,869
Sanesalto Saneamento S.A.	100.00%	3,178	3,178	100.00%	5,927	5,927
Sanetrat Saneamento S.A.	100.00%	6,030	6,030	100.00%	42,283	42,283
Sanesul Construtora de Saneamento S.A.	-	-	-	89.91%	137	123
Conasa SPE S.A.	100.00%	744	744	100.00%	-	-
Urbeluz Energética S.A.	50.00%	48,948	24,474	50.00%	35,694	17,847
Mauá Luz Ltda.	20.00%	50,660	10,132	20.00%	32,215	6,443
Construtora Luz de Mauá Ltda.	20.00%	84,140	16,828	20.00%	46,485	9,297
Teresina Luz S.A.	33.33%	42,913	14,303	33.33%	39,241	13,079
Luz de Belém S.A.	75.00%	47,224	35,418	-	-	-
ASB - Ativos de Saneamento do Brasil S.A.	68.72%	214,946	147,711	34.03%	81,572	27,759
Via BrasilMT 100 Concessionária de Rodovias S.A.	52.00%	40,060	20,831	40.00%	16,493	6,597
Via BrasilMT 246 Concessionária de Rodovias S.A.	52.00%	19,300	10,036	-	-	-
Via BrasilMT 320 Concessionária de Rodovias S.A.	52.00%	12,940	6,729	40.00%	29,883	11,953
		637,694	363,025		363,799	175,177
Surplus value in subsidiaries						
Sanesalto Saneamento S.A. (b)			58,849			60,535
Urbeluz Energética S.A. (A)			9,890			11,229
ASB - Ativos de Saneamento do Brasil S.A. (c)			1,226			1,247
Via BrasilMT 100 Concessionária de Rodovias S.A. (d)			54,214			-
Via BrasilMT 246 Concessionária de Rodovias S.A. (d)			10,850			-
Via BrasilMT 320 Concessionária de Rodovias S.A. (d)			34,483			-
Luz de Belém S.A. (d)			5,173			-
			174,685			73,011
			537,710			248,188
Loss on investments (liabilities)						
Conasa-SPE S.A.	100.00%	-	-	100.00%	(276)	(276)
Marabá Luz S.A. (Conasa)	20.00%	(85)	(17)	-	-	-
Via BrasilBR 163 Concessionária de Rodovias S.A.	76.00%	(780)	(593)	-	-	-
Sanesul Construtora de Saneamento S.A.	89.91%	(19)	(17)			
Águas de Santo Antônio S.A.	100.00%	-	-	100.00%	(184)	(184)
		(884)	(627)		(460)	(460)
Investments net balance			537,083			247,728

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Business combinations

- a) On May 3, 2021, the Company established a binding Memorandum of Understanding for the merger of a portion of the assets of Zetta Infraestrutura S.A., transferring shares to U2S, equivalent to 10% of Conasa's capital. The merger aims to consolidate the investments in assets already held by the Company in which Zetta Infraestrutura S.A. holds a minority interest, aiming to consolidate the control of Conasa over such assets.

Zetta holds 34% of ASB, 25% of Luz de Belém, 12% of Via Brasil MT 100, 12% of Via Brasil MT 320 and 12% of Via Brasil MT 246. With the merger, Conasa currently holds 68% of ASB, which was controlled by voting agreement, 75% of Luz de Belém, 52% of Via Brasil MT 100, 52% of Via Brasil MT 320 and 52% of Via Brasil MT 246 and will control such companies in the main corporate decisions.

On November 30, 2021, the acquisition of these investments was completed through the partial spin-off of the assets and liabilities of Zetta Infraestrutura S.A. contributed in the establishment of Zetta Participações S.A., which were assumed by Conasa Infraestrutura S.A.

As required by CPC 15 (R1) / IFRS 3 – Business Combinations, in the business combination achieved in stages, the Company, as the acquirer, shall remeasure its previous held interest in the acquiree at the fair value at the date of acquisition of control and recognize the resulting gain or loss, if any, in profit or loss for the year. As a result, the Company recognized a gain of R\$ 57,360 in profit or loss for the year.

With the completion of the merger of the assets of Zetta Participações S.A. and with the acquisition of control of the investees in which Conasa Infraestrutura already held interests, the purchase price allocation (PPA) was carried out, using the stockholder's discounted cash flow for each investment, in which the fair values of the assets acquired and liabilities assumed at the date of acquisition were identified and measured. The PPA is to be completed, which is why preliminary figures are being presented. Of the interests acquired by Conasa Infraestrutura, the assets of ASB Ativos de Saneamento S.A. ("Sanema") were not considered as the Company already held control over them. As a result of the PPA, a surplus value on the net assets acquired in the amount of R\$ 26,044 was identified, attributed to the concession contracts in intangible assets, considering the amount paid due to the exchange of shares with Conasa Infraestrutura S.A.

Had the acquisition of interests of Zetta Infraestrutura occurred on January 1, 2021, the balance of consolidated net revenue and profit would have been R\$ 542,804 and R\$ 181,207, respectively.

The surplus value is not expected to be taxable for income tax purposes due to management's intention to change the Company's taxation system to the deemed income system as from 2023, thus no deferred tax was recognized. The following table summarizes the preliminary amounts of the assets acquired and liabilities assumed recognized at the acquisition date, as adjusted to fair value at the acquisition date of the interest in Conasa Infraestrutura S.A.

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Consideration	
At November 30, 2021	
Equity instruments issued (18,593,118 common shares)	70,727
(-) Consideration paid	89,171
Consideration transferred	159,898
Fair value of equity interest held prior to the business combinations	126,346
Total consideration	286,243
Recognized amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	45,041
Trade and other receivables	4,163
Related parties assets	46,958
Property and equipment (Note 13.2)	2,030
Concession contract assets (Note 14.b)	112,856
Marketable securities (Note 10.1)	50,972
Other receivables	41,891
Trade payables	(16,768)
Borrowings and debentures (Note 18.3)	(132,591)
Related parties liabilities	(4)
Lease liabilities (Note 16.1.1)	(28,595)
Other payables	(21,984)
Total identifiable net assets	103,968
Non-controlling interests (Note 24.7)	(24,519)
Surplus value on investments acquisition	104,719
	80,200

(a) The Company already had the control of investee ASB/Sanema and acquired additional interest from the non-controlling stockholder. Since the transaction is also included in the acquisition of Zetta and, consequently, in the formation of the price paid, the amounts related to this acquisition were shown in the table above.

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Analysis of investments:

	Consolidated					
	12/31/2021			12/31/2020		
	%	Equity of the investee	Investment	%	Equity of the investee	Investment
Investments (assets):						
Concessionária Águas de Meriti Ltda.	49.00%	5,082	2,490	49.00%	5,296	2,595
Via BrasilMT- 100 Concessionária de Rodovias S.A.	-	-	-	40.00%	16,493	6,597
Via BrasilMT- 320 Concessionária de Rodovias S.A.	-	-	-	40.00%	29,883	11,953
Mauá Luz Ltda.	20.00%	50,660	10,132	20.00%	32,215	6,443
Construtora Luz de Mauá Ltda.	20.00%	84,140	16,828	20.00%	46,485	9,297
Teresina Luz S.A.	33.33%	42,913	14,303	33.33%	39,241	13,079
		182,795	43,753		169,613	49,964
Losses on investments (liabilities):						
Marabá Luz S.A. (Conasa)	20.00%	(85)	(17)	-	-	-
Marabá Luz S.A. (Urbeluz)	55.00%	(85)	(46)	-	-	-
		(170)	(63)		-	-
Total investments			43,690			49,964

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b) Changes in investments

	Parent company									
	Balance at 12/31/2020	Capital increase	Merger of assets (Note 1.1)	Surplus value on investments acquisition	Capital decrease	Debts assumed by the parent company	Provision / Reversal / Dividend proposal	Dividends received	Equity in the results of investees for the year	Balance at 12/31/2021
Investments (assets):										
Companhia Águas de Itapema	33,869	31,711	-	-	-	-	-	-	1,031	66,611
Companhia Águas de Santo Antônio	-	-	-	-	-	(3,303)	-	-	3,303	-
Sanesalto Saneamento S.A.	5,927	-	-	-	-	-	(1,039)	(5,866)	4,156	3,178
Sanetrat Saneamento S.A.	42,283	-	-	-	(36,597)	-	-	(300)	644	6,030
Sanesul Construtora e Saneamento S.A.	123	-	-	-	-	-	-	-	(123)	-
Conasa SPE S.A.	-	-	-	-	-	-	-	-	744	744
Urbeluz Energética S.A. (a)	17,847	-	-	-	-	-	2,436	-	4,191	24,474
Mauá Luz Ltda.	6,443	69	-	-	-	-	-	-	3,620	10,132
Construtora Luz de Mauá Ltda.	9,297	-	-	-	-	-	-	-	7,531	16,828
Teresina Luz S.A.	13,079	-	-	-	-	-	-	-	1,224	14,303
Luz de Belém S.A.	-	24,106	11,839	-	-	-	-	-	(527)	35,418
ASB - Ativos de Saneamento do Brasil S.A.	27,759	-	71,094	-	-	-	-	-	48,858	147,711
Via Brasil MT 100 Concessionária de Rodovias S.A.	6,597	8,838	2,618	-	-	-	-	-	2,778	20,831
Via Brasil MT 246 Concessionária de Rodovias S.A.	-	8,322	2,350	-	-	-	-	-	(636)	10,036
Via Brasil MT 320 Concessionária de Rodovias S.A.	11,953	-	1,825	-	-	-	-	-	(7,049)	6,729
	175,177	73,046	89,726	-	(36,597)	(3,303)	1,397	(6,166)	69,745	363,025
Surplus value on assets:										
Sanesalto Saneamento S.A. (b)	60,535	-	-	-	-	-	-	-	(1,686)	58,849
Urbeluz Energética S.A. (A)	11,229	-	-	-	-	-	-	-	(1,339)	9,890
ASB - Ativos de Saneamento do Brasil S.A. (c)	1,247	-	-	-	-	-	-	-	(21)	1,226
Via Brasil MT 100 Concessionária de Rodovias S.A. (d)	-	-	-	54,214	-	-	-	-	-	54,214
Via Brasil MT 246 Concessionária de Rodovias S.A. (d)	-	-	-	10,850	-	-	-	-	-	10,850
Via Brasil MT 320 Concessionária de Rodovias S.A. (d)	-	-	-	34,483	-	-	-	-	-	34,483
Luz de Belém S.A. (d)	-	-	-	5,173	-	-	-	-	-	5,173
	73,011	-	-	104,720	-	-	-	-	(3,046)	174,685
Total investments:	248,188	73,046	89,726	104,720	(36,597)	(3,303)	1,397	(6,166)	66,699	537,710
Loss on investments (liabilities):										
Conasa SPE S.A.	(276)	-	-	-	-	-	-	-	276	-
Marabá Luz S.A.	-	-	-	-	-	(16)	-	-	(1)	(17)
Sanesul Construtora e Saneamento S.A.	-	-	-	-	-	-	-	-	(17)	(17)
Via Brasil BR 163 Concessionária de Rodovias S.A.	-	8	-	-	-	-	-	-	(601)	(593)
Águas de Santo Antônio S.A.	(184)	-	-	-	-	184	-	-	-	-
	(460)	8	-	-	-	168	-	-	(343)	(627)
	247,728	73,054	89,726	104,720	(36,597)	(3,135)	1,397	(6,166)	66,356	537,083

(a) On September 30, 2021, the Parent company and the other stockholders of Urbeluz unanimously decided for the reversal of the minimum mandatory dividends referring to 2020 totaling R\$ 2,436, corresponding to their interest. At December 31, 2021, the investee also obtained profit, however, minimum mandatory dividends were not provided for, as approved by the stockholders at the Extraordinary General Meeting.

