

# Earnings Release

## 1Q24

Rio Manso Reservoir



**Belo Horizonte, April 29<sup>th</sup>, 2024** - COPASA MG (B3: CSMG3) hereby announces today its results for the first quarter of 2024 (1Q24). The financial information, except where otherwise indicated, is presented in Brazilian Reais thousands (R\$ thousand) and refers to the Parent Company. All tables in this report are available for download on the Company's Investor Relations website ([ir.copasa.com.br](http://ir.copasa.com.br)).

### OPERATIONAL AND FINANCIAL HIGHLIGHTS

- Net revenue of water, sewage, and solid waste totaled **R\$1.69 billion** in 1Q24, up by **7.4%** over 1Q23 (**R\$1.57 billion**).
- Costs and expenses totaled **R\$1.15 billion** in 1Q24 (against **R\$1.05 billion** in 1Q23), up by **9.2%**.
- The EBITDA totaled **R\$700.7 million** in 1Q24, up by **3.4%** over 1Q23 (**R\$677.5 million**). The EBITDA Margin was **41.1%** (**42.1%** in 1Q23).
- Net income was **R\$351.6 million** in 1Q24, up by **4.1%** over 1Q23, that was **R\$337.7 million**.
- Payout for 2024 will be **50%** of the adjusted Net Income
- Regular Dividends referred do 1Q24 totaled **R\$172.4 million**: **R\$117.6 million** as Interest on Equity (IoE) and **R\$54.8 million** as Dividends.
- The Extraordinary Shareholders' Meeting held on April 26th, 2024, approved the distribution of **R\$300.0 million** as Extraordinary Dividends.
- Net debt reached R\$3.91 billion in March 2024 and the Net Debt/EBITDA ratio was 1.5x.
- Investments made by the Parent Company, from January to March 2024, including capitalizations, totaled **R\$372.4 million**, increasing by **39.2%** from the same period in 2023.
- In 1Q24, water volume measured reached **164.2 million m<sup>3</sup>**, while sewage volume came to **112.9 million m<sup>3</sup>** (up by **1.3%** and **1.6%**, respectively, over 1Q23) (consolidated data).
- The delinquency rate (ratio between the balance of accounts receivable overdue between 90 and 359 days and the total amount billed in the last 12 months) reached **3.03%** in March 2024, one of the lowest indexes in the last 7 years. In March 2023 it was **3.15%**.
- The loss rate in COPASA MG's distribution reached **39.2%** in March 2024 (**39.0%** in March 2023).
- The Parent Company's index of "employees per thousand water and sewage connections" fell by **5.8%**, from **1.33** in March 2023 to **1.25** in March 2024.
- The capacity level of the reservoirs of the Paraopeba system is **89,2%**.

#### Conference Call

April 30<sup>th</sup>, 2024 (Tuesday)  
11 a.m. (Brasilia) 10 a.m. (New York) 3 p.m. (London)  
Link: [Click here](#)

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## 1. Operating Performance

### 1.1. Operational data

The main operational data of the parent company (COPASA MG) comparing 1Q24 with the other reference periods is as follows:

COPASA MG Data (Parent Company)	1Q24	1Q23	1Q24 vs. 1Q23	4Q23	1Q24 vs. 4Q23	1Q22	1Q23 vs. 1Q22
<b>Water</b>							
Connections (1,000 units)	4,564	4,534	0.7%	4,566	-0.1%	4,491	0.9%
Units (1,000 units)	5,525	5,487	0.7%	5,526	0.0%	5,431	1.0%
Population Served (1,000 inhabitants)	11,514	11,622	-0.9%	11,566	-0.5%	11,606	0.1%
Distributed Volume (1,000 m <sup>3</sup> )	278,502	263,766	5.6%	285,822	-2.6%	256,390	2.9%
Measured Volume (1,000 m <sup>3</sup> )	161,549	159,501	1.3%	178,164	-9.3%	150,973	5.6%
Network Extension (km)	63,406	62,299	1.8%	63,063	0.5%	61,650	1.1%
Water Metering Index (%)	100.0	99.9	0.1 p.p.	99.9	0.1 p.p.	99.9	0 p.p.
Loss Index <sup>1</sup> (%)	39.2	39.0	0.2 p.p.	38.6	0.6 p.p.	40.6	-1.6 p.p.
Loss Index <sup>2</sup> (L/connectionsxday)	260.0	249.4	4.2%	252.2	3.1%	256.7	-2.8%
<b>Sewage</b>							
Connections (1,000 units)	3,149	3,088	2.0%	3,140	0.3%	3,025	2.1%
Units (1,000 units)	4,016	3,933	2.1%	3,996	0.5%	3,854	2.1%
Population Served (1,000 inhabitants)	8,480	8,463	0.2%	8,496	-0.2%	8,362	1.2%
Measured Volume (1,000 m <sup>3</sup> )	111,636	109,913	1.6%	122,507	-8.9%	104,495	5.2%
Treated Volume (1,000 m <sup>3</sup> )	97,475	85,368	14.2%	103,210	-5.6%	80,143	6.5%
Network Extension (km)	32,283	31,509	2.5%	32,107	0.5%	30,921	1.9%

(1) Difference between the distributed volume and the measured volume, divided by the distributed volume in the last twelve months.

(2) Difference between the volume distributed and the volume measured, divided by the number of served connections and the number of days in the period in the last twelve months.

The main operational data of the subsidiary COPANOR comparing 1Q24 with the other reference periods is as follows:

COPANOR Data	1Q24	1Q23	1Q24 vs. 1Q23	4Q23	1Q24 vs. 4Q23	1Q22	1Q23 vs. 1Q22
<b>Water</b>							
Connections (1,000 units)	115	112	2.3%	114	0.3%	110	2.2%
Units (1,000 units)	118	115	2.1%	118	0.3%	113	2.1%
Population Served (1,000 inhabitants)	223	226	-1.2%	223	0.1%	223	1.5%
Distributed Volume (1,000 m <sup>3</sup> )	4,098	4,062	0.9%	4,182	-2.0%	4,246	-4.3%
Measured Volume (1,000 m <sup>3</sup> )	2,679	2,559	4.7%	2,980	-10.1%	2,326	10.0%
Network Extension (km)	2,899	2,774	4.5%	2,882	0.6%	2,708	2.4%
<b>Sewage</b>							
Connections (1,000 units)	54	54	1.6%	54	0.3%	52	2.7%
Units (1,000 units)	56	55	1.3%	56	0.3%	54	2.6%
Population Served (1,000 inhabitants)	107	107	-0.5%	106	0.5%	105	2.0%
Measured Volume (1,000 m <sup>3</sup> )	1,235	1,200	3.0%	1,350	-8.5%	1,109	8.2%
Network Extension (km)	1,577	1,579	-0.1%	1,559	1.2%	1,578	0.1%

The main operational data of the parent company (COPASA MG) and the subsidiary (COPANOR) comparing 1Q24 with the other reference periods is as follows:

Consolidated Data (COPASA MG + COPANOR)	1Q24	1Q23	1Q24 vs. 1Q23	4Q23	1Q24 vs. 4Q23	1Q22	1Q23 vs. 1Q22
<b>Water</b>							
Connections (1,000 units)	4,679	4,646	0.7%	4,681	0.0%	4,601	1.0%
Units (1,000 units)	5,643	5,602	0.7%	5,644	0.0%	5,544	1.0%
Population Served (1,000 inhabitants)	11,737	11,847	-0.9%	11,789	-0.4%	11,828	0.2%
Distributed Volume (1,000 m <sup>3</sup> )	282,600	267,827	5.5%	290,004	-2.6%	260,636	2.8%
Measured Volume (1,000 m <sup>3</sup> )	164,227	162,060	1.3%	181,144	-9.3%	153,299	5.7%
Network Extension (km)	66,305	65,072	1.9%	65,946	0.5%	64,357	1.1%
<b>Sewage</b>							
Connections (1,000 units)	3,204	3,142	2.0%	3,194	0.3%	3,077	2.1%
Units (1,000 units)	4,072	3,989	2.1%	4,052	0.5%	3,908	2.1%
Population Served (1,000 inhabitants)	8,587	8,570	0.2%	8,603	-0.2%	8,468	1.2%
Measured Volume (1,000 m <sup>3</sup> )	112,872	111,113	1.6%	123,857	-8.9%	105,604	5.2%
Network Extension (km)	33,860	33,089	2.3%	33,666	0.6%	32,499	1.8%

### 1.1.1. Consumption Period and Measured Volume – Based on 90 days

The changes in measured volume deserve a more detailed analysis given that, because of the billing scheduled for 1Q24, the consumption period recorded this quarter (88.2 days) was shorter than the one reported in 1Q23 (90.4 days) and the other reference periods. To allow for a comparative analysis between the periods, when adjusting the measures volume for a 90-day billing period, the volume measured would:

Consumption Period and Volume COPASA MG	1Q24	1Q23	1Q24 vs. 1Q23	4Q23	1Q24 vs. 4Q23	1Q22	1Q23 vs. 1Q22
<b>Consumption Period</b>							
Consumption Days (quarter)	88.2	90.4	-2.4%	93.1	-5.3%	90.5	-0.1%
<b>Water Volume (1,000 m<sup>3</sup>)</b>							
Measured Volume – Real <sup>1</sup>	161,549	159,501	1.3%	178,164	-9.3%	150,973	5.6%
Measured Volume – Adjusted <sup>2</sup>	164,846	158,884	3.8%	172,232	-4.3%	150,222	5.8%
<b>Sewage Volume (1,000 m<sup>3</sup>)</b>							
Measured Volume – Real <sup>1</sup>	111,636	109,913	1.6%	122,507	-8.9%	104,495	5.2%
Measured Volume – Adjusted <sup>2</sup>	113,914	109,487	4.0%	118,428	-3.8%	103,975	5.3%

(1) Represent the volume actually measured, considering the real billing schedule for each period.