CONASA INFRAESTRUTURA S.A. and its subsidiaries

Notes to the financial statements

Years ended December 31, 2021

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	Parent company					Balance at 12/31/2020
	Balance at 12/31/2019	Contribution/ capital increase	Write-off due to impairment	Dividends	Equity in the results of investees for the year	
Investments (assets):						
Companhia Águas de Itapema	35,003	4,610	-	-	(5,744)	33,869
Companhia Águas de Santo Antônio	-	-	(4,195)	-	4,195	-
Sanesalto Saneamento S.A.	51	-	-	-	5,876	5,927
Sanetrat Saneamento S.A.	42,006	-	-	(86)	363	42,283
Sanesul Construtora e Saneamento S.A.	675	-	-	-	(552)	123
Urbeluz Energética S.A. (a)	8,306	-	-	(2,751)	12,292	17,847
Mauá Luz Ltda.	2,602	-	-	-	3,841	6,443
Construtora Luz de Mauá Ltda.	9,017	- 0	-	-	280	9,297
Teresina Luz S.A.	-	13,332	-	-	(253)	13,079
ASB - Ativos de Saneamento do Brasil S.A.	19,474	- 0	-	-	8,285	27,759
Conasa SPE	1,458	-	-	-	(1,458)	-
Via Brasil MT 100 Concessionária de Rodovias S.A.	3,921	-	-	-	2,676	6,597
Via Brasil MT 320 Concessionária de Rodovias S.A.	5,797	10,600	-	-	(4,444)	11,953
	128,310	28,542	(4,195)	(2,837)	25,357	175,177
Surplus value on assets:						
Sanesalto Saneamento S.A.	62,063	-	-	-	(1,528)	60,535
Urbeluz Energética S.A.	12,521	-	-	-	(1,292)	11,229
ASB - Ativos de Saneamento do Brasil S.A.	1,247	-	-	-	-	1,247
	75,831	-	-	-	(2,821)	73,011
	204,141	28,542	(4,195)	(2,837)	22,536	248,188
Loss on investments (liabilities):						
Conasa SPE	-	-	-	-	(276)	(276)
Águas de Santo Antônio S.A.	-	-	-	-	(184)	(184)
Envimax Consultoria e Serviços Ambientais S.A.	(53)	65	-	-	(12)	-
	(53)	65	-	-	(472)	(460)
	204,088	28,607	(4,195)	(2,837)	22,064	247,728

- a) On September 30, 2020, the Caraguá Consortium, through its members, in which subsidiary Urbeluz Energética holds a 55% interest, decided to recognize the distribution of previously advanced profits, directly in the equity of the consortium in the amount of R\$ 2,751.

CONASA INFRAESTRUTURA S.A. and its subsidiaries

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	Consolidated						
	Balance at 12/31/2020	Contribution/ capital increase	Merger of assets (Note 1.1)	Reclassification to intangible assets	Equity in the results of investees for the year	Loss on investments	Balance at 12/31/2021
Investments (assets):							
Concessionária Águas de Meriti	2,595	-	-	-	(105)	-	2,490
Via Brasil MT 100 Concessionária de Rodovias S.A.	6,597	-	(8,725)	-	2,128	-	-
Via Brasil MT 320 Concessionária de Rodovias S.A.	11,953	-	(6,085)	-	(5,868)	-	-
Via Brasil MT 246 Concessionária de Rodovias S.A.	-	8,322	(7,835)	-	(487)	-	-
Mauá Luz Ltda.	6,443	69	-	-	3,620	-	10,132
Construtora Luz de Mauá Ltda.	9,297	-	-	-	7,531	-	16,828
Luz de Belém S.A.	-	24,106	(23,679)	-	(427)	-	-
Teresina Luz S.A.	13,079	-	-	-	1,224	-	14,303
Surplus value (assets):							
Sanesalto Saneamento S.A.	-	-	-	1,686	(1,686)	-	-
Urbeluz Energética S.A.	-	-	-	1,339	(1,339)	-	-
ASB Sanema Saneamento de Maceió S/A	-	-	-	21	(21)	-	-
	49,964	32,497	(46,324)	3,046	4,570	-	43,753
Loss on investments (liabilities):							
Marabá Luz S.A. (Conasa)	-	-	-	-	(1)	(18)	(19)
Marabá Luz S.A. (Urbeluz)	-	-	-	-	(1)	(43)	(44)
	-	-	-	-	(2)	(61)	(63)
Total investments	49,964	32,497	(46,324)	3,046	4,568	(61)	43,690

	Consolidated				
	Balance at 12/31/2019	Contribution/ capital increase	Equity in the results of investees for the year	Reclassification to intangible assets	Balance at 12/31/2020
Investments (assets):					
Concessionária Águas de Meriti	2,605	95	(105)	-	2,595
Via Brasil MT 100 Concessionária de Rodovias S.A.	3,921	-	2,676	-	6,597
Via Brasil MT 320 Concessionária de Rodovias S.A.	5,797	10,600	(4,444)	-	11,953
Sanesalto Saneamento S.A. (surplus)	-	-	(1,528)	1,528	-
Urbeluz Energética S.A. (surplus)	-	-	(1,292)	1,292	-
Mauá Luz Ltda.	2,602	-	3,841	-	6,443
Construtora Luz de Mauá Ltda.	9,017	-	280	-	9,297
Teresina Luz S.A.	-	13,332	(253)	-	13,079
	23,942	24,027	(825)	2,820	49,964

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Condensed balance sheets of subsidiaries and associates

	12/31/2021				12/31/2020			
	Total assets	Total liabilities	Profit (loss) for the year	Equity (net capital deficiency) of investees	Total assets	Total liabilities	Profit (loss) for the year	Equity (net capital deficiency) of investees
Subsidiaries								
Companhia Águas de Itapema	210,337	143,727	1,031	65,580	191,975	158,106	(5,744)	33,869
Sanesalto Saneamento S.A.	52,242	49,064	4,156	4,206	61,818	55,891	5,876	5,927
Sanetrat Saneamento S/A	9,107	3,078	644	5,386	44,627	2,344	363	42,283
Conasa-SPE	744	-	1,020	744	10,002	10,278	(1,735)	(276)
Urbeluz Energetica S.A	160,047	89,093	8,382	70,954	152,100	97,717	29,455	35,694
Sanesul Construtora e Saneamento do Sul S/A	2,501	2,520	(156)	135	2,598	2,461	(614)	137
ASB Ativos de Saneamento do Brasil S/A.	214,977	32	133,372	81,573	81,612	38	24,348	81,572
Via Brasil MT 100 Concessionária de Rodovias S.A.	70,777	47,714	6,571	16,492	78,207	61,714	(6,690)	16,493
Via Brasil MT 320 Concessionária de Rodovias S.A.	155,631	142,690	(16,942)	29,882	81,443	51,560	(11,109)	29,883
Via Brasil MT 246 Concessionária de Rodovias S.A.	85,133	65,832	(1,504)	20,804	-	-	-	-
Via Brasil BR 163 Concessionária de Rodovias S.A.	984	1,505	(531)	(521)	-	-	-	-
Luz de Belém S.A.	48,099	875	(132)	-	-	-	-	-
Envimax Consultoria e Serviços	-	-	-	-	1	1	(12)	1
Direct associates								
Mauá Luz Ltda	133,821	83,163	18,095	32,563	124,337	92,122	19,202	32,215
Construtora Luz de Mauá Ltda	138,337	54,195	37,656	46,485	71,937	25,452	1,399	46,485
Marabá Luz S.A.	264	349	(4)	(80)	264	349	(3)	(84)
Joint ventures								
Teresina Luz S.A.	128,364	85,449	3,674	39,240	40,056	816	(760)	39,241
Indirect subsidiaries								
Alegrete Participações RJ S.A.	63,434	50,645	7,397	5,392	57,659	52,267	9,723	5,391
Caraguá Luz S.A.	70,829	22,837	6,461	41,531	64,147	22,616	15,605	41,531
Sanema - Saneamento de Maceió Ltda	435,984	214,369	137,500	84,116	132,948	48,832	25,103	84,116
Concessionária Águas de Meriti Ltda.	5,082	-	(213)	5,295	5,295	-	(212)	5,295

CONASA INFRAESTRUTURA S.A. and its subsidiaries

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12.1 – Impairment tests

The Company did not identify any indication of impairment during the year, that is, no events or changes in circumstances indicating that the carrying amount of the assets may not be recoverable were identified, therefore, no provision for impairment was recognized.

13. Property and equipment

13.1. Breakdown

		Parent company			
		12/31/2021		12/31/2020	
	Depreciation rate p.a. (%)	Cost	Depreciation	Net	Net
Facilities	10	10	(10)	-	-
Machinery and equipment	10	606	(578)	28	54
IT equipment	20	886	(395)	491	140
Furniture and fittings	10	323	(171)	152	58
Vehicles	20	1,005	(828)	177	231
Land	-	700	-	700	700
		3,530	(1,982)	1,548	1,183

		Parent company			
		12/31/2020		12/31/2019	
	Depreciation rate p.a. (%)	Cost	Depreciation	Net	Net
Facilities	10	10	(10)	-	-
Machinery and equipment	10	606	(552)	54	85
IT equipment	20	467	(327)	140	42
Furniture and fittings	10	216	(158)	58	64
Vehicles	20	1,005	(774)	231	35
Land	-	700	-	700	700
		3,004	(1,821)	1,183	926

		Consolidated			
		12/31/2021		12/31/2020	
	Depreciation rate p.a. (%)	Cost	Depreciation	Net	Net
Facilities	10	35	(23)	12	7
Machinery and equipment	10	3,388	(2,480)	908	1,888
IT equipment	20	3,405	(1,578)	1,827	442
Furniture and fittings	10	1,719	(732)	987	258
Vehicles	20	6,745	(5,377)	1,368	1,723
Leasehold improvements	20	6,699	(5,098)	1,601	2,441
Land	-	6,370	-	6,370	6,370
Construction in progress	-	109	-	109	109
		28,470	(15,288)	13,182	13,238

CONASA INFRAESTRUTURA S.A. and its subsidiaries

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	Depreciation rate p.a. (%)	Consolidated			
		12/31/2020		12/31/2019	
		Cost	Depreciation	Net	Net
Facilities	10	25	(18)	7	8
Machinery and equipment	10	4,147	(2,259)	1,888	1,174
IT equipment	20	1,468	(1,026)	442	400
Furniture and fittings	10	820	(562)	258	311
Vehicles	20	6,544	(4,821)	1,723	1,893
Leasehold improvements	20	6,612	(4,171)	2,441	3,372
Land	-	6,370	-	6,370	6,370
Construction in progress	-	109	-	109	109
		26,095	(12,857)	13,238	13,637

According to the assessment made by management, there is no indication in the Company and its subsidiaries that certain assets could be impaired and, therefore, no estimated loss was recognized in the financial statements.

13.2. Changes in property and equipment

	Parent company				At 12/31/2021
	At 12/31/2020	Additions	Disposals	Depreciation	
Machinery and equipment	54	-	-	(26)	28
IT equipment	140	419	(1)	(67)	491
Furniture and fittings	58	106	-	(12)	152
Vehicles	231	-	-	(54)	177
Land	700	-	-	-	700
	1,183	525	(1)	(159)	1,548

	Parent company				At 12/31/2020
	At 12/31/2019	Additions	Disposals	Depreciation	
Machinery and equipment	85	-	-	(31)	54
IT equipment	42	125	(4)	(23)	140
Furniture and fittings	64	2	-	(8)	58
Vehicles	35	235	-	(39)	231
Land	700	-	-	-	700
	926	362	(4)	(101)	1,183

CONASA INFRAESTRUTURA S.A. and its subsidiaries

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	Consolidated					At 12/31/2021
	At 12/31/2020	Merger of assets (Note 1.1)	Additions	Disposals	Depreciation	
Facilities	7	-	5	-	-	12
Machinery and equipment (a)	1,888	215	-	(987)	(208)	908
IT equipment (a)	442	1,042	527	-	(184)	1,827
Furniture and fittings(a)	258	622	160	-	(53)	987
Vehicles (a)	1,723	149	52	-	(556)	1,368
Leasehold improvements (a)	2,441	2	-	-	(842)	1,601
Land	6,370	-	-	-	-	6,370
Construction in progress	109	-	-	-	-	109
	13,238	2,030	744	(987)	(1,843)	13,182

	Consolidated				At 12/31/2020
	At 12/31/2019	Additions	Disposals	Depreciation	
Facilities	8	-	-	(1)	7
Machinery and equipment	1,174	1,004	(20)	(270)	1,888
IT equipment	400	193	(34)	(117)	442
Furniture and fittings	311	11	(9)	(55)	258
Vehicles	1,893	465	-	(635)	1,723
Leasehold improvements	3,372	24	(105)	(850)	2,441
Land	6,370	-	-	-	6,370
Construction in progress	109	-	-	-	109
	13,637	1,697	(168)	(1,928)	13,238

CONASA INFRAESTRUTURA S.A. and its subsidiaries

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14. Intangible assets

a) Breakdown

	Average annual amortization rate	Consolidated			
		12/31/2021		12/31/2020	
		Cost	Amortization	Net	Net
Intangible assets - Sanitation (a)					
In service (Águas de Itapema)	4.79%	222,131	(62,503)	159,628	159,696
In service (Sanesalto)	4.65%	72,225	(37,228)	34,997	38,336
		294,356	(99,731)	194,625	198,032
Intangible assets - Highways (a)					
In service (Highways)	9.64%	136,521	(36,200)	100,321	-
Grants (Highways)	4.05%	19,341	(1,146)	18,195	-
		155,862	(37,346)	118,516	-
Computer software and applications					
Computer software and applications	20.00%	6,754	(4,818)	1,936	1,859
		6,754	(4,818)	1,936	1,859
Surplus value on investees' assets (b)					
Sanesalto Saneamento S.A.	2.72%	62,063	(3,214)	58,849	60,534
Via Brasil MT-100 Concessionária	0.00%	54,214	-	54,214	-
Via Brasil MT-246 Concessionária	0.00%	34,483	-	34,483	-
Via Brasil MT-320 Concessionária	0.00%	10,850	-	10,850	-
Urbeluz Energética S.A.	10.13%	-	-	-	11,229
ASB Ativos de Saneamento do Brasil S.A.	1.60%	-	-	-	1,247
		161,610	(3,214)	158,396	73,010
		618,582	(145,109)	473,473	272,901

	Amortization rate (a)	Consolidated			
		12/31/2020		12/31/2019	
		Cost	Amortization	Net	Net
Intangible assets of the concession (a)					
In service (Águas de Itapema)	4.62%	214,518	(54,822)	159,696	129,366
In service (Sanesalto)	4.64%	72,211	(33,875)	38,336	41,635
		286,729	(88,697)	198,032	171,001
Computer software and applications					
Computer software and applications	20.00%	6,104	(4,245)	1,859	2,112
		6,104	(4,245)	1,859	2,112
Surplus value on investees' assets (b)					
Sanesalto Saneamento S.A.	2.46%	62,063	(1,529)	60,534	62,063
Urbeluz Energética S.A.	10.31%	13,203	(1,974)	11,229	12,521
ASB Ativos de Saneamento do Brasil S.A.	-	1,247	-	1,247	1,247
		76,513	(3,503)	73,010	75,831
		369,346	(96,445)	272,901	248,944

- (a) The amortization rate of intangible assets related to concessions is linear and considers the terms of the concession contracts, since the investment is remunerated over the period.
- (b) The amortization rate of the fair value of investments at the date of acquisition is calculated according to the annual percentage of the expected cash generation at fair value, and its contribution to the composition of this amount. Therefore, the rate is not linear, it is defined in the Purchase Price Allocation (PPA).