(2) Represent the adjusted volume, considering a theoretical 90-day schedule for all comparative periods.

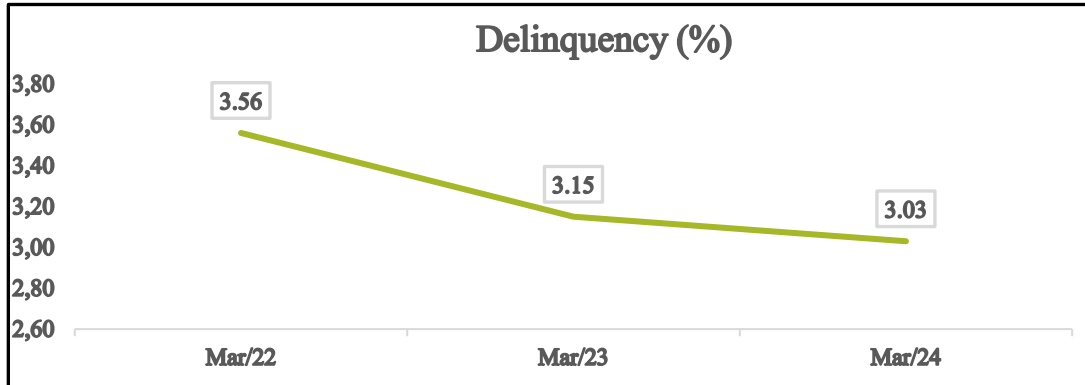
## 1.2. Customer Base

The quarterly information about the customer base, measured volume and billing by consumer category (Residential, Social Residential, Commercial, Industrial and Public) are highlighted in the following table:

Consolidated Data (COPASA MG + COPANOR)	Units per Category (%)			Measures Volume per Category (%)			Billings per Category (%)		
	1Q24	1Q23	1Q22	1Q24	1Q23	1Q22	1Q24	1Q23	1Q22
<b>Water and Sewage (Quarterly Average)</b>									
Residential	79.2%	79.8%	78.0%	74.8%	75.7%	74.1%	69.1%	69.8%	69.1%
Residential Social	10.4%	9.8%	11.5%	10.8%	10.0%	11.9%	5.3%	4.9%	5.9%
Commercial	9.2%	8.6%	8.6%	8.9%	8.2%	7.9%	15.4%	14.1%	13.7%
Industrial	0.6%	0.6%	0.6%	2.0%	2.0%	2.1%	3.8%	3.8%	4.0%
Public	0.6%	1.2%	1.3%	3.5%	4.1%	4.0%	6.4%	7.4%	7.3%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

### 1.3. Delinquency

According to the following chart, the delinquency rate, i.e., the ratio between the balance of accounts receivable overdue between 90 and 359 days and the total billed amount in the last 12 months, of 3.15% in March 2023, reached 3.03% in March 2024. This result is due to the resumption and intensification of collection actions and debt renegotiation campaigns.



### 1.4. Coverage Ratios

In March 2024, the coverage ratio of COPASA MG's water services, within its coverage area, is above 99%, as also verified in previous years, being higher, therefore, than that required by the New Sanitation Sector Framework, showing that the Company has already reached universalization before the deadline set for 2033.

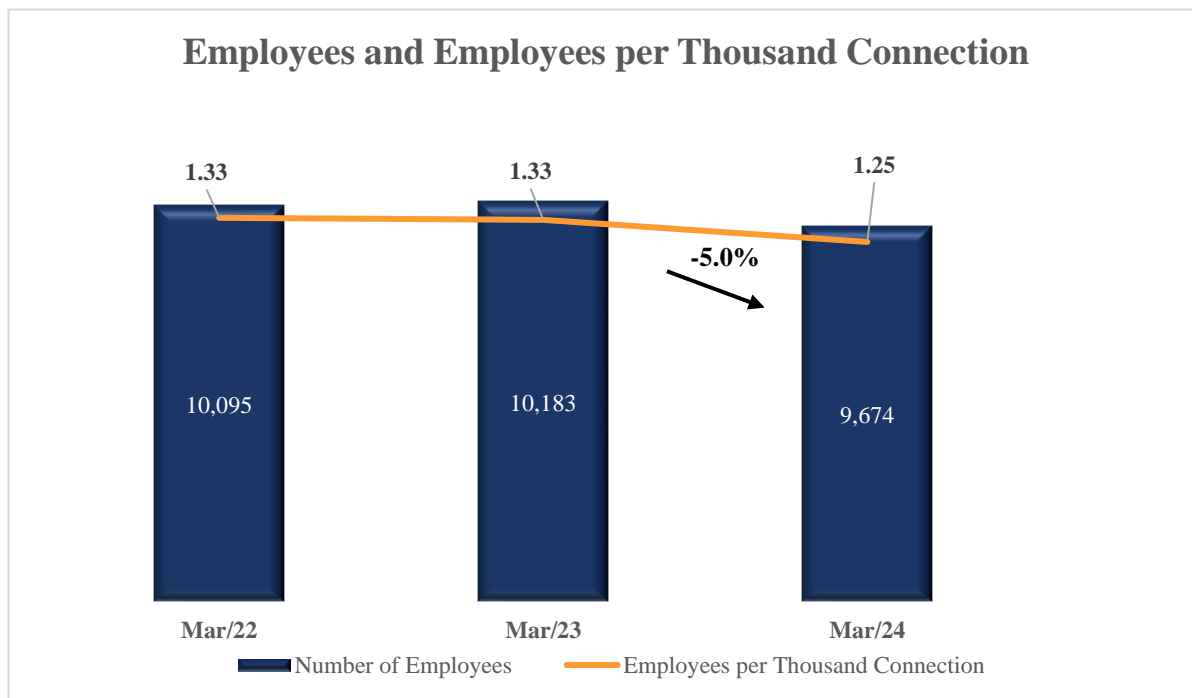
As for sewage, in March 2024 the Company reported global coverage ratio for collected and treated sewage of 75.6% (75.0% in December 2023). COPASA MG's robust 2024-2028 Investment Program of R\$9.8 billion, as detailed in item 5 of this Release, aims to make the investments necessary to maintain quality, regularity and monitoring of population growth referring to the already universalized water services, and expand investments focused on increasing collection networks and sewage treatment, with the goal of universalizing sewage services, as established by the New Sanitation Sector Framework, that is, 90% of the population supplied with collection network and sewage treatment by 2033.

The Company's coverage ratios for water and sewage are much superior than those verified for the national average. According to data disclosed by the National Sanitation Information System (SNIS), in January 2024, the ratio of global service with water network, at a national level, was 84.9%, for the reference year 2022, and the percentage of sewage treatment reached 52.2%, showing the superiority of COPASA's indicators.

## 1.5. Staff Management

### 1.5.1. Employees and Employees per Connection

The number of employees in the Parent Company fell by 5.0% from March 2023, to 9,674 employees in March 2024. This reduction allowed for an improvement in the rate “number of employees per thousand connections”, as shown in the chart below:



The reduction in the headcount was due to the Voluntary Separation Program (PDVI) implemented by the Company in May 2023, for which 736 employees applied, with 706 being dismissed until March 2024, and 8 (eight) applications cancelled. It is also worth noting that the estimated indemnification – fully accounted for in 2Q23 – totaled R\$115.1 million, R\$84.1 million of which written off until March 2024.

As for COPANOR, the headcount was 458 in March 2024, and the rate of employees per thousand connections was 2.67.

## 2. Financial Performance

### 2.1. Revenues

The table below shows gross revenue, deductions (PIS/Cofins), and net revenue from water, sewage, and solid waste in the comparative periods:

Gross Revenue, Deductions and Net Revenue	1Q24	1Q23	1Q24 vs. 1Q23	4Q23	1Q24 vs. 4Q23	1Q22	1Q23 vs. 1Q22
Gross Revenue – Water	1,220,292	1,148,368	6.3%	1,274,996	-4.3%	923,682	24.3%
Gross Revenue – Sewage	641,013	585,696	9.4%	662,063	-3.2%	474,161	23.5%
Gross Revenue – Solid Waste	1,457	1,037	40.5%	1,404	3.8%	676	53.4%
<b>Gross Revenue – Water, Sewage and Solid Waste</b>	<b>1,862,762</b>	<b>1,735,101</b>	<b>7.4%</b>	<b>1,938,463</b>	<b>-3.9%</b>	<b>1,398,519</b>	<b>24.1%</b>
PIS/Cofins	(172,386)	(160,564)	7.4%	(179,399)	-3.9%	(129,666)	23.8%
<b>Net Revenue – Water, Sewage and Solid Waste</b>	<b>1,690,376</b>	<b>1,574,537</b>	<b>7.4%</b>	<b>1,759,064</b>	<b>-3.9%</b>	<b>1,268,853</b>	<b>24.1%</b>

Net revenue from water, sewage and solid waste totaled R\$1.69 billion in 1Q24, as shown below:

Net Revenue	1Q24	1Q23	1Q24 vs. 1Q23	4Q23	1Q24 vs. 4Q23	1Q22	1Q23 vs. 1Q22
Net Direct Revenue - Water	1,090,351	1,015,179	7.4%	1,142,516	-4.6%	817,279	24.2%
Net Direct Revenue - Sewage	578,373	529,680	9.2%	598,138	-3.3%	428,314	23.7%
<b>Net Direct Revenue - Water and Sewage</b>	<b>1,668,724</b>	<b>1,544,859</b>	<b>8.0%</b>	<b>1,740,654</b>	<b>-4.1%</b>	<b>1,245,593</b>	<b>24.0%</b>
Net Indirect Revenue - Water	17,030	26,934	-36.8%	14,500	17.4%	20,756	29.8%
Net Indirect Revenue - Sewage	3,344	1,834	82.3%	2,679	24.8%	1,911	-4.0%
<b>Net Indirect Revenue - Water and Sewage</b>	<b>20,374</b>	<b>28,768</b>	<b>-29.2%</b>	<b>17,179</b>	<b>18.6%</b>	<b>22,667</b>	<b>26.9%</b>
<b>Net Revenue - Solid Waste</b>	<b>1,278</b>	<b>910</b>	<b>40.4%</b>	<b>1,231</b>	<b>3.8%</b>	<b>593</b>	<b>53.5%</b>
<b>Net Revenue - Water, Sewage and Solid Waste</b>	<b>1,690,376</b>	<b>1,574,537</b>	<b>7.4%</b>	<b>1,759,064</b>	<b>-3.9%</b>	<b>1,268,853</b>	<b>24.1%</b>

Next, the Company's comments on the main factors that influenced net revenue from water supply and sewage services, year on year in 1Q24:

- impacts of the tariff increase applied on January 1<sup>st</sup>, 2024, with an average tariff effect of 4.21%, as authorized by Arsae-MG;
- an increase of 0.7% in water units and 2.1% in sewage units; and
- an increase of 1.3% in water volumes and 1.6% in sewage volume. Despite the temperatures observed in 1Q24 being higher than those observed in 1Q23, volume was impacted by a shorter consumption period in 1Q24 (88.2 days) compared to 1Q23 (90.4 days), consequently impacting 1Q24 revenues. As detailed in item 1.1.1 of this Release, taking into consideration the period adjusted for 90 days of billing for both comparative periods, the increase (1Q24 vs. 1Q23) would be 3.8% (water) and 4.0% (sewage).

## 2.2. Costs and Expenses

The costs of sales and services rendered, sales expenses, and administrative expenses totaled R\$1.15 billion in 1Q24, compared to the R\$1.05 billion reported in 1Q23, or an increase of 9.2%, as shown in the table below:

Costs and Expenses	1Q24	1Q23	1Q24 vs. 1Q23	4Q23	1Q24 vs. 4Q23	1Q22	1Q23 vs. 1Q22
<b>Manageable Costs</b>	<b>769,154</b>	<b>702,441</b>	<b>9.5%</b>	<b>809,995</b>	<b>-5.0%</b>	<b>654,472</b>	<b>7.3%</b>
Personnel <sup>1</sup>	398,360	386,441	3.1%	436,328	-8.7%	374,401	3.2%
Outsourced Services	191,003	165,056	15.7%	181,919	5.0%	129,508	27.4%
Rio Manso PPP	22,914	21,697	5.6%	23,715	-3.4%	23,281	-6.8%
Materials	14,564	15,724	-7.4%	18,735	-22.3%	16,524	-4.8%
Provision for Doubtful Accounts (PDA)	63,365	51,469	23.1%	47,309	33.9%	58,556	-12.1%
Tariff Transfers to Municipalities	68,410	52,363	30.6%	79,241	-13.7%	43,594	20.1%
Sundry Operational Costs	10,538	9,691	8.7%	22,748	-53.7%	8,608	12.6%
<b>Non-Manageable Costs</b>	<b>192,778</b>	<b>167,283</b>	<b>15.2%</b>	<b>192,868</b>	<b>-</b>	<b>174,421</b>	<b>-4.1%</b>
Electricity	143,542	127,390	12.7%	159,418	-10.0%	149,236	-14.6%
Telecommunication	4,999	4,449	12.4%	5,122	-2.4%	3,008	47.9%
Treatment and Laboratory Materials	36,846	40,724	-9.5%	33,047	11.5%	30,088	35.3%
Fuels and Lubricants	7,391	8,539	-13.4%	12,059	-38.7%	8,537	-
Tax Credits	-	(13,819)	-100.0%	(16,778)	-100.0%	(16,448)	-16.0%
<b>Capital Costs</b>	<b>188,553</b>	<b>184,191</b>	<b>2.4%</b>	<b>196,581</b>	<b>-4.1%</b>	<b>182,346</b>	<b>1.0%</b>
Depreciation and Amortization	188,553	184,191	2.4%	196,581	-4.1%	182,346	1.0%
<b>Charge for Usage of Water Resources</b>	<b>-</b>	<b>118</b>	<b>-100.0%</b>	<b>(19,239)</b>	<b>-100.0%</b>	<b>-</b>	<b>n.m.</b>
<b>Total Costs and Expenses</b>	<b>1,150,485</b>	<b>1,054,033</b>	<b>9.2%</b>	<b>1,180,205</b>	<b>-2.5%</b>	<b>1,011,239</b>	<b>4.2%</b>
<b>Total Costs and Expenses (without Depreciation and Amortization)</b>	<b>961,932</b>	<b>869,842</b>	<b>10.6%</b>	<b>983,624</b>	<b>-2.2%</b>	<b>828,893</b>	<b>4.9%</b>

(1) Includes pension plan obligations.

Below, the Company presents the comments on the items that make up the costs and expenses that presented the most significant variations, year on year in 1Q24:

### 2.2.1. Manageable Costs

#### 2.2.1.1. Personnel

The rise seen in this unit was 3.1%, mainly due to the following factors:

- impacts in salaries, vacation pay, and Christmas bonuses, among other benefits arising from the 2023 Collective Bargaining Agreement (ACT), whose reference date is November, based on the INPC (4.14%);
- salary increase of 2% in February 2024, corresponding to one salary range granted to about 65% of the total workforce, as a result of the aforementioned ACT;
- effect of R\$5.8 million in expenses related to employee termination, resulting from the structuring of the staff in 1Q24;
- an increase of R\$3.1 million in capitalizable expenses referring to employees assigned to the Company's expansion areas and who are classified as contract assets; and
- a reduction of 5.0% in the number of employees, comparing March 2024 to March 2023, mainly due to terminations under the Voluntary Separation Program (PDVI) implemented in 2023.

#### 2.2.1.2. Outsourced Services

This line increased by 15.7%. The items with the most significant variations in the period were:

- an increase of R\$6.0 million in advertising and propaganda services, mainly as a result of the rebranding process conducted in 1Q24;
- an increase of R\$5.7 million in cleaning, surveillance, messenger, and receptionist services;
- an increase of R\$4.7 million in expenditure on professional technical services, with emphasis on the hiring of a new company providing call center services, with an increase in the number of operators, allowing greater agility and improved customer service. It was also observed the formalization of new contracts aimed at various commercial and operational improvements;
- an increase of R\$3.1 million in water truck services;
- an increase of R\$2.4 million in movable asset rentals.
- an increase of R\$1.9 million in maintenance, cut, and reconnection services;
- an increase of R\$1.7 million in generator rental costs.; and
- a decrease of R\$6.2 million in vehicle rental costs.

#### **2.2.1.3. Rio Manso PPP**

The 5.6% increase in this account refers to the contractual adjustment that occurred in April 2023, whose adjustment index is the IPCA

#### **2.2.1.4. Materials**

This item fell by 7.4%, mainly due to lower expenses related to conservation and maintenance materials for operational systems.

#### **2.2.1.5. Provision for Doubtful Accounts (PDA)**

The 23.1% increase in this item was mainly due to the R\$57.9 million increase in accounts receivable over the 2 (two) comparative periods, partially offset by the reduction in delinquency, from 3.15% to 3.03%. Furthermore, there was a higher recovery of written-off accounts in 1Q23, due to the campaigns carried out in that period.

#### **2.2.1.6. Tariff Transfers to Municipalities**

The 30.6% increase in this item was mainly due to higher tariff transfer values, due to the 7.4% increase in revenue and the increase in the number of municipal sanitation funds qualified to receive the transfer.

According to [Technical Note GRT 06/2023](#) issued by Arsae-MG, within the scope of the tariff increase applied in January 2024, 13 new municipal sanitation funds were included with the right to the transfers, totaling 307 qualified municipalities (294 in the same period in 2023). It is worth noting that the amounts transferred to the municipal sanitation funds are recognized in the tariff.

#### **2.2.1.7. Sundry Operating Costs**

The 8.7% YoY increase in sundry operating costs in 1Q24, was mainly due to the provision for material losses, self-consumption of water and travel and accommodation.

## 2.2.2. Non-Manageable Costs

### 2.2.2.1. Electricity

The 12.7% YoY increase in electricity expenses in 1Q24 was mainly due to the net effect of the following factors:

- an increase of 8.6% in the Company's electricity consumption;
- an increase of 13.27% applied by Cemig to the electricity tariffs, levied on the captive market, effective from June 2023;
- elimination in the 3% subsidy applied to the electricity tariffs of the concessionaires providing public water supply and sewage services, levied on the captive market, effective from June 2023;
- exclusion of ICMS from the PIS/Cofins credit tax base, effective from May 2023;
- resumption of collection of the ICMS tax on the Tariff for the Use of the Electricity Transmission System (TUST) and the Tariff for the Use of the Electricity Distribution System (TUSD), effective from February 2023;
- start of energy acquisition from photovoltaic sources from January 2024 (modality in which there is no incidence of ICMS), with 793 installations benefitting from a discount of around 16% on the captive market cost by March 31<sup>st</sup>, 2024; and
- a reduction of 22.9% in electricity expenses from the units that migrated to the Free Market in 2023. We underscore that such units account for about 47% of the Company's total energy consumption.