CONASA INFRAESTRUTURA S.A. and its subsidiaries

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b) Changes in intangible assets

	Consolidated						
	At	Merger of assets	Additions	Surplus value in	Realization/	Amortization	At
	12/31/2020	(Note 1.1)		investments	reclassification of		12/31/2021
				surplus value			
Intangible assets - Sanitation							
In service (Águas de Itapema)	159,696	-	7,612	-	-	(7,680)	159,628
In service (Sanesalto)	38,336	-	14	-	-	(3,353)	34,997
	<u>198,032</u>	<u>-</u>	<u>7,626</u>	<u>-</u>	<u>-</u>	<u>(11,033)</u>	<u>194,625</u>
Intangible assets - Highways							
In service (Highways) (a)	-	94,240	7,885	-	-	(1,804)	100,321
Grants (Highways)(a)	-	18,249	-	-	-	(54)	18,195
	<u>-</u>	<u>112,489</u>	<u>7,885</u>	<u>-</u>	<u>-</u>	<u>(1,858)</u>	<u>118,516</u>
Computer software and applications							
Computer software and applications	1,859	367	188	-	-	(478)	1,936
	<u>1,859</u>	<u>367</u>	<u>188</u>	<u>-</u>	<u>-</u>	<u>(478)</u>	<u>1,936</u>
Surplus value on intangible assets of investees							
Sanesalto Saneamento S.A.	60,534	-	-	-	(1,686)	-	58,848
Via Brasil MT-100 Concessionária	-	-	-	54,215	0	-	54,215
Via Brasil MT-100 Concessionária	-	-	-	34,483	-	-	34,483
Via Brasil MT-100 Concessionária	-	-	-	10,850	-	-	10,850
Urbeluz Energética S.A.	11,229	-	-	-	(11,229)	-	-
ASB Ativos de Saneamento do Brasil S.A.	1,247	-	-	-	(1,247)	-	-
	<u>73,010</u>	<u>-</u>	<u>-</u>	<u>99,548</u>	<u>(14,162)</u>	<u>-</u>	<u>158,396</u>
Total concession intangible assets	<u>272,901</u>	<u>112,856</u>	<u>15,699</u>	<u>99,548</u>	<u>(14,162)</u>	<u>(13,369)</u>	<u>473,473</u>

	Consolidated					At 12/31/2020
	At	Additions	Realization of	Transfers of	Amortization	
	12/31/2019		surplus value	contract assets		
Concession intangible assets						
In service (Águas de Itapema)	129,366	19,353	-	17,200	(6,223)	159,696
In service (Sanesalto)	41,635	52	-	-	(3,351)	38,336
	<u>171,001</u>	<u>19,405</u>	<u>-</u>	<u>17,200</u>	<u>(9,574)</u>	<u>198,032</u>
Computer software and applications						
Computer software and applications	2,112	255	-	-	(508)	1,859
	<u>2,112</u>	<u>255</u>	<u>-</u>	<u>-</u>	<u>(508)</u>	<u>1,859</u>
Surplus value on intangible assets of investees						
Sanesalto Saneamento S.A.	62,063	-	(1,529)	-	-	60,534
	<u>62,063</u>	<u>-</u>	<u>(1,529)</u>	<u>-</u>	<u>-</u>	<u>60,534</u>
Total concession intangible assets	<u>235,176</u>	<u>19,660</u>	<u>(1,529)</u>	<u>17,200</u>	<u>(10,082)</u>	<u>260,425</u>

(a) With the acquisition of control and respective consolidation of the companies in which Zetta Infraestrutura held interests (Luz de Belém, MT-100, MT-320 and MT-246), the balances at November 30, 2021 arising from the business acquisition were included.

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Impairment test of intangible assets

The Company did not identify indication of impairment of its assets, therefore, no provision for impairment was recognized in the financial statements.

14.1. Construction services

	<u>12/31/2021</u>	<u>12/31/2020</u>
Construction revenue	15,847	19,660
Construction costs	<u>(15,847)</u>	<u>(19,660)</u>
	<u>-</u>	<u>-</u>

The Company operates as the primary responsible for the construction and installation of the concession-related infrastructure, either with its own efforts or through the hiring of third parties, thus it is significantly exposed to its risks and benefits. The Company does not record a profit margin on the construction services of intangible assets, due to the absence of a reference value other than the cost (Note 3.5.16).

15. Concession contract assets

The Company and its subsidiaries record the investments made under an administrative concession system, in which consideration is paid directly by the granting authority, as concession contract assets. Assets (or liabilities) arising from construction contracts (or similar), in which the performance obligation has not yet been satisfied, shall continue to be recorded as a contract asset until all performance obligations are satisfied. Sanema's contract, despite not having an operation/maintenance performance obligation, has to comply with the performance obligation that is the completion of the construction work.

15.1. Breakdown

	Consolidated				
	12/31/2021				
Surplus value in investments	Alegrete	Caragua Luz	ASB/ Sanema (b)	Total	
Opening balance	-	44,919	50,999	126,316	222,234
Additions (construction revenue)	-	651	6,550	255,504	262,705
Additions (contract rebalancing)	-	-	-	-	-
Remuneration of contract assets (PPPs)	-	17,138	12,820	-	29,958
Remuneration of contract assets (Sanema)	-	-	-	48,056	48,056
Receipt from contracts	-	(11,693)	(11,402)	(4,944)	(28,039)
Transfers to intangible assets	-	-	-	-	-
Advance for contract asset realization	-	-	-	6,689	6,689
Urbeluz Energética S.A.	9,890	-	-	-	9,890
ASB Ativos de Saneamento S.A.	1,226	-	-	-	1,226
Luz de Belém S.A.	5,173	-	-	-	5,173
Closing balance	<u>16,289</u>	<u>51,015</u>	<u>58,967</u>	<u>431,621</u>	<u>557,892</u>
TRAF (*)	-	19% p.a.	10% p.a.	8.10% p.a.	
				Current	58,572
				Non-current	499,320
					<u>557,892</u>

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	Consolidated					Total
	12/31/2020					
	Surplus value in investments	Itapema (a)	Alegrete	Caragua Luz	ASB/ Sanema (b)	
Opening balance	-	17,200	26,556	40,590	46,607	130,953
Additions (construction revenue)	-	-	9,273	1,206	70,377	80,856
Additions (contract rebalancing)	-	-	-	8,600	-	8,600
Remuneration of contract assets (PPPs)	-	-	13,767	6,062	-	19,829
Remuneration of contract assets (Sanema)	-	-	-	-	6,110	6,110
Receipt from contracts	-	-	(4,677)	(5,459)	-	(10,136)
Transfers to intangible assets	-	(17,200)	-	-	-	(17,200)
Advance for contract asset realization	-	-	-	-	3,222	3,222
Urbeluz Energética S.A.	11,229	-	-	-	-	11,229
ASB Ativos de Saneamento S.A.	1,247	-	-	-	-	1,247
Closing balance	12,476	-	44,919	50,999	126,316	234,710
TRAF (*)	-	-	19% p.a.	10% p.a.	8.10% p.a.	
					Current	23,853
					Non-current	210,857
						234,710

(*) Rate of return of the concession contract asset

- (a) Refer to the contractual right of concessionaire Companhia Águas de Itapema to charge from users the public services of water distribution and sewage treatment, when the respective assets are put into operation, and are measured at their cost. Upon completion of the construction of the infrastructure, such assets will be classified as Intangible assets (Note 14).
- (b) Sanema started to receive the amounts related to its contracts in November 2021.

15.2. Construction services

	Caraguá, Alegrete and Itapema	
	12/31/2021	12/31/2020
Construction revenue	7,201	10,479
Construction costs	(7,201)	(10,479)
	-	-

The Company operates as the primary responsible for the construction and installation of the infrastructure for the public services implemented during the PPP contract or other equivalent model, either with its own efforts or through the hiring of third parties, thus it is significantly exposed to the risks and benefits. The Company records construction revenues and costs with a zero margin in compliance with CPC 04 and OCPCo1, considering that investments will be remunerated throughout the Public-Private Partnership (PPP) contract.

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15.3. Asset construction services

	Sanema	
	12/31/2021	12/31/2020
Construction revenue	255,504	70,377
Construction costs	(106,262)	(34,499)
	<u>149,242</u>	<u>35,878</u>

The Company operates with its subsidiary Sanema Saneamento de Maceió Ltda as the primary responsible for the construction of assets, which comprise collection networks and a Sewage Treatment Plant (ETE) in the city of Maceió, with contract of execution with CASAL - Companhia de Saneamento do Estado de Alagoas. The term of the contract is 30 years; the first 30 months refer to the construction of the asset, with the same grace period to receive rental for the assets. Below is the statement of amounts received referring to the VML (Monthly Rental Value).

	Consolidated
	12/31/2021
Sanema Saneamento S.A.	
Monthly Rental Value (VML)	4,943
(-) Portion of interest for amortization of the Asset	(1,303)
(=) Gross Revenue (principal)	<u>3,640</u>

15.4. Consideration

The consideration is the remuneration paid by the granting authority as a result of the administrative concession contracts and PPPs to the concessionaire. This remuneration includes a portion of the remuneration and amortization of the concession contract asset, linked to the investments made, and a portion of the remuneration of the services provided by the concessionaire, such as operation and maintenance of the concession-related infrastructure. The Company and its subsidiaries divide the consideration between the amortization portion of the concession contract asset and the gross revenue from the provision of services based on estimates, linked to the economic and financial balance of the concession contracts, which are reviewed annually. There is also the consideration received referring to investee Sanema, in which, in November 2021, the receipts referring to the lease of assets started.

	Consolidated	
	12/31/2021	12/31/2020
Alegrete		
Consideration	36,706	34,742
(-) Portion for asset amortization	(11,693)	(7,982)
(=) Gross revenue	<u>25,013</u>	<u>26,760</u>
Caraguá		
Consideration	17,619	29,522
(-) Portion for asset amortization	(11,402)	(8,161)
(=) Gross revenue	<u>6,217</u>	<u>21,361</u>
Consolidated		
Consideration	54,325	64,264
(-) Portion for asset amortization	(23,095)	(16,143)
(=) Gross revenue	<u>31,230</u>	<u>48,121</u>

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Impairment test of concession contract assets

For the years ended December 31, 2021 and 2020, as a result of the impairment tests carried out in accordance with CPC 48 / IFRS 9, management did not identify factors indicating that the financial assets of the concession contracts, classified as amortized cost, could be impaired, therefore, no impairment losses were recognized in the financial statements.

16. Right-of-use assets and lease liabilities - Consolidated

16.1 Right-of-use

		12/31/2021		12/31/2020	
	Annual average amortization rate	Cost	Accumulated amortization	Net right-of-use	Net right-of-use
Right of use - Built to suit (a)	2.52%	17,376	(4,592)	12,784	14,703
Right of use - Built to suit (b)	24.56%	23,448	(3,619)	19,829	-
Right of use - machinery and equipment (c)	0.00%	55,584	-	55,584	-
Right of use - Other leases	24.49%	16,515	(5,627)	10,888	1,514
		<u>112,923</u>	<u>(13,838)</u>	<u>99,085</u>	<u>16,217</u>

- On February 5, 2016, Águas de Itapema signed an unusual lease contract with INFRA Real Estate Fundo de Investimento Imobiliário ("FII"), under the built to suit construction system, to implement the expansion to 225 liters per second of Water Treatment Plant of Morretes and ancillary works, with a corresponding rental value of R\$ 164 monthly. The built to suit contract has an average annual interest rate of 12.62%, and its last maturity is in December 2027. In 2018, the term of delivery of the construction work was signed, recognizing the finance lease, through the liability at present value and the right-of-use asset, according to CPC 06. On initial adoption, at January 1, 2019, the right of use was grouped into intangible assets.
- On April 8, 2019, Via Brasil MT-100 signed an unusual lease contract with Conseng Engenharia Ltda., under the built to suit construction system, to carry out works on the road system and ancillary works, with a corresponding rental value of R\$561 monthly payable in 48 installments adjusted by the IPCA.
- Refers to the lease of machinery and equipment that will be used as instruments to comply with part of the infrastructure of the concession contract of the investee Via Brasil BR-163. The lease contract has a duration of 60 months with annual adjustment of the contract by the IPCA index. There was no amortization as the contract was signed at the end of December 2021.

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16.1.1 Changes in right of use

	12/31/2021					Net right of use - closing balance
	Net right of use at 12/31/2020	Merger of assets (Note 1.1)	New contracts	Disposals	Amortization for the year	
Right of use - Built to suit (a)	14,274	-	-	-	(1,654)	12,620
Right of use - Built to suit (b)	-	19,829	-	-	(282)	19,547
Right of use - Machinery and equipment (c)	-	-	55,584	-	-	55,584
Right of use - Other leases	1,943	8,766	1,645	(764)	(256)	11,334
	<u>16,217</u>	<u>28,595</u>	<u>57,229</u>	<u>(764)</u>	<u>(2,192)</u>	<u>99,085</u>

	12/31/2020			
	Net right of use at 12/31/2019	New contracts	Amortization for the year	Net right of use - closing balance
Right of use - Built to suit (a)	15,763	-	(1,489)	14,274
Right of use - Other leases	1,977	654	(688)	1,943
	<u>17,740</u>	<u>654</u>	<u>(2,177)</u>	<u>16,217</u>

16.2 Lease liabilities

	12/31/2021	12/31/2020
Current		
Lease liabilities - Built to suit (a)	1,746	1,072
Lease liabilities - Built to suit (b)	7,041	-
Lease liabilities - Machinery and equipment (c)	9,850	-
Lease liabilities - Other leases	2,624	649
	<u>21,261</u>	<u>1,721</u>
Non-current		
Lease liabilities - Built to suit (a)	11,153	11,354
Lease liabilities - Built to suit (b)	8,021	-
Lease liabilities - Machinery and equipment (c)	45,734	-
Lease liabilities - Other leases	9,278	1,465
	<u>74,186</u>	<u>12,819</u>
	<u>95,447</u>	<u>14,540</u>

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16.2.1 Changes in lease liabilities

	At 12/31/2020	Merger of assets (Note 1.1)	New contracts	Interest and Adjustment to present value	(-) Payment of principal	(-) Payment of interest	Updates / (-) write-offs	At 12/31/2021
Built to suit (a)	12,426	-	-	1,997	(718)	(806)	-	12,899
Built to suit (b)	-	15,669	-	-	(467)	(140)	-	15,062
Machinery and equipment (c)	-	-	55,585	-	-	-	-	55,585
Other leases	2,114	9,716	1,645	281	(815)	(232)	(808)	11,901
	14,540	25,385	57,230	2,278	(2,000)	(1,178)	(808)	95,447

	At 12/31/2019	New contracts	Interest and Adjustment to present value	(-) Payment of principal	(-) Payment of interest	Updates (reversals)	At 12/31/2020
Built to suit	12,320	-	-	(412)	(621)	1,139	12,426
Other leases	2,062	654	339	(692)	(194)	(55)	2,114
	14,382	654	339	(1,104)	(815)	1,084	14,540

16.3. Discounted cash flows and tax credits

The Company, in conformity with IRFS 16/ CPC 06, in the measurement and remeasurement of its lease liabilities and right of use, used the discounted cash flow technique without considering the projected future inflation in the cash flows to be discounted, as well as the tax credits, according to the prohibition imposed by the standard, as shown below.

Cash flow	12/31/2021		12/31/2021	
	Nominal	Adjustment to present value	Nominal	Adjustment to present value
Lease payments	114,823	19,375	21,517	6,977
Potential PIS/COFINS credits (9.25%)	10,621	1,792	1,990	645
	125,444	21,167	23,507	7,622

In addition, in compliance with Circular Letter 02/2019 of the Brazilian Securities Commission (CVM), the comparisons in the line items of lease liabilities, right of use, depreciation expense, and finance cost for the years ended December 31, 2021 and 2020 and future periods using the discounted cash flow of leases are presented below, considering the projected future inflation in the payment flows, discounted at the aforementioned nominal rates:

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Line items	12/31/2021	2022	2023	2024	After 2024
Lease liabilities					
Accounting - IFRS 16/CPC 06 (R2)	95,447	81,035	55,613	38,082	21,879
Projected inflation flow	95,447	81,526	57,370	41,247	23,316
Variation	0.00%	0.61%	3.16%	8.31%	6.57%
Net right of use - closing balance					
Accounting - IFRS 16/CPC 06 (R2)	99,085	73,502	48,127	32,761	30,340
Projected inflation flow	99,085	77,839	52,942	34,927	22,325
Variation	0.00%	5.90%	10.00%	6.61%	-26.42%
Finance costs					
Accounting - IFRS 16/CPC 06 (R2)	(19,375)	(5,736)	(3,866)	(2,341)	(1,615)
Projected inflation flow	(19,375)	(6,401)	(4,621)	(2,994)	(2,213)
Variation	0.00%	11.58%	19.51%	27.89%	37.09%
Depreciation expense					
Accounting - IFRS 16/CPC 06 (R2)	(11,116)	(25,523)	(25,375)	(15,316)	(14,247)
Projected inflation flow	(11,116)	(25,556)	(25,965)	(16,139)	(15,252)
Variation	0.00%	0.13%	2.32%	5.37%	7.05%

The Company confirms that there were no changes and/or revaluations in its lease agreements as a result of the COVID-19 pandemic.

17. Trade payables

	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Trade payables - basic sanitation	-	-	8,345	8,803
Trade payables - public lighting	-	-	16,956	22,122
Trade payables - Highways	-	-	16,254	-
Trade payables - environmental sanitation	-	-	144	228
Trade payables - to be billed (a)	-	-	40,974	-
Trade payables - other	2,927	929	1,805	990
	2,927	929	84,478	32,143

(a) Refers to works already carried out in investee Sanema and recognized related to the construction contract of the assets, which are being paid as the measurements are evaluated by outsourced engineers from the project financing bank.

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18. Borrowings and debentures

18.1. Breakdown

Borrowings are centralized on debentures, structured under the project finance type, securitizing the cash flow of the Company and its subsidiaries, long-term financing structured in public bank lines such as BNB – Banco do Nordeste do Brasil S.A. and Bank Credit Notes (CCB). In addition, the Company has working capital bank financing and equipment financing mostly from the issuance of debentures.

	Final maturity	Annual effective rate	Parent company			
			12/31/2021		12/31/2020	
			Current	Non-current	Current	Non-current
Borrowings						
CCB Águas de Santo Antônio - IGPM + 10% (a)	nov/21	35.45%	-	-	3,117	-
CCB working capital - DI + 3.90%	ago/21	6.01%	-	-	20,453	-
CCB working capital - DI + 4.98%(SICOOB)	ago/22	7.02%	9,481	-	5,730	4,444
CCB working capital - DI + 2.70%(ABC)	dez/22	9.15%	14,075	-	-	-
CCB working capital - DI + 4.90%(BB)	dez/22	7.17%	8,299	-	-	-
Debentures - 1st issue - DI + 4.50%	jul/26	10.93%	14,661	87,814	-	-
Loan - IPCA + 15%	dez/26	18.61%	2,499	-	2,137	1,808
Finame - fixed rate	fev/23	6.99%	-	145	228	266
			49,015	87,959	31,665	6,518

- (a) The Company, as the parent company and guarantor of Águas de Santo Antônio, was responsible for paying the concessionaire's loan with the expiration of the concession, which ended in December 2021.

	Final maturity	Annual effective rate	Consolidated			
			12/31/2021		12/31/2020	
			Current	Non-current	Current	Non-current
Borrowings						
CCB working capital - DI + 3.90%	aug/21	6.01%	-	-	20,453	-
CCB working capital - DI + 4.98%(SICOOB)	ago/21	7.02%	9,481	-	5,730	4,444
CCB working capital - DI + 2.70%(ABC)	dec/22	9.15%	14,075	-	-	-
CCB working capital - DI + 4.90%(BB)	dec/22	7.17%	8,299	-	-	-
Financing for acquisition of goods - fixed rate	Sundry	6.00%	-	3,687	889	2,877
Working capital - DI	Sundry	4.50%	567	42	1,712	389
BNB - IPCA + 2%	nov/33	6.61%	4,802	75,217	-	25,532
BRDE (BNDES) - TJLP + 7.40%	mar/37	12.67%	-	-	2,176	10,348
CCB Águas de Santo Antônio - IGPM + 10%	nov/21	29.73%	-	-	3,117	-
			37,224	78,946	34,077	43,590
Debentures						
Loan - IPCA + 15%	dec/26	18.61%	2,499	-	2,137	1,808
Public debentures Águas de Itapema - IPCA + 7.06%	oct/27	10.42%	12,364	82,928	11,309	84,096
Public debentures Sanesalto - CDI + 4%	dec/26	6.11%	7,311	35,835	6,752	42,513
Public debentures CONASA SPE - IGPM + 8.75%	jun/24	28.26%	-	-	3,015	7,186
Public debentures MT-320 - IPCA + 6.20%	dec/36	16.20%	3,559	128,101	-	-
Public debentures MT-246 - CDI + 2.70%	jan/23	6.17%	-	63,830	-	-
Debentures - 1st issue - DI + 4.50%	jun/26	10.93%	14,661	87,814	-	-
			40,394	398,508	23,213	135,603
Finance leases						
Finame - fixed rate	Sundry	3.15%	-	145	228	266
Finame - IPCA + 1.89% (Sanetrat)	sep/25	6.41%	101	1,901	25	1,021
			101	2,046	253	1,287
			77,719	479,500	57,543	180,480

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18.2. Repayment of borrowings

Maturity	Parent company	Consolidated	Parent company	Consolidated
2021	-	-	31,665	57,543
2022	49,015	77,719	5,438	39,990
2023	22,358	140,373	1,080	30,888
2024	22,358	76,529	-	29,557
2025	22,358	74,575	-	24,376
2025	20,885	72,879	-	55,669
After 2026	-	115,144		
Total	136,974	557,219	38,183	238,023
Current	49,015	77,719	31,665	57,543
Non-current	87,959	479,500	6,518	180,480
	136,974	557,219	38,183	238,023

18.3. Changes in borrowings

	Parent company	Consolidated
At December 31, 2020	38,183	238,023
Merger of assets (Note 1.1)	931	132,591
Borrowings	138,627	259,198
(-) Payment of principal	(42,559)	(84,580)
(-) Payment of interest	(3,604)	(26,365)
Accrued interest	7,583	41,552
(-) Borrowing cost	(2,382)	(3,966)
(+) Amortization of borrowing cost	195	766
At December 31, 2021	136,974	557,219

	Parent company	Consolidated
At December 31, 2019	5,578	191,063
Borrowings	34,800	58,717
(-) Payment of principal	(3,088)	(21,033)
(-) Payment of interest	(1,195)	(13,474)
Accrued interest	2,088	22,313
(-) Borrowing cost	-	(131)
(+) Amortization of borrowing cost	-	568
At December 31, 2020	38,183	238,023

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18.4. Guarantees provided

The debentures issued by associates and subsidiaries are guaranteed by the fiduciary assignment of the SPEs' receivables, the fiduciary sale of the SPEs' shares, and, possibly, the Company's surety as stockholder, in addition to financial investments as reserve accounts.

Issuing company	Fiduciary assignment of receivables	Fiduciary sale of shares	Personal guarantee of the Company as stockholder	Reserve Account
Águas de Itapema	Totality of concession rights	100% of the SPE's shares	Yes	No
Sanesalto	Totality of concession rights	100% of the SPE's shares	No	3 installments not yet due
Sanema	Totality of the lease contract rights	100% of the SPE's shares	Yes	3 installments not yet due
Via Brasil MT-320	Totality of concession rights	100% of the SPE's shares	Yes	3 installments not yet due
Via Brasil MT-246	Totality of concession rights	100% of the SPE's shares	Yes	No
Conasa Infraestrutura	Totality of credit rights of Conasa, FEC Consortium and Alegrete.	100% of Conasa subsidiaries' shares	No	No

The financing of Sanema, obtained from Banco do Nordeste do Brasil S.A. – BNB, is collateralized by bank guarantees with Banco Santander (Brasil) S.A. and Banco Sumitomo Mitsui Brasileiro S.A. The guarantor banks have as guarantees the fiduciary sale of Sanema's quotas, the fiduciary assignment of the receivables from the lease agreement and joint personal guarantee of the stockholders, including the Company.