### 2.2.2.2. Telecommunications

The 12.4% rise was mainly due to the expansion and upgrade of data transmission services, the contracting of redundant links, lines, and data services, as well as the annual increase in service costs.

### 2.2.2.3. Treatment and Laboratory Materials

The 9.5 YoY decrease in this item was mainly due to reduced use of chemicals in 1Q24, given that raw water turbidity reduced in the main water sources used.

### 2.2.2.4. Fuels and Lubricants

The 13.4% reduction was mainly due to a decrease in vehicle fleet.

### 2.2.2.5. Tax Credits

Starting from 1Q24, the Tax Credit account has recorded a zero balance due to the completion of the automatic accounting process of PIS/Cofins tax credits from depreciation and amortization expenses, which began to be accounted for directly in each expense account, with a corresponding entry in the credits receivable account. Thus, all inputs used in the Company's production process (materials, services, electricity, fuels, depreciations and amortizations, among others) began to be accounted for at the net values of these credits.

## 2.2.3. Depreciation and Amortization

The 2.4% YoY increase in the depreciation and amortization line in 1Q24 was due to incorporations in PP&E and intangible assets, partially offset by changes in the accounting of tax credits, as described in item 2.2.2.5 of this report.

### 2.3. Other Operating Revenues (Expenses)

Other operating revenues and expenses in the comparative periods are as follows:

Other Operating Revenues (Expenses)	1Q24	1Q23	1Q24 vs. 1Q23	4Q23	1Q24 vs. 4Q23	1Q22	1Q23 vs. 1Q22
<b>Other Operating Revenues</b>	<b>7,885</b>	<b>16,439</b>	<b>-52.0%</b>	<b>11,599</b>	<b>-32.0%</b>	<b>35,937</b>	<b>-54.3%</b>
Revenue from Technical Services	249	38	555.3%	3	8200.0%	72	-47.2%
Reversal of Non-Deductible Provision	362	10,667	-96.6%	4,239	-91.5%	19,832	-46.2%
Recovery of Written-off Accounts	-	-	n.m.	-	-	9,605	n.m.
Other Revenues	7,274	5,734	26.9%	7,357	-1.1%	6,428	-10.8%
<b>Other Operating Expenses</b>	<b>(34,404)</b>	<b>(38,109)</b>	<b>-9.7%</b>	<b>(108,839)</b>	<b>-68.4%</b>	<b>(29,565)</b>	<b>28.9%</b>
Provisions for lawsuits	(4,038)	(11,717)	-65.5%	(46,117)	-91.2%	1,245	n.m.
Arsae-MG Fee	(15,109)	(14,203)	6.4%	(14,203)	6.4%	(13,265)	7.1%
Expenses with environmental preservation	(1,932)	(5,356)	-63.9%	(11,574)	-83.3%	(2,959)	81.0%
Taxes and tributes	(3,611)	(3,440)	5.0%	(2,420)	49.2%	(3,123)	10.2%
Actuarial liability	(2,640)	(1,656)	59.4%	(1,789)	47.6%	(4,687)	-64.7%
Other Expenses	(7,074)	(1,737)	307.3%	(32,736)	-78.4%	(6,776)	-74.4%
<b>Other Operating Revenues (Expenses)</b>	<b>(26,519)</b>	<b>(21,670)</b>	<b>22.4%</b>	<b>(97,240)</b>	<b>-72.7%</b>	<b>6,372</b>	<b>n.m.</b>

#### 2.3.1. Other Operating Revenues

The decrease in Other Operating Revenues is primarily due to the reduction in reversals of non-deductible provisions, which are now classified as a reduction of the corresponding cost.

#### 2.3.2. Other Operating Expenses

Other Operating Expenses were negative by R\$34.4 million in 1Q24, versus a negative result of R\$38.1 million in 1Q23. The main factor influencing this variation was the reduction in Environmental Preservation Expenses in the two comparative periods.

### 2.4. Equity Pick-up (Subsidiary COPANOR)

Below is the summarized Income Statement of COPANOR for the comparative periods:

Summarized Statement of COPANOR	1Q24	1Q23	1Q24 vs. 1Q23	4Q23	1Q24 vs. 4Q23	1Q22	1Q23 vs. 1Q22
Net Revenue from Sales and/or Services	14,176	16,127	-12.1%	18,856	-24.8%	10,955	47.2%
Construction Revenue	4,480	3,022	48.2%	5,386	-16.8%	1,972	53.2%
Other Operating Revenues	5	541	-99.1%	42	-88.1%	1,096	-50.6%
Operating Costs and Expenses	(17,599)	(16,239)	8.4%	(19,124)	-8.0%	(14,796)	9.8%
Construction Costs	(4,480)	(3,022)	48.2%	(5,386)	-16.8%	(1,972)	53.2%
Other Operating Expenses	(635)	(8,540)	-92.6%	(1,096)	-42.1%	(354)	2312.4%
Net Financial Revenues (Expenses)	1,256	(5,127)	n.m.	1,569	-19.9%	752	n.m.
<b>Net Income (Loss)</b>	<b>(2,797)</b>	<b>(13,238)</b>	<b>-78.9%</b>	<b>247</b>	<b>n.m.</b>	<b>(2,347)</b>	<b>464.0%</b>

## 2.5. Financial Result

Financial revenues and expenses in the comparative periods are as follows:

Financial Revenues (Expenses)	1Q24	1Q23	1Q24 vs. 1Q23	4Q23	1Q24 vs. 4Q23	1Q22	1Q23 vs. 1Q22
<b>Financial Revenues</b>	<b>71,321</b>	<b>78,687</b>	<b>-9.4%</b>	<b>84,791</b>	<b>-15.9%</b>	<b>91,953</b>	<b>-14.4%</b>
Monetary and Foreign Exchange Variation	1,859	4,405	-57.8%	6,716	-72.3%	42,039	-89.5%
Interest	12,644	11,449	10.4%	13,090	-3.4%	11,357	0.8%
Real Gains from Financial Investments	23,163	36,109	-35.9%	37,185	-37.7%	26,316	37.2%
Capitalization of Financial Assets/Other	33,655	26,724	25.9%	27,800	21.1%	12,241	118.3%
<b>Financial Expenses</b>	<b>(119,845)</b>	<b>(127,756)</b>	<b>-6.2%</b>	<b>(106,824)</b>	<b>12.2%</b>	<b>(114,308)</b>	<b>11.8%</b>
Monetary and Foreign Exchange Variation	(38,290)	(40,000)	-4.3%	(30,763)	24.5%	(32,959)	21.4%
Charges on Financing and Legal Provisions	(81,432)	(87,231)	-6.6%	(75,806)	7.4%	(81,193)	7.4%
Sundry	(123)	(525)	-76.6%	(255)	-51.8%	(156)	236.5%
<b>Financial Result</b>	<b>(48,524)</b>	<b>(49,069)</b>	<b>-1.1%</b>	<b>(22,033)</b>	<b>120.2%</b>	<b>(22,355)</b>	<b>119.5%</b>

### 2.5.1. Financial Revenues

Financial Revenues decreased by 9.4% mainly due to a reduction in real gains from financial investments, given the lower average cash balance available in 1Q24 compared to 1Q23, as well as a reduction in the basic interest rates of the economy in the reference periods.

### 2.5.2. Financial Expenses

The drop in Financial Expenses was mainly due to the decrease in the CDI and IPCA, which are significant indexes for the Company's debt.

## 2.6. Taxes on Income

Taxes on Income	1Q24	1Q23	1Q24 vs. 1Q23	4Q23	1Q24 vs. 4Q23	1Q22	1Q23 vs. 1Q22
Earnings before Taxes on Income	462,051	436,529	5.8%	459,832	0.5%	239,284	82.4%
<b>Income and Social Contribution Taxes</b>	<b>(110,501)</b>	<b>(98,821)</b>	<b>11.8%</b>	<b>(104,583)</b>	<b>5.7%</b>	<b>(71,762)</b>	<b>37.7%</b>
<b>Effective Rate</b>	<b>23.92%</b>	<b>22.64%</b>	<b>1.28 p.p.</b>	<b>22.74%</b>	<b>1.18 p.p.</b>	<b>29.99%</b>	<b>-7.35 p.p.</b>

The increase in taxes on profits is mainly due to a 5.8% increase in profit before taxes and the limitation on the deductibility of the IoE tax benefit when comparing 1Q24 to 1Q23. However, the effective tax rate for 1Q24 showed a slight increase mainly due to the reduction in the IoE tax benefit.