The credits obtained by the Company from the BNDES onlending financial institutions of the FINAME type are guaranteed by the financed assets.

Funds were raised for working capital by the parent company through banks Santander and Sicoob, the latter with an individual's personal guarantee.

18.5. Debentures - Águas de Itapema (2nd issue)

At an Extraordinary General Meeting held on February 8, 2019, the 2nd issue of public book-entry debentures, not convertible into shares, secured, of a single series, was discussed and approved, under the conditions set out in the debenture indenture.

The issue totaled 100 thousand debentures, with a unit nominal value of R\$ 1, totaling R\$ 100,000. The issuance of the public debentures, in addition to the registration with CVM, was registered with the Brazilian Financial and Capital Markets Association (ANBIMA).

Debentures are remunerated by IPCA + 7.07% p.a., in 17 half-yearly installments, maturing on the 15th of April and October of each year, starting on October 15, 2019 and ending on October 15, 2027.

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18.5.1. Financial covenants

Among the main covenants are those related to early maturity events, in particular: (i) the maintenance, as from the base date of December 2019, of a liquidity ratio above 1.00 and a debt service coverage ratio above 1.2, which will cause early maturity in the event of non-compliance for two consecutive years or three alternate years; (ii) distribution of dividends above the legal minimum only with debt service coverage ratio above 1.7; and (iii) prohibition of contracting new debts.

At December 31, 2021, the Company was in compliance with all non-financial covenants. It also complied with the debt service coverage ratio at 1.29, and with the liquidity ratio, ending at 1.28. The Company did not receive a penalty with early maturity at the end of 2020, when it did not comply with the liquidity ratio ending with a number lower than 1%, as the early maturity will occur in the event of non-compliance with the ratios for two consecutive years or three alternate years.

18.6 Debentures - Sanesalto (3rd issue)

At an Extraordinary General Meeting held on December 18, 2019, the 3rd issue of public book-entry debentures, not convertible into shares, secured, of a single series, was discussed and approved, under the conditions set out in the debenture indenture.

The issue totaled 55 thousand debentures, with a unit nominal value of R\$ 1, totaling R\$ 55,000. The issuance of the public debentures, in addition to the registration with CVM, was registered with the Brazilian Financial and Capital Markets Association (ANBIMA) on December 18, 2019.

Debentures will be remunerated by 100% of the accumulated variation of the daily average DI rates for one day (over extragroup) expressed as a percentage per year, based on 252 working days, plus a surcharge of 4% p.a. on the unit nominal value, in 84 monthly installments, maturing on the 18th of each month. The last installment is due on December 18, 2026.

18.6.1 Financial covenants

Among the main covenants are those related to early maturity events, in particular: (i) non-compliance by the issuer with the amortization of the unit nominal value balance and interest rates; (ii) adjudication of bankruptcy by the issuer; (iii) the prohibition of the distribution of dividends in an amount greater than the minimum required under Article 202 of the Brazilian Corporation Law and interest on capital; (iv) prohibition to reduce capital; and (v) prohibition of the issue of shares and other securities. Financial covenants have been measured as from the end of 2020; the debt service coverage ratio (DSCR) should be greater than 1.3 and the liquidity ratio should be greater than 1.00, the company cannot fail to comply with these ratios for two consecutive years or for three alternate years.

At December 31, 2021, the Company is in compliance with all covenants, as well as with the financial covenants, closing the year with a liquidity ratio of 1.12 (1.00 in 2020) and DSCR of 1.21 (1.47 in 2020).

18.7 Debentures - Conasa-SPE S.A. (1st issue)

On May 15, 2014, the first issue of debentures non-convertible into shares, in a single series, of investee Conasa SPE S.A. was approved. On September 26, 2014, 50 thousand book-entry debentures with a unit nominal value of R\$ 1 were issued, totaling R\$ 50,000. They were unsecured debentures (without preference) and did not have covenants. They were guaranteed by surety. Up to December 31, 2018, 11,799 debentures were recorded in the amount of R\$ 1 each.

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The debentures were remunerated at the rate of 8.75% p.a., with monetary adjustment by the IGP-M. The debt is payable in 120 successive monthly installments starting on July 1, 2015 with the last payment on June 1, 2024, but they were redeemed on August 31, 2021.

18.8 Debentures - Conasa Infraestrutura (1st issue)

On July 30, 2021, the first issue of 100 thousand book-entry debentures was carried out, with a unit nominal value of R\$ 1, totaling R\$ 100,000, with a term of five years and a rate linked to the variation of the DI plus a spread of 4.5% p.a. They are unsecured debentures (without preference). Debentures are guaranteed by surety and have covenants.

18.8.1 Financial covenants

Among the main covenants are those related to early maturity events, in particular: (i) non-compliance by the issuer with the amortization of the unit nominal value balance and interest rates; (ii) liquidation, dissolution or adjudication of bankruptcy by the issuer; (iii) the prohibition of the distribution of dividends in an amount greater than the minimum required under Article 202 of the Brazilian Corporation Law and interest on capital; (iv) prohibition to reduce capital; The financial covenants will be measured based on the financial statements for the year 2021, where its DCSR (Debt Service Coverage Ratio) shall be higher than 1.3 and the net debt/EBITDA shall not be equal to or higher than 3.75.

At December 31, 2021, Conasa Infraestrutura S.A. fully complied with all restrictive clauses, as well as financial covenants, ending the year with DCSR of 1.47 and net debt/EBITDA of 9.99.

18.9 Debentures - Via Brasil MT-320 (3rd issue)

On June 7, 2021, through the extraordinary general meeting, the Company approved the 3rd issue of 135,000 simple debentures, with a public offering distributed with restricted efforts, not convertible into shares, secured and with additional personal guarantee, of a single series, in the total amount of R\$ 135,000, with a unit nominal value of R\$ 1, with interest of 6.20%, adjusted monthly by the IPCA, with a term of 15 years, which will be amortized half-yearly from their issuance, with final maturity on December 15, 2036, and can be settled in advance with long-term financing.

18.9.1 Financial covenants

Among the main covenants are those related to early maturity events, in particular: (i) default by the issuer in the amortization of the balance of the unit nominal value and the interest, (ii) decree of bankruptcy by the issuer, (iii) prohibition to reduce capital; (iv) prohibition of the issuance of shares and other securities, among others. The financial covenants established in the third issue of debentures will be measured annually by the Issuer as from 2022, based on the Issuer's financial statements at each year-end, based on the Issuer's financial statements at the end of each year, as follows: failure of the Issuer to comply with the DCSR in the following cases: (a) in any measurement if less than 1.10, or (b) in 2 consecutive measurements or 3 alternate measurements if the DCSR is greater than 1.10 and less than 1.30.

At December 31, 2021, the Company did not conduct any measurements related to the financial covenants, since in the debenture indenture, the requirement begins at the end of 2022.

18.10 Debentures - Via Brasil MT-246 (1st issue)

On December 1, 2021, through the extraordinary general meeting, the Company approved the 1st issue of 65,000 simple debentures, with a public offering distributed with restricted efforts, not convertible into shares, unsecured and with additional personal guarantee, of a single series, in the total amount of R\$

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65,000, with unit nominal value of R\$ 1, interest equivalent to 100% of the accumulated variation of the daily average DI rates for one day (over extra-group) expressed as a percentage per year, based on 252 working days, calculated and published daily by B3, plus a surcharge of 2.70% p.a. The issue matures in a single installment, on June 1, 2023.

18.10.1 Financial covenants

Among the main covenants are those related to early maturity events, in particular: (i) default by the issuer of the amortization of the balance of the unit nominal value and the interest, (ii) decree of bankruptcy by the issuer, (iii) prohibition to reduce capital; (iv) prohibition of the issuance of shares and other securities, among others. There are no financial covenants linked to the issue of debentures.

19. Taxes payable

	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
PIS and COFINS	-	6	1,137	3,446
Taxes withheld	579	56	3,745	2,241
Income tax and social contribution	-	9	4,070	5,514
ISS payable	-	-	350	25
	<u>579</u>	<u>71</u>	<u>9,302</u>	<u>11,226</u>

20. Salaries and social charges

	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Salaries and social charges	264	179	1,706	1,716
Vacation pay and social charges	255	209	2,197	1,582
Other	50	43	148	130
	<u>569</u>	<u>431</u>	<u>4,051</u>	<u>3,428</u>

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21. Taxes and contributions payable in installments

a) Breakdown

	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Current				
Social security contribution payable in installments	120	107	841	695
Federal taxes payable in installments (c)	240	217	9,988	8,057
PRT/PERT payable in installments (a)	62	56	1,294	1,179
Municipal taxes payable in installments (b)	392	351	4,375	3,971
	814	731	16,498	13,902
Non-current				
Social security contribution payable in installments	115	218	1,172	1,494
Federal taxes payable in installments (c)	255	459	20,401	17,836
PRT/PERT payable in installments (a)	408	321	8,762	9,472
Municipal taxes payable in installments (b)	-	453	512	4,317
	778	1,451	30,847	33,119
	1,592	2,182	47,345	47,021

b) Amortization by maturity year:

Maturity	Consolidated
2022	16,498
2023	11,762
2024	8,342
2025	4,519
2026	3,222
After 2026	3,002
	47,345

- (a) On May 31, 2017, all companies of the group enrolled in the Tax Regularization Program (PRT), introduced by Provisional Measure 766 of January 4, 2017. PRT established the possibility of paying 24% of the total tax debit balance in 24 installments, and the remaining amount with the use of credits arising from tax losses of the companies of the same group. Tax debts past due up to November 30, 2016, as well as debts arising from assessment notices filed by the Brazilian Federal Revenue Secretariat, were included. The withdrawal of any lawsuit regarding such debts is mandatory.

With the publication of MP 783, which established the Special Tax Regularization Program (PERT), subsequently converted into Law 13,496 of October 24, 2017, the group companies enrolled in the program, transferring a portion of the PRT, and may include all debits past due up to April 30, 2017. By opting for the payment of 5% of its total balance of debts in five installments, and the remaining balance after the application of reductions, offsetting against the deferred income tax and social contribution arising from tax losses or making payments in 145 monthly and consecutive installments. Only investee Águas de Itapema remained in the PRT, settling the total amount at the beginning of the second half of 2019.

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- (b) Refers to the ISS due on investments in 2008 and 2009, which was not duly paid by Águas de Itapema, under the argument that sanitation companies would be exempt. The company was notified and obtained an unfavorable decision in the lawsuit in 2020. With the enactment of the Tax Recovery Program (REFIS) of Law 3,998, of June 22, 2020, of the Municipal Government of Itapema, Management decided to enroll in the program with the payment of R\$ 6,379 in 24 consecutive installments, with a reduction of 50% in fines and interest.
- (c) The federal installment programs comprise the taxes (PIS, COFINS, IRPJ and CSLL) paid in installments by the parent company and the investees, which are payable in 60 installments with final maturities depending on the date of enrollment, updated by the Selic rate monthly.

22. Deferred taxes

Deferred taxes are provided for on construction revenues already recognized, mainly in investees Caraguá Luz, Alegrete and Sanema, in the constitution of concession contract assets, provided for in the construction revenue, with eligibility starting only as from the respective receipts over the concession contract terms. Taxes are broken down as follows:

	Consolidated	
	12/31/2021	12/31/2020
Deferred PIS and COFINS		
Deferred PIS	3,588	1,509
Deferred COFINS	16,560	6,965
	20,148	8,474
Deferred income tax and social contribution		
Deferred income tax	43,366	17,793
Deferred social contribution	15,630	6,429
	58,996	24,222

Deferred taxes recorded and disclosed above refers solely to the recognition of the concession contract assets of investees Caraguá Luz, Alegrete and Sanema, in which the respective receipt of the contracts linked to the financial assets will only occur in the future. The increase in deferred taxes payable is due to progress in the construction of Sanema's assets.

The parent company adopts the taxable income taxation system, however, it does not record deferred taxes on tax losses and temporary differences, considering their future projections.

23. Provision for contingencies

23.1. Proceedings considered probable losses

The Company is the defendant in tax, civil and labor proceedings at the administrative and judicial levels. Management believes, based on the opinion of its legal counsel, that the provision for these legal and administrative proceedings is sufficient to cover probable losses that can be reasonably estimated arising from unfavorable decisions, and that the final and unappealable court decisions will not have significant impacts on the economic and financial position of the Company and its subsidiaries. Due to the characteristics of this provision and of the proceeding, it is not possible to make an accurate estimate of

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the time of disbursement of the amounts provided for, which consider interest and financial charges up to the balance sheet date.

(a) Balances:

The balances of the Parent company's provision for contingencies from prior periods were reversed during 2021, since there are no longer civil, labor or tax proceedings considered probable losses.

Parent company				
12/31/2021				
Likelihood of loss	Civil	Labor	Tax	Total
Probable	-	-	-	-
	-	-	-	-

Parent company				
12/31/2020				
Likelihood of loss	Civil	Labor	Tax	Total
Probable	10	-	270	280
	10	-	270	280

Consolidated				
12/31/2021				
Likelihood of loss	Civil	Labor	Tax	Total
Probable	1,334	7	-	1,341
	1,334	7	-	1,341

Consolidated				
12/31/2020				
Likelihood of loss	Civil	Labor	Tax	Total
Probable	257	580	270	1,107
	257	580	270	1,107

(b) Changes:

Parent company				
	Civil	Labor	Tax	Total
At December 31, 2020	10	-	270	280
Provision	-	-	-	-
Reversal	(10)	-	(270)	(280)
At December 31, 2021	-	-	-	-

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	Parent company			
	Civil	Labor	Tax	Total
At December 31, 2019	10	-	270	280
Additions	-	-	-	-
At December 31, 2020	10	-	270	280

	Consolidated			
	Civil	Labor	Tax	Total
At December 31, 2020	257	580	270	1,107
Reversal	(199)	(580)	(270)	(1,049)
Provision	1,276	7	-	1,283
At December 31, 2021	1,334	7	-	1,341

	Consolidated			
	Civil	Labor	Tax	Total
At December 31, 2019	257	580	270	1,107
Reversal	-	-	-	-
Provision	-	-	-	-
At December 31, 2020	257	580	270	1,107

Civil proceedings

The main civil proceedings were filed against subsidiary Companhia Águas de Itapema, and refer to compensation for pain and suffering due to irregular amounts charged from consumers.

Labor proceedings

The Company is a party to labor lawsuits in progress, and is discussing these matters at the administrative and judicial levels, which, when applicable, are supported by judicial deposits. The respective provision for contingencies was recorded considering the estimates made by the legal counsel for lawsuits in which the likelihood of loss on the respective outcomes was assessed as probable. Management understands that the resolution of these matters will not significantly differ from the amount provided for. The labor and social security contingencies refer to claims filed by former employees for amounts related to employment relationship and indemnity claims.

23.2. Proceedings considered possible losses

The Company and its subsidiaries are parties to other proceedings for which the risk of loss is considered possible by management, based on the opinion of the external legal counsel responsible for handling the proceedings, and for which no provision was recognized. These amounts are assessed and adjusted periodically, at least once a year. At December 31, 2021, the Company and its subsidiaries have balances of R\$ 9,165 referring to civil proceedings (R\$ 8,057 in 2020), R\$ 3,572 (R\$ 6,166 in 2020) to labor proceedings, and R\$ 45,147 (R\$ 32,437 in 2020) to tax proceedings, considered as possible losses.

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The significant tax proceedings with risk of loss considered as remote comprise the tax assessment notice and tax proceeding 18088.720066/2018- 08, in which the Brazilian Federal Revenue Office notified the Company regarding a payment to its CEO as services rendered by legal entity in the amount of R\$ 3,009.

24. Equity

24.1. Subscribed and paid-up capital

The subscribed and paid-up capital at December 31, 2020, which was R\$167,338, represented by 167,338 registered common shares, with no par value, was increased on December 16, 2021 by R\$ 70,727 through the issuance of 18,593,118 registered common shares at R\$3.80 per share by the new stockholder U2S Participações Ltda. On the same date, the amount of R\$ 130,500 was issued and contributed in cash, representing 29,931,192 registered shares at R\$ 4.36, through the investor Generate Capital, where the funds were contributed directly to the Company's parent company and subsequently contributed directly to Conasa Infraestrutura. Therefore, the Company's new share capital at December 31, 2021 is R\$368,565 represented by 215,862,377 registered shares. The ownership interest of the stockholders is as follows:

Stockholders	12/31/2021			12/31/2020		
	Number of shares	%	Share capital	Number of shares	%	Share capital
Infra Setorial Fundo Investimento em Participações	197,276,626	91.39%	336,832	167,338	100%	167,338
US2 Participações Ltda.	18,593,118	8.61%	31,746	-	-	-
	<u>215,862,377</u>	<u>100%</u>	<u>368,565</u>	<u>167,338</u>	<u>100%</u>	<u>167,338</u>

During the process of entry of the stockholder US2 Participações Ltda., as well as the investor Generate Capital through the Parent company, expenses were incurred with the issuance of shares that should be reclassified in a reduction account within share capital, as shown below:

	Parent company	
	12/31/2021	12/31/2020
Share capital	368,565	167,338
(-) Expenses with the issuance of shares	(8,075)	-
	<u>360,490</u>	<u>167,338</u>

24.2. Profit retention reserve

At December 31, 2021, according to Law 11,638/07 (Brazilian Corporation Law), the Company's management, in accordance with the capital budget, proposed the retention of a portion of profit exceeding the transfer to the legal reserve and distribution of dividends of R\$ 89,316 (R\$ 17,367 at December 31, 2020) which will be available for allocation and approval at the next Ordinary and/or Extraordinary General Meeting.

During 2021, the Company paid dividends referring to 2020 in the amount of R\$ 914 and R\$ 10,685 which was available to the General Meeting, and on May 22, 2021, it paid dividends in-kind through Bank Credit Notes of its investee Sanetrat in the amount of R\$ 31,689, with a balance of R\$ 109,697 (R\$ 62,755 at December 31, 2020) remaining in the profit retention reserve.

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24.3. Legal reserve

The legal reserve is credited annually with 5% of the profit for the year and cannot exceed 20% of the capital. At December 31, 2021, of the profit for the year, R\$ 4,948 (R\$ 962 in 2020) was allocated to the legal reserve. At December 31, 2021, the Company had an accumulated balance of R\$ 8,561 (R\$ 3,613 in 2020). The purpose of the legal reserve is to protect capital, and it can only be used to offset losses and increase capital.

24.4. Mandatory minimum dividends

The Parent company recognized the mandatory minimum dividends of 5% of the adjusted profit at December 31, 2021, as provided for in Article 30 of the bylaws, in the amount of R\$ 4,701 (R\$ 914 in 2020). The amount of R\$ 950 was advanced during 2021, as established in the bylaws. Accordingly, the balance of dividends payable at December 31, 2021 was R\$ 3,750 (R\$ 914 at December 31, 2020) corresponding to R\$ 0.6286 per share at December 31, 2021 (R\$ 0.1150 per share at December 31, 2020). In addition to the balance payable of dividends proposed by the Parent company, the Group has a balance of R\$ 6,286 (R\$ 5,018 at December 31, 2020) in the consolidated related to non-controlling interests.

24.5. Carrying value adjustments

On December 26, 2017, the Company increased the capital of the subsidiary Sanesul by R\$ 13,824, increasing its interest in this company from 83.7% to 89.91%, since there was no proportional increase by the non-controlling stockholder, this operation generated a capital transaction of R\$ 2,505, which was recognized directly in the Company's equity.

On December 16, 2021, as a result of the merger of the percentages of the assets that belonged to Zetta Participações S.A. in investee Sanema, a variation of the carrying value adjustments was recognized in the amount of R\$ 9,130.

At December 31, 2021, the Company had R\$ 6,625 (R\$ 2,505 at December 31, 2020) related to carrying value adjustments.

24.6. Share premium

On December 16, 2021, with the merger of the percentages of the assets that belonged to Zetta Participações S.A. in investees Luz de Belém, MT-100, MT-320 and MT-246 there was a share premium in the amount of R\$ 16,914.

24.7. Non-controlling interest

On December 1, 2021, with the merger of the percentages of the assets that belonged to Zetta Participações S.A. in investees Sanema, Luz de Belém, MT-100, MT-320 and MT-246, there was a reversal of non-controlling interests referring to the percentages of companies that were already consolidated and an increase in those that were not consolidated in the net amount of R\$ 39,809. Accordingly, at December 31, 2021, the balance of the Company's non-controlling interests amounted to R\$ 229,917 (R\$ 92,887 in 2020).

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25. Earnings per share

The calculation of earnings per share is made by dividing the profit for the year attributable to the holders of common shares of the parent company by the number of shares outstanding at the end of the year.

	Consolidated	
	12/31/2021	12/31/2020
Profit for the year	242,555	57,746
Profit attributable to non-controlling interests	95,611	38,503
Profit attributable to the owners of the parent	146,944	19,243
EARNINGS PER SHARE		
Number of shares	157,436,921	167,338,034
Basic earnings per share (in reais)	0.9334	0.1150

Diluted: The Company did not present the calculation of the diluted earnings per share as required by CPC – 41 /IAS 31, since there are no dilution factors. Therefore, there is no difference between the basic and diluted earnings per share.

12/31/2021		12/31/2020	
Number of shares	Ratio	Number of shares	Ratio
167,338,067	11/12	167,338,067	12/12
48,524,310	01/12	-	-
215,862,377		167,338,067	
Weighted average number of shares	157,436,921	Weighted average number of shares	167,338,067
Basic earnings per share (in reais)	0.9334	Basic earnings per share (in reais)	0.1150

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26. Net operating revenue

	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Gross services revenue (sanitation)	-	-	99,580	90,181
Gross services revenue (electricity)	-	-	31,230	48,121
Gross services revenue (highways)	-	-	7,855	-
Revenue from engineering works and services	4,461	113	35,880	45,579
Remuneration of contract assets (a)	-	-	29,958	19,829
Construction revenue (sanitation) (b)	-	-	7,626	19,600
Construction revenue (sanitation - ATF) (c)	-	-	255,504	70,377
Construction revenue (electricity) (b)	-	-	7,201	10,479
Construction revenue (highways) (b)	-	-	8,628	-
Revenue from vehicles and equipment rental	497	371	155	28
Cancellations	-	-	(5,649)	(4,960)
Taxes on services	(623)	(23)	(25,651)	(16,614)
	4,335	461	452,317	282,620

- (a) Revenue from the remuneration of the concession contract asset is recognized on the monetary adjustment of the balances of investments over the contract period, which is part of the asset to be received during the PPP contracts of investees Caraguá Luz and Alegrete Participações through consideration.
- (b) Recognized construction revenue, resulting from infrastructure investment linked to sanitation, electricity and highways concessions.
- (c) Construction revenue recognized under the Percentage of Completion (POC) method on the asset lease agreement.

27. Cost of services

	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2020	12/31/2020
Personnel	-	-	(11,915)	(10,464)
Materials and inputs	-	-	(11,270)	(9,122)
Chemicals	-	-	(2,010)	(2,002)
Outsourced services	-	-	(10,917)	(12,908)
Depreciation and amortization	-	-	(16,375)	(12,816)
Electricity	-	-	(21,021)	(18,676)
Construction - sanitation (a)	(6,624)	(192)	(14,250)	(19,600)
Construction - electricity (a)	-	-	(7,201)	(10,479)
Construction - highways (a)	-	-	(8,628)	-
Construction - sanitation (b)	-	-	(106,262)	(34,499)
	(6,624)	(192)	(209,849)	(130,566)

- (a) Recognized construction cost, resulting from infrastructure investment linked to sanitation, electricity and highways concessions.
- (b) Construction cost recognized due to the investments made in the construction of sanitation assets.

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28. General, administrative and selling expenses

	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Administrative expenses				
Personnel	(4,160)	(3,318)	(9,795)	(7,922)
Outsourced services	(12,236)	(6,434)	(24,941)	(16,414)
Travel	(360)	(402)	(1,046)	(864)
Rental	(418)	(349)	(864)	(830)
Electricity	(122)	(111)	(677)	(505)
Depreciation and amortization	(168)	(107)	(1,433)	(1,472)
IT expenses	(929)	(754)	(1,443)	(716)
Tax expenses	(14)	(21)	(320)	(338)
Non-deductible fines	(2)	(1)	(9)	(17)
Trustee services	(798)	(570)	(4,177)	(3,947)
Legal publications	(250)	(138)	(496)	(415)
Other expenses	(634)	(552)	(2,637)	(2,323)
	(20,091)	(12,757)	(47,838)	(35,763)
Selling expenses				
Personnel	(7)	(39)	(1,342)	(1,404)
Advertising and publicity	(240)	(66)	(890)	(833)
Provision for impairment of trade receivables	-	-	(8,207)	(6,814)
Depreciation and amortization	-	-	(41)	(44)
Loss on uncollectible receivables	-	-	(5)	(29)
Other expenses	(63)	(5)	(777)	(685)
	(310)	(110)	(11,262)	(9,809)
	(20,401)	(12,867)	(59,100)	(45,572)

29. Other income (expenses), net

	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Other income				
Shared administrative services (a)	11,565	10,069	1,274	728
Expenses recovered (b)	541	304	1,099	1,286
Gains on investments (c)	339	-	339	1,831
Surplus value on investments acquisition (e)	102,012	-	102,012	-
Other non-operating income	23	74	262	737
	114,480	10,447	104,986	4,582
Other expenses				
Loss on investments (d)	(9,308)	(4,194)	(6,196)	(4,194)
Provision for (reversal of) contingencies	280	-	(421)	-
Fines	(1)	(20)	(900)	(1,260)
Municipal tax liabilities	-	-	-	(1,918)
Other expenses	(1)	(1)	(1,582)	(27)
	(9,030)	(4,215)	(9,099)	(7,399)
	105,450	6,232	95,887	(2,817)

- (a) The Company centralizes the administrative services in the parent company, thus the amount (parent company) refers to shared administrative services of the investees performed by the holding company.
- (b) These refer to expenses recovered by the Parent company recognized in 2021 and 2020.
- (c) The Company recognized the gain on the investment in investee Urbeluz referring to the Caraguá Consortium, in which the latter held a 55% interest in 2020.
- (d) Losses on investments refer to the write-off of investments of Águas de Santo Antônio in the amount of R\$ 5,771 (R\$ 4,194 in 2020). The Company carried out the write-off due to impairment in the amount of

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R\$ 425 in MIPs (private interest expression) with the project in the city of Rio das Ostras in investee Urbeluz, because there is no evidence of realization.