## 2.7. Net Income

Below, the net income table in the comparative periods:

Net Income and Earnings per Share	1Q24	1Q23	1Q24 vs. 1Q23	4Q23	1Q24 vs. 4Q23	1Q22	1Q23 vs. 1Q22
<b>Result before Financial Result and Taxes</b>	<b>510,575</b>	<b>485,596</b>	<b>5.1%</b>	<b>481,866</b>	<b>6.0%</b>	<b>261,639</b>	<b>85.6%</b>
Net Financial Result	(48,524)	(49,067)	-1.1%	(22,034)	120.2%	(22,355)	119.5%
<b>Earnings before Taxes on Income</b>	<b>462,051</b>	<b>436,529</b>	<b>5.8%</b>	<b>459,832</b>	<b>0.5%</b>	<b>239,284</b>	<b>82.4%</b>
Taxes on Income	(110,501)	(98,821)	11.8%	(104,583)	5.7%	(71,762)	37.7%
<b>Net Income</b>	<b>351,550</b>	<b>337,708</b>	<b>4.1%</b>	<b>355,249</b>	<b>-1.0%</b>	<b>167,522</b>	<b>101.6%</b>
<b>Net Earnings per Share (R\$)</b>	<b>0.93</b>	<b>0.89</b>	<b>4.1%</b>	<b>0.94</b>	<b>-1.0%</b>	<b>0.44</b>	<b>101.6%</b>

## 2.8. EBITDA and EBITDA Margin

EBITDA is a non-accounting measure adopted by COPASA MG, calculated according to CVM Resolution 156/2022, consisting, as shown below, of net income plus taxes on income, financial result, depreciation/amortization, and these same items of the subsidiary COPANOR.

EBITDA reached R\$700.7 million in 1Q24, up by 3.4% over the amount reported in 1Q23 (R\$677.5 million). It is worth noting that the change in the accounting treatment of Tax Credits, where this account started to show a zero balance starting this quarter (item 2.2.2.5 of this Release), as well as a shorter consumption period observed in 1Q24 (88.2 days) compared to 1Q23, of 90.4 days, (item 1.1.1 of this Release) limited the growth of EBITDA. The EBITDA Margin reached 41.1% in 1Q24 (42.1% in 1Q23)

The table below shows the reconciliation of Net Income to EBITDA in the comparative periods.

EBITDA	1Q24	1Q23	1Q24 vs. 1Q23	4Q23	1Q24 vs. 4Q23	1Q22	1Q23 vs. 1Q22
<b>Net Income for the Period</b>	<b>351,550</b>	<b>337,706</b>	<b>4.1%</b>	<b>355,250</b>	<b>-1.0%</b>	<b>167,522</b>	<b>101.6%</b>
(+) Taxes on Income	110,501	98,821	11.8%	104,583	5.7%	71,762	37.7%
(+) Financial Result	48,524	49,069	-1.1%	22,033	120.2%	22,355	119.5%
(+) Depreciation and Amortization	188,553	184,191	2.4%	196,581	-4.1%	182,346	1.0%
(+) Taxes on Income, Financial Result and Depreciation/Amortization of COPANOR	1,599	7,731	-79.3%	1,306	22.4%	1,289	499.8%
<b>(=) EBITDA</b>	<b>700,727</b>	<b>677,518</b>	<b>3.4%</b>	<b>679,753</b>	<b>3.1%</b>	<b>445,274</b>	<b>52.2%</b>
<b>EBITDA Margin<sup>1</sup></b>	<b>41.1%</b>	<b>42.1%</b>	<b>-1.0 p.p.</b>	<b>38.2%</b>	<b>2.9 p.p.</b>	<b>33.8%</b>	<b>8.3 p.p.</b>
<b>(=) Adjusted EBITDA<sup>2</sup></b>	<b>700,727</b>	<b>677,518</b>	<b>3.4%</b>	<b>711,992</b>	<b>-1.6%</b>	<b>445,274</b>	<b>52.2%</b>
<b>Adjusted EBITDA Margin</b>	<b>41.1%</b>	<b>42.1%</b>	<b>-1.0 p.p.</b>	<b>39.8%</b>	<b>1.3 p.p.</b>	<b>33.8%</b>	<b>8.3 p.p.</b>

(1) The Company changed the calculation method of the EBITDA margin, which is now calculated by dividing the EBITDA by the sum of the net revenue from water, sewage, and solid waste of the Parent Company and its subsidiary COPANOR.

(2) In 4Q23, EBITDA was adjusted due to the reversal of a provision for Labor Lawsuit (R\$1.6 million) and the compensation for contractual default (R\$33.9 million), as detailed in the [4Q23 Release](#).

### 3. Shareholder Compensation

#### 3.1. Dividend Policy Revision

The Dividend Policy in force was approved by the Extraordinary Shareholders' Meeting held on April 28<sup>th</sup>, 2023, as content summarized below.

##### **Regular Dividends:**

- Regular Dividends shall be in the form of Dividends or Interest on Equity (IoE).
- Declared IoE shall be considered as mandatory minimum legal dividend.
- The percentage of Adjusted Net Income (Net Income after reducing or increasing the amounts specified in items I, II, and III of article 202 of Federal Law 6,404/1976) to be distributed as Regular Dividends shall be defined, by the Board of Directors, upon approval of the corporate budget for the fiscal year, always observing the following parameters:
  - the mandatory legal minimum;
  - the maximum limit of 50% (fifty percent).
- The declaration of Regular Dividends, which is the responsibility of the Board of Directors, shall occur every quarter, whereby the payment will occur within 60 (sixty) days from the date in which they were declared, except for the amounts referring to the fourth quarter, which shall be defined at the Annual Shareholders' Meetings (ASM) that approves the Financial Statements for the fiscal year.

##### **Extraordinary Dividends:**

- They may be distributed as assessed by the Board of Directors, complying with:
  - The general guidelines, including (i) compliance with the public interest that justified the creation of COPASA MG; and (ii) the guarantee of resources, in its Investment Plan, to meet the provisions of Federal Law 11,445/2007 and Federal Law 14,026/2020, in particular, regarding the universalization of basic sanitation services and other established qualitative and quantitative goals.
  - The legal, regulatory, statutory, and financial restrictions, as well as covenants.

#### 3.2. Dividends and Interest on Equity Declared

Below is the information on the amounts declared as shareholder payout. The distributions made were preceded by internal studies and projections that indicated that the distribution of earnings does not affect the investment plan, liquidity, as well as compliance with covenants in the next few years, considering the Company's current leverage level.

##### **3.2.1. Regular Dividends - 2024**

For the year 2024, as approved by the Board of Directors at a meeting held on December 15<sup>th</sup>, 2023, the distribution of Regular Dividends will correspond to 50% of net income, adjusted in accordance with article 202 of Federal Law No. 6,404/1976, as Interest on Equity (IoE) and/or dividends.

The Board of Directors, at a meeting held on March 20<sup>th</sup>, 2024, approved the declaration of Regular Dividends for the 1st Quarter of 2024 (1Q24), in the amount of R\$172.4 million, as per the table below:

Reference	Corporate Event and Date	Cut-off Date	Amount	Value per share (R\$)	Payment Date
1Q24 IoE	<a href="#">BoDM 03.20.2024</a>	03.25.2024	117,596	0.31013057	05.17.2024
1Q24 Dividends	<a href="#">BoDM 03.20.2024</a>	03.25.2024	54,831	0.14460453	05.17.2024
<b>Declared Total (Jan to Mar/2024)</b>			<b>172,427</b>	<b>0.45473511</b>	

### 3.2.2. Extraordinary Dividends - Earnings Retention Reserve on 12/2023

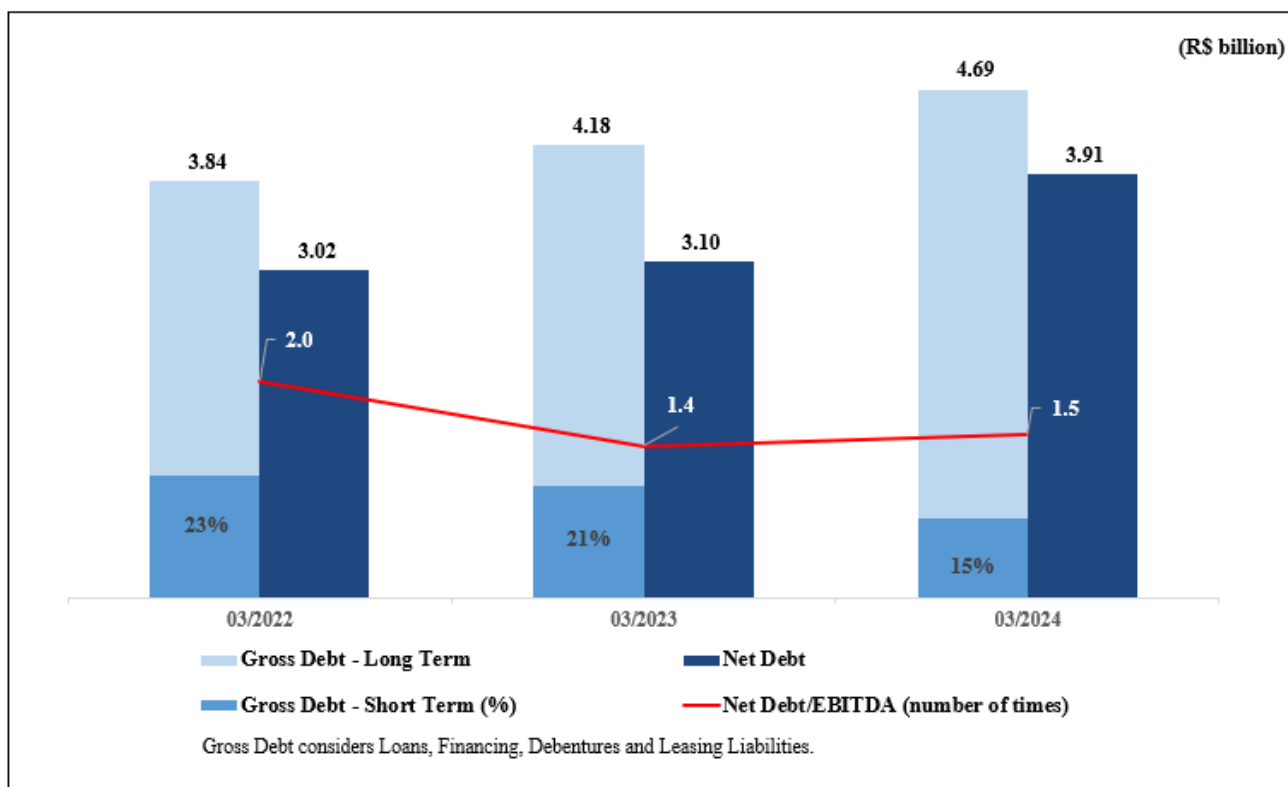
According to the Dividend Policy in force, the [EGM held on April 26<sup>th</sup>, 2024](#) approved the distribution of Extraordinary Dividends totaling R\$300.0 million, using part of the Balance of the Earnings Retention Reserve Account existing in the balance sheet for the year ended on December 31<sup>st</sup>, 2023, as per the table below:

Reference	Corporate Event and Date	Cut-off Date	Amount	Value per share (R\$)	Payment Date
Extraordinary Dividends	<a href="#">EGM 04.26.2024</a>	04.26.2024	300,000	0.79117798	05.10.2024

## 4. Indebtedness and Rating

### 4.1. Gross Debt and Net Debt

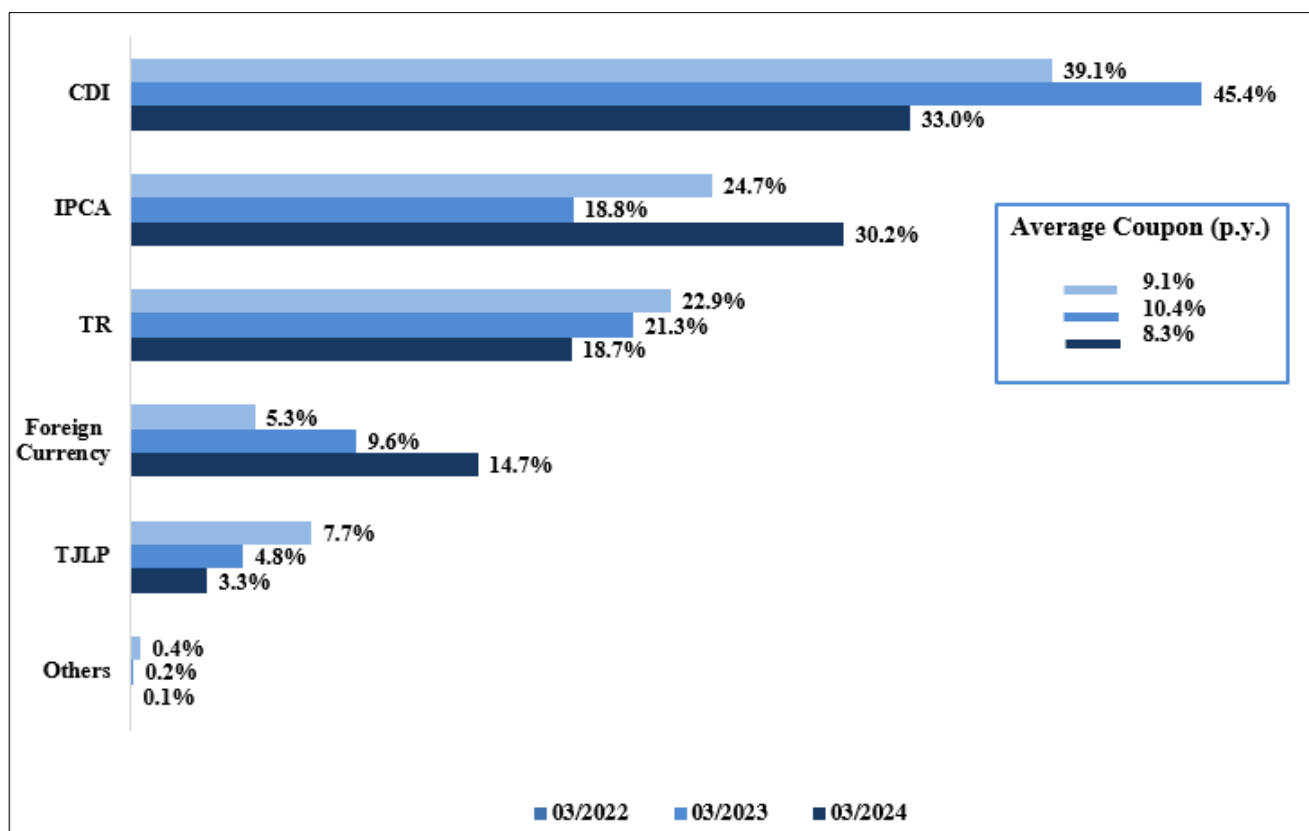
According to the chart below, net debt moved up from R\$3.10 billion in March 2023 to R\$3.91 billion in March 2024. The leverage ratio, as measured by the Net Debt/EBITDA ratio in the last 12 months, reached 1.5x in March 2024 (1.4x in March 2023).



Indebtedness in foreign currency accounted for 14.7% of total loans, financing and debentures in March 2024 and referred to the debt with the German bank KfW, the European Investment Bank and the French Development Agency (AFD), whose balance on March 31<sup>st</sup>, 2024 was approximately €127 million (corresponding to R\$683 million, considering the euro exchange rate on March 31<sup>st</sup>, 2024), as detailed in Annex 9.5. No hedge mechanism was contracted for these transactions.

## 4.2. Indexes and Average Coupon

The chart below shows the evolution of the average coupon and the relative weight of the debt by contractual index in March 2022, 2023 and 2024:



The drop in the share of CDI, which reached 33.0% in March 2024, mainly reflects amortizations made over the year. The increase in the share of IPCA in the debt (30.2% in March 2024) is mainly attributed to the raising of funds through the 18<sup>th</sup> Debenture Issue carried out in September 2023, totaling R\$900.0 million, being R\$786.4 million under IPCA.

Referring to higher foreign currency debt, whose share went up from 9.6% in March 2023 to 14.7% in March 2024, mostly due to the releases that occurred between April 2023 and March 2024.

## 4.3. Corporate Ratings

On June 21<sup>st</sup>, 2023, Fitch Ratings published a [report](#) confirming as AA+(bra) the National Long-Term Rating of the Company and its issues of unsecured debentures. The corporate rating outlook remained stable.

On October 6<sup>th</sup>, 2023, Moody's published a [report](#), confirming a corporate rating of AAA.br for COPASA MG. The corporate rating outlook remained stable.

Below is a table with a summary of the ratings:

Agency	National Scale	Outlook	Date	Report Link
Fitch Ratings	AA+(bra)	Stable	06.21.2023	<a href="#">Report</a>
Moody's	AAA.br	Stable	10.06.2023	<a href="#">Report</a>

## 5. Investment Program and Fundraising

### 5.1. Investment Program - 2024

For 2024, the Annual Shareholders' Meeting held on April 26<sup>th</sup>, 2024, approved the investments expected for water, sewage, and corporate and operating development of the Parent Company, totaling R\$1,670 million, in addition to the capitalization of R\$221.5 million. Regarding COPANOR, expected investments total R\$47.6 million.

According to the table below, the investments made from January to March 2024 (1Q24), including interest capitalizations, personnel expenses, materials, and others, within the scope of the Parent Company, totaled R\$372.4 million, up by 39.2% over the same period in 2023. Including COPANOR, total investments reached R\$381.0 million (increase of 38.7% compared to 1Q23):

Investments (R\$ million)	1Q24	1Q23	1Q22
Water	171.2	104.3	119.1
Sewage	146.3	111.7	72.2
Enterprise and Operational Development	7.0	8.2	5.8
<b>Subtotal</b>	<b>324.5</b>	<b>224.2</b>	<b>197.1</b>
Capitalizations <sup>1</sup>	47.9	43.4	38.4
<b>Total - Parent Company (COPASA MG)</b>	<b>372.4</b>	<b>267.6</b>	<b>235.5</b>
COPANOR (including capitalizations)	8.6	7.1	5.0
<b>Total - COPASA MG and COPANOR</b>	<b>381.0</b>	<b>274.7</b>	<b>240.5</b>

(1) Amounts referring to the capitalization of interest, personnel expenses, materials, and others, related to works and corporate and operating development

Below is the breakdown of the investments made:

#### 5.1.1. Water Supply Systems

- implementation, expansion, and improvements of water supply systems of the municipalities of Barroso, Belo Horizonte, Brumadinho, Capelinha, Esmeraldas, Fronteira, Inhapim, Lavras, Montes Claros, Mutum, Nova Resende, Nova Serrana, Patos de Minas, Riacho dos Machados, Santa Bárbara, Santo Antônio do Monte, São João Nepomuceno, Timóteo, among others;
- emergency works to restore water pipelines in the Metropolitan Region of Belo Horizonte - BHMA, mainly the Paraopeba additional water supply pipeline;
- actions aimed at making hydrometering more efficient and to reduce losses, featuring the acquisition of flow macro and micrometers;
- acquisition of operational equipment for renovation and optimization of the water supply system in several operated municipalities; and
- execution of works for the implementation of Waste Treatment Units (WTUs) in Water Treatment Stations (WTS) in the municipalities of Araxá, Belo Horizonte, Betim, Caratinga, Carmo do Rio Claro, Diamantina, Guaxupé, Ibirité, Lavras, Nova Lima, Patos de Minas, São Gotardo, Três Corações, Varginha, among others.

#### 5.1.2. Sewage Systems

- implementation, expansion, and improvements in the sewage of the municipalities of Abaeté, Além Paraíba, Belo Horizonte, Betim, Buritis, Campanha, Carmo da Cachoeira, Confins, Conselheiro Lafaiete, Contagem,

Cruzília, Diamantina, Divino, Divinópolis, Guaxupé, Igarapé, Inhapim, Itaobim, Jacinto, Januária, Juatuba, Madre de Deus de Minas, Mateus Leme, Mutum, Nova Lima, Paracatu, Pedro Leopoldo, Perdões, Ribeirão das Neves, Sabará, Santa Luzia, Santana do Paraíso, Santos Dumont, São Francisco, São João Nepomuceno, São Joaquim de Bicas, Sarzedo, Teófilo Otoni, Timóteo, Ubá, Visconde do Rio Branco, among others;

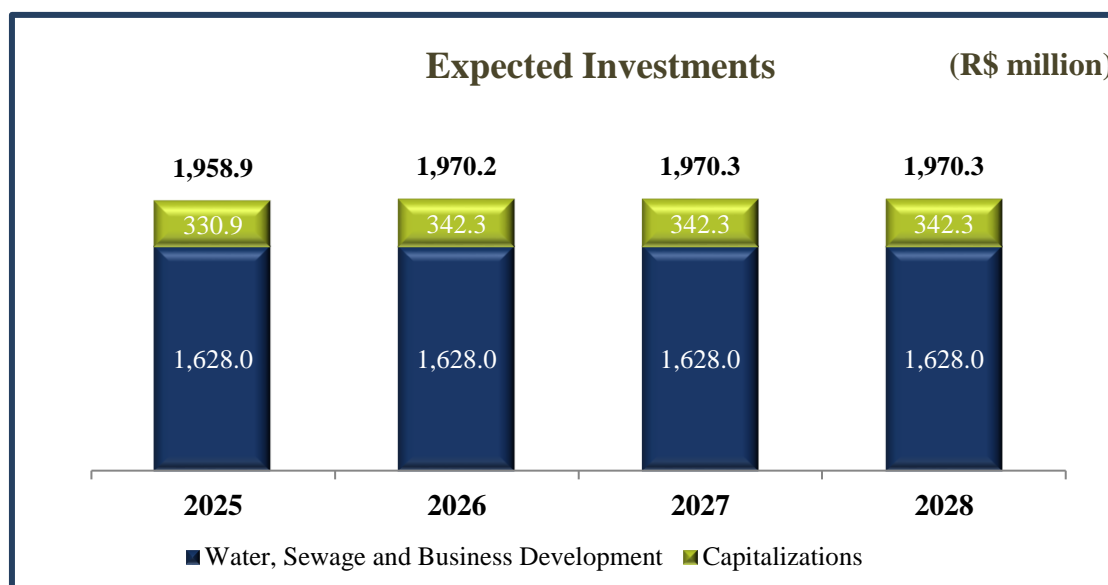
- replacement of sewage assets in several municipalities where the Company operates; and
- acquisition of operational equipment for renovation and optimization of the sewage system in several operated municipalities.

### 5.1.3. Business and Operational Development

- investments in programs for modernizing information technology infrastructure, operational units, and energy efficiency; and
- investments in programs for research, monitoring, and protection of water resources.

## 5.2. Investment Program – 2025 to 2028

Below, the Parent Company's Multi-Year Investment Program, for the period from 2025 to 2028, as approved by the Board of Directors on December 15<sup>th</sup>, 2023:



The investments provided for in the Investment Program aim for the expansion of water supply and sewage systems, extension of networks, water security, fight against losses, corporate development, compliance with regulatory and efficiency goals, concession commitments assumed, and replacement of depreciated assets, aligned with the achievement of the Company's purpose and mission, ensuring its sustainability and continuity. As a result, COPASA MG aims to meet the demand of customers and the granting authority to expand the coverage of the water and sewage supply services.

## 5.3. Fundraising

To support the Investment Program, the Company intends to use funds from its cash generation, as well as those coming from third-party loans.

Referring to contracted funds and not yet available, at the end of the first quarter of 2024, the Company had a balance of R\$1.8 billion, as table below. The debt will be recorded when these funds enter the Company.

Funding Lines	Balance to be Released (R\$ million)
Caixa Econômica Federal	179.5
KfW <sup>1</sup>	245.4
BEI <sup>1</sup>	286.1
AFD <sup>1</sup>	1,079.6
<b>Total Balance to be Released</b>	<b>1,790.6</b>

(1) Funding Lines contracted in Euro, with the balances being converted into Reais (R\$) at the end of March 2024 (€1.0 equivalent to R\$5.3979).

#### 5.4. Debenture Issue

The Company informs that the [Board of Directors authorized, on April 25<sup>th</sup>, 2024](#), the hiring of a long-term credit operation through the 19<sup>th</sup> issue of simple, unsecured debentures, non-convertible into shares, for public distribution under automatic registration process, aimed at professional investors, under a firm placement guarantee, of up to R\$1.3 billion, in 2 (two) series. The funds will be used for the execution of part of the Company's Investment Program and liquidity reserve (increase in the Company's minimum cash balance).

## 6. Service Concessions

As shown in the table below, in March 2024, COPASA MG (consolidated) had 637 concessions for water services and 308 concessions for sewage services, in which 632 water concessions and 272 sewage concessions were in operation.

Concessions <sup>1,2</sup>	03.31.2024			03.31.2023		
	Total	Parent Company	COPANOR	Total	Parent Company	COPANOR
<b>Water</b>						
Concession	638	588	49	640	591	49
In Operation	632	583	49	632	584	48
<b>Sewage</b>						
Concession <sup>3</sup>	308	252	56	309	253	56
In Operation	272	230	42	269	228	41

(1) Only one concession/operation is considered per municipality, regardless of whether there is more than one contract, in cases where COPASA MG and COPANOR provide services in the same municipality, or if it is a contract that covers only districts and localities

(2) It Includes expired concessions with 36 municipalities and concession with 1 (one) municipality whose contract was judicially declared null.

(3) The reduction was due to the termination of water concession contracts with 3 (three) municipalities, namely: São José da Barra and São José da Safira, whose contracts had expired; and Nanuque (contract judicially declared null). Such contracts represented, together, 0.3% of the Company's revenue.

As shown in the chart above, there were the following changes in the concessions in the past 12 months:

- **Within the scope of COPASA MG:**

- contracts were terminated in the municipalities of São José da Barra (population of 5.5 thousand inhabitants) and São José da Safira (population of 3.2 thousand inhabitants), which had already expired, and Nanuque (population of 35 thousand inhabitants), that was judicially declared null. These municipalities represented, together, 0.34% of the Company's revenue;
- water operations began in the municipalities of Natalândia and Frei Lagonegro, which have a combined urban population of 3.7 thousand inhabitants; and
- sewage operations began in the municipalities of Patis, Nova Resende and Presidente Juscelino, which have a combined urban population of 15.8 thousand inhabitants.

- **Within the scope of COPANOR:**

- water supply operations began in the municipality of Olhos d'Água, which has an urban population of 4.3 thousand inhabitants; and
- sewage operations began in the municipality of Francisco Badaró, which has an urban population of 4.5 thousand inhabitants.

The table below shows the Company's ten (10) main current concessions as of March 31<sup>th</sup>, 2024, which together account for approximately 49% of the Company's water and sewage net revenues, as well as their respective expiration periods:

Municipality	Expiration
Belo Horizonte	11/2032
Contagem	02/2073
Betim	12/2042
Montes Claros	07/2048
Ribeirão das Neves	05/2034
Divinópolis	06/2041
Patos de Minas	12/2038
Santa Luzia	02/2050
Pouso Alegre	08/2046
Varginha	06/2047

In March 2024, 83% of the Company's water and sewage revenues came from concessions expiring after December 2031. On the same date, concessions from 36 municipalities were expired, in addition to contractual nullity for 1 other municipality, both of which accounted for approximately 4.7% of net revenues from water and sewage.