- (e) As described in Note 12.d, with the completion of the merger of the assets of Zetta Participações S.A. and with the acquisition of control of the investees in which Conasa Infraestrutura already held interests, an independent consulting firm was hired to prepare the purchase price allocation (PPA) report, in which gains on the remeasurement of the previously held interest at fair value at the acquisition date were identified and recognized. Of the interests acquired by Conasa Infraestrutura, the assets of ASB Ativos de Saneamento S.A. were not considered as the Company already held control over them.
- (f) Due to the structure and feasibility of the concession project, even before the process of auction on the Stock Exchange (B3) up to the establishment of Via Brasil BR-163, the stockholders maintained pre-operating expenses, and decided to recognize the expenditures that would subsequently be contributed to capital according to their proportion of shares in the amount of R\$ 4,284.

30. Finance income and costs

	Parent company		Consolidated	
	12/31/2021	12/12/2020	12/31/2021	12/31/2020
Finance costs				
Interest on debentures	(5,050)	(484)	(29,526)	(18,143)
Interest on borrowings	(2,470)	(704)	(12,026)	(3,997)
Interest on leases	-	-	(2,278)	(1,402)
Interest accrued on payments in installments	(104)	(49)	(2,146)	(5,079)
Other tax interest	(16)	(10)	(1,404)	(945)
Bank charges	(49)	(3)	(873)	(872)
Borrowing costs	(195)	-	(828)	-
Other finance costs	(449)	(221)	(1,703)	(533)
	(8,333)	(1,471)	(50,784)	(30,971)
Finance income				
Income from investments	290	38	1,977	531
Interest on billings	15	-	999	595
Discounts obtained (a)	2	-	59	44
Interest and monetary adjustment of financial assets	-	-	48,056	6,109
Income from debt securities	5,848	5,024	3,996	589
Other finance income	6	5	123	530
	6,161	5,067	55,210	8,398
	(2,172)	3,596	4,426	(22,573)

- (a) On August 30, 2021, the early redemption of the debentures issued by the investee Conasa SPE was carried out. Upon early redemption, a discount on the interest was obtained in the amount of R\$2,048.

31. Income tax and social contribution (reconciliation)

The Company and its subsidiaries calculate the Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL) under the taxable income and deemed income systems. Under the taxable income system, income tax and social contribution are calculated taking into account all deductible expenses and taxable income through the calculation of the nominal rate of 25% of IRPJ and 9% of CSLL on the calculation basis of the taxable income. As regards the deemed income system, a deemed percentage of 32% is used, except in the cases of turnkey contracts with a rate of 8% for IRPJ and 12% for CSLL, and the calculation is carried out according to the tax legislation of the current year. The reconciliation of IRPJ and CSLL is presented below.

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	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Taxable income				
Profit before provision for income tax and social contribution	147,633	-	(12,108)	6,548
(-) Loss before provision for income tax and social contribution	-	-	(744)	(10,610)
Result before provision for income tax and social contribution	147,633	-	(12,852)	(4,062)
Income tax and social contribution - statutory rate of 34%	(50,195)	-	(4,370)	2,226
Recognition of deferred taxes on tax losses	-	-	857	-
Deferred tax not recognized on tax losses	-	-	(1,311)	(863)
Equity in the results of investees	22,795	-	(2,511)	(280)
Non-deductible expenses and other changes	49,980	-	2,465	(1,603)
	-	-	-	-
IRPJ and CSLL calculated	-	-	(1,357)	(2,746)
Current income tax and social contribution	-	-	(1,893)	(2,746)
Deferred income tax and social contribution	-	-	536	813
	-	-	(1,357)	(1,933)
Total effective rate	0.00%	0.00%	-11.21%	29.52%
Deemed income				
Profit before provision for income tax and social contribution	-	19,294	209,797	107,206
(-) Loss before provision for income tax and social contribution	-	-	-	(22,876)
Result before provision for income tax and social contribution	-	19,294	156,295	84,330
Rentals and other services provided	-	27,496	27,496	26,301
Provision of electricity services	-	83,400	83,400	72,544
Deemed income basis	-	484	110,896	98,845
	-	-	-	-
Deemed income for IRPJ (32%)	-	155	25,854	20,546
Deemed income for IRPJ (8%)	-	-	2,408	2,771
Income from financial investments, discounts and fines	-	38	189	123
Taxable base	-	193	28,451	23,440
	-	-	-	-
IRPJ calculated at 15%	-	(29)	(4,268)	(3,516)
IRPJ surcharge	-	(4)	(6,267)	(2,235)
(-) IRRF on invoices issued	-	(1)	29	(1)
Total IRPJ calculated	-	(34)	(10,506)	(5,752)
	-	-	-	-
Deemed income for CSLL 32%	-	155	25,854	20,546
Deemed income for CSLL 12%	-	-	3,613	4,156
Income from financial investments, discounts and fines	-	38	189	123
Taxable base	-	193	29,656	24,825
	-	-	-	-
CSLL calculated	-	(17)	(2,669)	(2,234)
Current income tax and social contribution - deemed income	-	(51)	(9,651)	(7,986)
Deferred income tax and social contribution - deemed income	-	-	(34,686)	(12,602)
	-	-	-	-
Income tax and social contribution recorded in the statement of income	-	(51)	(34,686)	(20,588)
Reconciliation of taxable income and deemed income in the statement of income:				
Current income tax and social contribution - deemed income and taxable income	-	(51)	(11,544)	(10,732)
Deferred income tax and social contribution - deemed income and taxable income	-	-	(34,150)	(11,789)
	-	-	-	-
Income tax and social contribution recorded in the statement of income	-	(51)	(35,706)	(22,521)
Total effective rate	0.00%	0.26%	24.89%	26.71%

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At December 31, 2021, the Company has income tax and social contribution losses amounting to R\$ 29,868.

32. Operating segments

Management defined the reportable operating segments based on the reports used for strategic decision-making, analyzed by the Executive Board, which are separated by technical characteristic and legal relation of the contract, in addition to the significance of the revenues of each segment.

Currently, the Company operates, directly or through subsidiaries and associates, in the following segments: (i) basic sanitation concessions in the cities of Itapema/SC, Salto/SP, São João de Meriti/RJ and Maceió/AL; (ii) public lighting management under Public-Private Partnerships in the cities of São João de Meriti/RJ, Caraguatatuba/SP, Mauá/SP, Teresina/PI and Belém/PA, and maintenance contracts in Boa Vista/RR, Rio das Ostras/RJ and Campos dos Goytacazes/RJ; (iii) supply of environmental sanitation services to the private sector, also in the city of Salto/SP; (iv) concessions of highways in the state of Mato Grosso in MT-100, MT-320, MT-246 and BR 163. The assets are being consolidated due to the acquisition of control of Conasa, they are being presented within Operating Segments as from the results for December 2021.

The basic sanitation concession segment is the most important business of the Company. The special purpose companies, subsidiaries or associates, Águas de Itapema, Sanesalto and Águas de Meriti are concessionaires for water supply and/or sewage treatment. The subsidiary Sanema is responsible for the construction of the collection and treatment system in four commercial sectors in Maceió/AL, and respective lease of the asset to CASAL. This segment is characterized by the significant investment at the start of concessions and the remuneration through tariff of investments made. In addition to the investees, the Company participates in bidding processes with the objective of obtaining new concessions.

The electricity and public lighting segment has an enormous potential since Resolution 414/10 of the National Electric Energy Agency (ANEEL) was enacted. Through Urbeluz and directly, the Company operates in the sector in Public-Private Partnerships (PPP) and direct provision of services and works. At the end of 2021, the Company held interest in five operational PPPs. In addition to the investees, the Company participates in bidding processes with the objective of obtaining new concessions.

The highway segment will be one of those that will most generate results from the collection of tolls on Via Brasil BR-163, scheduled to start collection in October 2022, as well as highways of Mato Grosso, where Via Brasil MT-246 is scheduled to start collecting tolls from April 2022.

The environmental sanitation segment is especially characterized by the treatment of industrial effluents, an activity performed by Sanetrat.

The other activities of the Company or of its subsidiaries and associates are classified in other operating segments, due to their current significance in the economic group's operations.

The information consolidated by business operating segment, analyzed by the management, corresponding to the financial statements at December 31, 2021 and December 31, 2020, was as follows:

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	Net revenue		Operating income	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Basic sanitation	347,517	169,176	255,616	52,552
Public lighting	83,464	107,292	23,667	49,662
Highways	15,860	-	13	-
Environmental sanitation	6,374	6,152	1,155	625
Other	(898)	-	3,372	1
Total	452,317	282,620	283,823	102,840

	Depreciation and amortization		Total assets	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Basic sanitation	(13,153)	(11,404)	1,004,450	521,163
Public lighting	(1,400)	(1,592)	202,786	152,100
Highways	(2,289)	-	366,844	-
Environmental sanitation	(1,001)	(1,174)	9,107	12,941
Other	(5)	(17)	-	31,689
Total	(17,848)	(14,187)	1,583,187	717,893

33. Insurance

The Company seeks to establish coverage that is consistent with its size and operations. During 2021 and the beginning of 2022, and in force up to variable dates in 2022, the Company's insurance contracts refer to its own property and equipment and its PPP contracts and concessions.

The risk assumptions adopted, given their nature, are not part of the scope of an audit and, accordingly, were not audited by our independent auditors. Values at risk are presented below:

	Value at risk	
	Property damages	Loss of profits
Sanetrat	1,600	-
Águas de Itapema	45,883	22,458
Urbeluz	52,487	-
Luz de Belém	74,424	-
Sanesalto	25,600	6,000
Sanema	8,654	-
CaraguaLuz	41,875	-
Alegrete	10,374	-
Via Brasil MT-100	53,040	-
Via Brasil MT-320	75,820	-
Via Brasil MT-246	75,820	-
	391,153	28,458

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34. Financial instruments

34.1. Analyses of financial instruments

The Company enters into transactions involving financial instruments to finance its activities or to invest available funds. These risks are managed through the definition of conservative strategies aimed at liquidity, profitability and security.

The Company does not conduct derivative transactions or transactions with other risk assets for speculative purposes. The results obtained from these transactions are in accordance with the policies and strategies defined by management.

34.2. Credit quality of financial assets

The Company's management believes that the receipt of its financial instrument credits is probable, since most of them are with public bodies linked to concessions or public-private partnership contracts.

34.3. Category of financial instruments

The main financial assets and liabilities at December 31, 2020 and December 31, 2020 are described below, as well as their valuation criteria. Taking into account the current scenario of Covid-19, the fair value of financial instruments approximates their carrying amounts at the end of the period, which is why only the carrying amounts are presented below:

	Category	Parent company	
		12/31/2021	12/31/2020
		Carrying amount	Carrying amount
Financial assets (*)			
Cash and cash equivalents	Amortized cost	107,338	1,629
Trade receivables	Amortized cost	1,672	1,825
Related parties	Amortized cost	49,283	16,106
Marketable securities	Amortized cost	21,325	18,087
Financial liabilities			
Trade payables	Amortized cost	2,957	929
Borrowings and debentures	Amortized cost	136,974	38,183
Related parties	Amortized cost	42,553	15,994

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	Category	Consolidated	
		12/31/2021	12/31/2020
		Carrying amount	Carrying amount
Financial assets (*)			
Cash and cash equivalents	Amortized cost	242,692	29,638
Trade receivables	Amortized cost	24,771	27,646
Contract assets	Amortized cost	541,603	213,634
Related parties	Amortized cost	39,890	31,823
Marketable securities	Amortized cost	54,525	34,915
Financial liabilities			
Trade payables	Amortized cost	84,626	32,143
Borrowings and debentures	Amortized cost	557,219	238,023
Lease liabilities	Amortized cost	39,863	14,540
Related parties	Amortized cost	10,288	6,890

34.4. Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse impacts on its financial performance.

Risk management is carried out by the Company's senior management, under policies approved by the stockholders. The Company's senior management identifies, evaluates and hedges financial risks.

- (a) **Market risk - interest rate risk:** The interest rate risk arises from financing linked to the CDI and revenues linked to inflation, or financial investments linked to the CDI and financing linked to inflation. Management understands that the risk of significant changes in profit or loss and cash flows is low. B3 market curves (currencies and interest) were considered as the most probable scenario on the maturity dates, according to management's assessment, for each of the operations. Thus, in the only scenario presented as probable, the Company identified that there is no impact on the fair value of financial instruments. The sensitivity table below shows two risk scenarios of increase in the rate, the first with a 25% increase and the second with a 50% increase.

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Consolidated			Market projection	
Financial instruments	Risk	Interest rate	Total balance at 12/31/2021	Probable scenario
Financial assets				
Cash and cash equivalents	Decrease in CDI rate	4.98%	242,692	254,778
Marketable securities	Decrease in CDI rate	6.42%	54,525	58,026
			297,217	312,804
Financial liabilities				
Working Capital - (CCB) - (SICCOOB)	Increase in CDI rate	7.02%	9,481	10,147
Working Capital - (CCB) - (ABC)	Increase in CDI rate	9.15%	14,075	15,363
Working Capital - (CCB) - (BB)	Increase in CDI rate	7.17%	8,299	8,894
Financing for acquisition of goods	Increase in CDI rate	6.00%	3,687	3,908
Working capital - BNB	Increase in CDI rate	4.50%	609	636
Lease liability	Increase in IPCA rate	6.61%	80,019	85,308
			39,863	43,873
Debentures				
Intercompany loan	Increase in IPCA rate	18.61%	2,499	2,964
Public Debentures - Águas de Itapema	Increase in IPCA rate	10.42%	95,292	105,221
Public Debentures - Sanesalto	Increase in CDI rate	6.11%	43,146	45,782
Public Debentures - MT-320	Increase in IPCA rate	16.20%	131,660	152,989
Public Debentures - MT-246	Increase in CDI rate	6.17%	63,830	67,768
Debentures - 1st issue	Increase in CDI rate	10.93%	102,475	113,676
Finance leases				
Finame - fixed rate			145	145
Finame			2,002	2,002
			597,082	658,676
Debt exposure			299,865	345,872
Net effect - loss				46,007

Due to the nature, complexity and isolation of a single variable, the estimates presented may not faithfully represent the amount of loss, if the deterioration of such variable is presented.

- (b) **Credit risk:** Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers. For banks and financial institutions, only securities issued by first-tier entities are accepted. Management considers the credit risk associated with customers as low risk, since the companies have a diffuse customer base with revenue linked mostly to the tariffs of services provided in connection with concessions and PPPs.
- (c) **Liquidity risk:** Cash flow forecasting is performed by the Company's management, which monitors rolling forecasts of liquidity requirements to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and compliance with internal balance sheet ratio targets.

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	Parent company						
	12/31/2021						
	Carrying amount	Projected cash flow	Up to 12 months	13 to 24 months	25 to 36 months	37 to 48 months	Over 49 months
Financial liabilities							
Trade payables	2,957	3,091	2,957	-	-	-	-
Working capital - DI	31,855	33,295	31,855	-	-	-	-
Debentures - 1st issue	102,475	107,107	14,516	22,358	22,358	22,358	20,885
Private debentures	2,499	2,612	2,499	-	-	-	-
Finame - fixed rate	145	152	145	-	-	-	-
Related parties	42,553	44,476	9,733	16,410	16,410	-	-
	182,484	190,732	61,705	38,768	38,768	22,358	20,885

	Parent company				
	12/31/2020				
	Carrying amount	Projected cash flow	Up to 12 months	13 to 24 months	25 to 36 months
Financial liabilities					
Trade payables	929	971	971	-	-
Bank Credit Notes	3,117	3,258	3,258		
Working capital (CCB)	20,453	21,520	21,520		
Working capital - DI	10,174	10,811	6,367	4,444	
Private debentures	3,945	4,234	2,428	2,605	-
Finame - fixed rate	494	512	228	244	40
Related parties	15,994	16,717	12,120	4,597	-
	55,106	58,023	46,892	11,890	40

	Consolidated						
	12/31/2021						
	Carrying amount	Projected cash flow	Up to 12 months	13 to 24 months	25 to 36 months	37 to 48 months	Over 49 months
Financial liabilities							
Trade payables	84,478	88,296	88,296	-	-	-	-
Debentures	438,902	458,740	40,394	119,930	56,100	56,100	166,378
Finame	2,147	2,244	2,002	145	-	-	-
Working capital	116,170	121,421	35,323	20,919	20,904	18,950	20,075
Lease liabilities	39,863	41,665	11,411	12,561	4,670	3,317	7,904
Related parties	10,288	10,753	10,215	73	-	-	-
	691,848	723,120	187,641	153,628	81,674	78,367	194,357

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	Consolidated						
	12/31/2020						
	Carrying amount	Projected cash flow	Up to 12 months	13 to 24 months	25 to 36 months	37 to 48 months	Over 49 months
Financial liabilities							
Trade payables	32,143	33,596	33,596	-	-	-	-
Debentures	158,816	165,321	23,213	24,153	25,655	26,415	65,885
Finame	1,540	1,641	253	316	385	340	347
Bank Credit Notes - Santo Antônio	3,117	3,568	3,568	-	-	-	-
Working capital	70,784	72,345	68,082	2,842	1,421	-	-
Lease liabilities	14,540	19,395	3,511	3,400	2,901	2,504	7,079
Related parties	6,890	7,201	6,706	495	-	-	-
	<u>287,830</u>	<u>303,067</u>	<u>138,929</u>	<u>31,206</u>	<u>30,362</u>	<u>29,259</u>	<u>73,311</u>

- (d) **Foreign exchange risk:** The Company does not operate with financial instruments linked to foreign currencies. Thus, management understands that it does not have risks related to foreign exchange rate variations.
- (e) **Capital management:** The Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns for stockholders, as well as control the level of indebtedness through the monitoring of the gearing ratio. This ratio corresponds to the net debt expressed as a percentage of total capitalization. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the balance sheet), less cash and cash equivalents. Total capitalization is calculated as equity as shown in the balance sheet plus net debt.

	Consolidated	
	12/31/2021	12/31/2020
A - Total borrowings, debentures and lease liabilities	652,666	252,563
B - (-) Cash and cash equivalents and marketable securities (note 3)	297,217	29,638
C = (A - B) - Net debt	355,449	222,925
D = Total equity	524,650	324,088
E = (C + D) - Total capitalization	880,099	547,013
C/E = Gearing ratio	40.4%	40.8%

35. Commitments linked to the concession contracts (unaudited)

The Company and its subsidiaries have significant commitments linked to the concession contracts, as follows:

- (i) Companhia Águas de Itapema has an investment commitment of R\$ 510 million from 2016 to the end of the concession, of which R\$ 165 million is to be invested in water and R\$ 335 million in sewage, according to the investment plans defined in the Municipal Sanitation Plan and the Concession Contract. Up to December 31, 2021, the Company had already invested R\$ 222,835.
- (ii) Sanesalto completed the investments established in the concession; now it is only responsible for the system operation up to 2032. Up to December 31, 2021, the Company had already invested R\$ 72,487 in the sewage treatment system.

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- (iii) Sanema has, as an investment commitment, the execution of the Sewage Treatment Plant and collection network, with the respective sewage lift stations, in the service area defined by the turnkey contract signed of R\$ 171 million up to November 30, 2021. Up to December 31, 2021, the Company had already invested R\$ 153,294.
- (iv) Caraguá Luz completed, at the beginning of 2020, the substitution of all existing lamps by LED lamps, as established in the PPP contract, with a total investment of R\$ 57,145 of the original contract. On December 30, 2020, the 2nd amendment was signed with investments to be made in the amount of R\$ 45,129. Up to December 31, 2021, the Company had invested R\$6,550.
- (v) Alegrete RJ Participações S.A. has as an investment commitment the replacement of all the lamps of the municipal public lighting structure by LED lamps, estimated for 2020, in addition to the replacement of these lamps in a second cycle of investments between years 11 and 15 (2025 to 2029) of the PPP contract, with an estimated investment of R\$ 100 million in public lighting. Investments in the improvement of the efficiency of public buildings and the acquisition of equipment are also planned, which amount approximately to R\$ 22 million during the concession.
- (vi) Luz de Belém has as an investment commitment the replacement of all the lamps of the municipal public lighting structure by LED lamps, estimated for 2021-2022, with an approximated investment of R\$ 80 million in public lighting. Investments are expected to start by March 2022.
- (vii) Via Brasil MT-100, concession of a stretch of highway of 111 km for 30 years, has as its investment commitment the implementation of toll plazas, user support systems and repavement of the highway. The grant right was acquired for approximately R\$ 10,000. With the concession, the highway will receive investments of R\$ 365 million. By the end of 2021, the Company had invested R\$59,994.
- (viii) Via Brasil MT-320/208, concession of a stretch of highway of 188 km, has as its investment commitment the implementation of toll plazas, user support systems and repavement of the highway. The grant right was acquired for approximately R\$ 6 million. With the concession, the highways will receive investments of R\$ 211 million during the investment period. By the end of 2021, the Company had invested R\$78,174.
- (ix) Via Brasil MT-246, concession of a stretch of highway of 233 km, has as its investment commitment the implementation of toll plazas, user support systems and repavement of the highway. There was no payment of the grant right. With the concession, the highways will receive investments of R\$ 850 million during the investment period. By the end of 2021, the Company had invested R\$17,300.

37. Transactions not involving cash or cash equivalents

The Company carried out a significant transaction at the end of the first half of 2020 involving investment and financing, which did not affect cash, with the investee Via Brasil MT-320, which was therefore adjusted in the statement of cash flows, as detailed below:

- Capital contribution of R\$ 4,800 through the assumption of debts of the first issue of debentures issued by Via Brasil MT-320, according to the Private Instrument of Purchase and Sale of Securities.

At December 31, 2021, the Company carried out a significant transaction involving the parent company and its investees, which did not affect cash, therefore it was adjusted in the statement of cash flows, as detailed below:

- As mentioned in note 10, the stockholders of Sanetrat decided on the spin-off of the CCI asset where the parent company Conasa received this asset and distributed it as dividends with profit retention reserve to its controlling stockholder INFRA Setorial FIP, in the amount of R\$ 31,689.

CONASA INFRAESTRUTURA S.A. and its subsidiaries

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- Also in investee Sanetrat on September 3, 2021 the stockholders decided to reduce capital by further R\$ 3,469 for the acquisition and delivery of machinery and equipment to the Parent Company.
- As mentioned in note 12.b, Urbeluz Energética S.A. reversed the distribution of dividends accrued in 2020 in the amount of R\$ 2,436, this transaction did not involve cash too.
- At December 30, 2021, the Company transformed the advance for future capital increase of the investee Via Brasil MT-100 into share capital in the proportion of two shares, paying in the amount of R\$8,838.
- On December 16, 2021, with the completion of the merger of the assets of Zetta Participações S.A. and with the acquisition of control of the investees in which Conasa Infraestrutura already held interests, an independent consulting firm was hired to prepare the purchase price allocation (PPA) report, in which the surplus value of the investments was identified and recognized. The Company prepared a purchase price allocation report and identified an increase in the surplus value of R\$ 26,044 arising from the exchange of shares, recognized directly in equity.

38. Events after the reporting period

On February 4, 2022, one of the important requirements for complying with the conditions precedent and the financial viability of the Company were met, with the capital increase to R\$ 407 million in subsidiary Via Brasil MT 163 Concessionária de Rodovias S.A. The amount will be sufficient to execute the scheduled Business Plan.

Also in February 2022, the subsidiary Via Brasil MT 163 Concessionária de Rodovias S.A. signed a debenture mandate with Banco BTG Pactual S.A. and Banco Itaú-BBA for the issuance of up to R\$ 850 million. The process is ongoing, with settlement expected by June 30, 2022.

On February 10, 2022, the Company increased its capital by R\$ 264,383 through stockholders Infra Setorial Fundo de Investimento em Participações Multiesfera and DP Brasil SPV I, LLC totaling 60,638,409 common shares, in which the other stockholder U2S Participações Ltda waives its right of preference for capital increase purposes.

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OFFICERS' REPRESENTATION ON THE FINANCIAL STATEMENTS AND THE INDEPENDENT AUDITOR'S REPORT.

The Company's officers declare, for the purposes of article 25, paragraph 1, subitems V and VI, of CVM Instruction 480, of December 7, 2009, that: (i) they have reviewed, discussed and agreed with the opinions expressed in the independent auditor's report on the parent company and consolidated financial statements for the year ended December 31, 2021; and (ii) they have reviewed, discussed and agreed with the parent company and consolidated financial statements for the year ended December 31, 2020.

Executive Officers

- **CEO:** Mario Vieira Marcondes Neto;
- **Administrative, Financial and Investor Relations Officer:** Claudio Roberto de Leoni Ramos;
- **Chief Operations Officer:** Ricardo Salles de Oliveira Barra;

Accountant

Isaac do Nascimento – CRC PR 043.806/O-1.

Mario Vieira Marcondes Neto
Chief Executive Officer

Isaac do Nascimento
Accountant CRC-PR043806/O-1