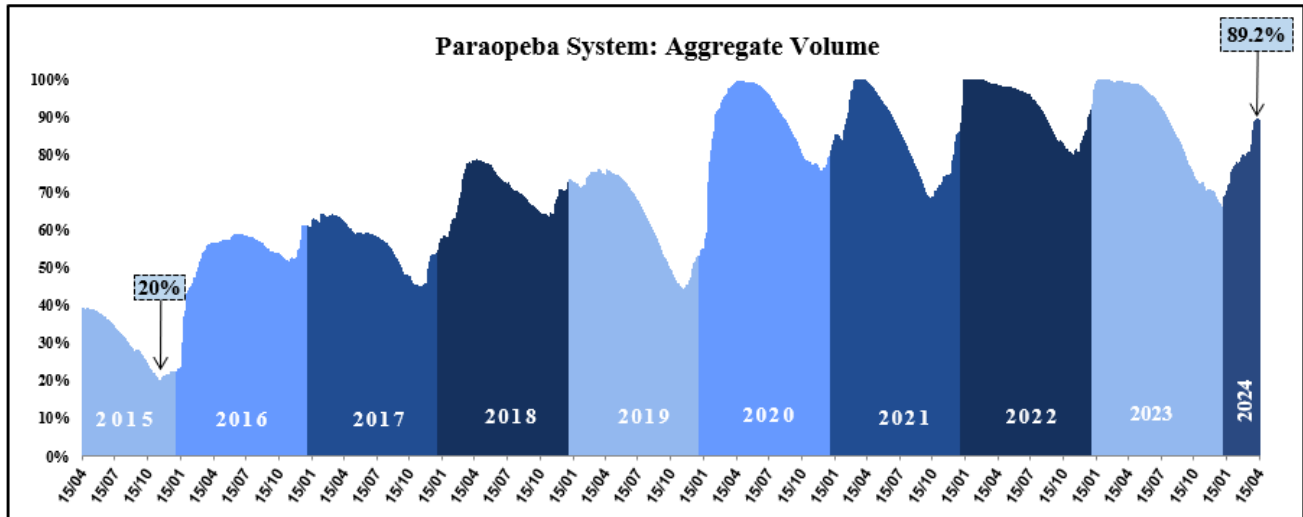
Under the principle of continuity for the provision of essential public services, these municipalities continue to be served and billed by the Company, both in municipalities with expired concessions and in municipality where contractual nullity was decreed.

## 7. Water Situation

### 7.1. Belo Horizonte Metropolitan Area (BHMA)

#### 7.1.1. Rio Manso, Vargem das Flores and Serra Azul

This System is operated in an integrated fashion, ensuring greater operating flexibility for water distribution to balance demand and maintain safe operation levels. Below is the evolution of the levels of the Paraopeba System's reservoirs, which together account for 52% of BHMA's distributed volume. On April 15<sup>th</sup>, 2024, the levels of these reservoirs were at 88.2% of their capacity, as shown below:



Reservoir Level Volume	04/15/2024
Rio Manso	88.6%
Vargem das Flores	78.6%
Serra Azul	95.1%

To increase water security in the Metropolitan Region of Belo Horizonte, in 2015, a new water collection system was built with a flow of 5 m<sup>3</sup>/s in the Paraopeba River for treatment at the Rio Manso Water Treatment Station. Due to the burst of the Mina Córrego do Feijão dam on January 25<sup>th</sup>, 2019, located in the municipality of Brumadinho and operated by Vale S.A., environmental, sanitary and inspection bodies determined the suspension of water collection from the Paraopeba River for public consumption and supply.

In July 2019, the Prosecution Office of the State of Minas Gerais and Vale S.A. signed a Consent Decree, with COPASA MG as one of the intervening parties, for the construction of a new water collection point on the Paraopeba River, upstream of the rupture point and the congruence of the Ferro Carvão stream and the Paraopeba River. On November 18<sup>th</sup>, 2022, Vale S.A. presented to the Prosecution Office of Minas Gerais a schedule for the conclusion of the works of the new collection of the Paraopeba River.

The pumping tests for the Rio Manso WTS started on March 2023, with flows varying from 1,000 l/s to 5,000 l/s. During the tests, the operating parameters of the elevator pumps are continuously monitored and indicated the need for adjustments so the systems can perfectly operate, now in execution.

### 7.1.2. Rio das Velhas

Water drawn from Rio das Velhas, responsible for approximately 43% of the volume distributed at BHMA, is collected directly from the stream, thus being greatly influenced by the occurrence of rainfall, given its location in the upper part of the watershed. The table below shows the information on this collection system:

Rio das Velhas System	
Percentage of BHMA's distributed volume	43%
Water collection grant	8.7 m <sup>3</sup> /s
Average flow of Rio das Velhas in the last 15 days prior to 04.15.2024	27.6 m <sup>3</sup> /s
Average flow used in 2023	7.5 m <sup>3</sup> /s

### 7.1.3. Resilience Works of the Paraopeba and Rio das Velhas Basins

On February 2023, the Company received from its controlling shareholder, the Minas Gerais State, through the State Secretariat of Economic Development, an Official Letter informing that, regarding the expected interventions and works that will improve water resilience of the Paraopeba and Rio das Velhas Basins, the controlling shareholder required that the amounts to be transferred to the works will be non-onerous and, consequently, no capital contribution to the Company will be made. Legal instruments regarding this matter were formalized in 4Q23.

## 7.2. Other municipalities in the Minas Gerais State

The Company's activities in the interior of the State are dispersed over several municipalities and different watersheds. Generally speaking, most locations where the Company operates have a local source of water production. Therefore, any water restriction imposed on supply will only impact locally and marginally the Company's total revenues.

On April 15<sup>th</sup>, 2024, the district of Bom Jesus de Cardosos (municipality of Urucânia) which have around 800 water connections, accounting for 0.01% of the Company's total water connections, were rationing water, the same situation observed in April 2023.

To minimize the impacts of the water situation, Company uses means, when necessary, that contribute to the regularization of supply in the affected locations, through the use of water trucks, well drilling and investments in alternative collections, according to the options available in each region and the degree of criticality of scarcity in each case. Additionally, awareness campaigns are intensified, aiming for the rational consumption of water.

## 8. Material Fact

### 8.1. Adjustment of Excess Profit Reserve in relation to the Company's Share Capital

The Company informs that the [Extraordinary General Meeting held on April 26<sup>th</sup>, 2024](#), approved the distribution of Extraordinary Dividends totaling R\$300 million, as detailed in item 3.2.2 of this Release.

The aforesaid Meeting also approved a capital increase of R\$203.4 million, due to the absorption of part of the profit reserves existing on December 31<sup>st</sup>, 2023. Accordingly, considering the increase of R\$755.9 thousand approved by the [Board of Directors on March 25<sup>th</sup>, 2024](#), the Share Capital currently corresponds to R\$3,606.5 million.

## 9. Annexes

The financial information of these annexes, except where otherwise indicated, is presented in Brazilian Reais thousands (R\$ thousand) and refers to the Parent Company.

### 9.1. Quarterly Income Statement

PARENT CO.	1Q24	1Q23	1Q24 vs. 1Q23	4Q23	1Q24 v.s. 4Q23	1Q22	1Q23 vs. 1Q22
<b>Operating Revenue from Services</b>							
Water services	1,107,381	1,042,113	6.3%	1,157,016	-4.3%	838,035	24.4%
Sewage services	581,717	531,514	9.4%	600,816	-3.2%	430,225	23.5%
Solid waste revenues	1,278	910	40.4%	1,231	3.8%	593	53.5%
Construction revenues	153,295	137,949	11.1%	212,064	-27.7%	151,498	-8.9%
<b>Net Operating Revenue from Services</b>	<b>1,843,671</b>	<b>1,712,486</b>	<b>7.7%</b>	<b>1,971,127</b>	<b>-6.5%</b>	<b>1,420,351</b>	<b>20.6%</b>
Cost of services rendered	(852,500)	(793,501)	7.4%	(908,034)	-6.1%	(748,995)	5.9%
Construction costs	(153,295)	(137,949)	11.1%	(212,064)	-27.7%	(151,498)	-8.9%
<b>COST OF SERVICES RENDERED</b>	<b>(1,005,795)</b>	<b>(931,450)</b>	<b>8.0%</b>	<b>(1,120,098)</b>	<b>-10.2%</b>	<b>(900,493)</b>	<b>3.4%</b>
<b>Gross Income</b>	<b>837,876</b>	<b>781,036</b>	<b>7.3%</b>	<b>851,029</b>	<b>-1.5%</b>	<b>519,858</b>	<b>50.2%</b>
Selling expenses	(68,604)	(69,095)	-0.7%	(69,776)	-1.7%	(79,896)	-13.5%
Expected credit losses for trade receivables	(63,365)	(51,469)	23.1%	(47,309)	33.9%	(58,556)	-12.1%
General and administrative expenses	(166,016)	(139,968)	18.6%	(155,085)	7.0%	(123,792)	13.1%
Other Operating Income	7,885	16,439	-52.0%	11,599	-32.0%	35,937	-54.3%
Other Operating Expenses	(34,404)	(38,109)	-9.7%	(108,839)	-68.4%	(29,565)	28.9%
Employees' profit sharing	-	-	-	-	-	#DIV/0!	-
Equity income	(2,797)	(13,238)	-78.9%	247	-1232.4%	(2,347)	464.0%
<b>Operating Income (Expenses)</b>	<b>(327,301)</b>	<b>(295,440)</b>	<b>10.8%</b>	<b>(369,163)</b>	<b>-11.3%</b>	<b>(258,219)</b>	<b>14.4%</b>
<b>Income before Financial Result and Taxes</b>	<b>510,575</b>	<b>485,596</b>	<b>5.1%</b>	<b>481,866</b>	<b>6.0%</b>	<b>261,639</b>	<b>85.6%</b>
Financial Income	71,321	78,687	-9.4%	84,791	-15.9%	91,953	-14.4%
Financial Expenses	(119,845)	(127,756)	-6.2%	(106,824)	12.2%	(114,308)	11.8%
<b>Financial Result</b>	<b>(48,524)</b>	<b>(49,069)</b>	<b>-1.1%</b>	<b>(22,033)</b>	<b>120.2%</b>	<b>(22,355)</b>	<b>119.5%</b>
<b>Income before Taxes</b>	<b>462,051</b>	<b>436,527</b>	<b>5.8%</b>	<b>459,833</b>	<b>0.5%</b>	<b>239,284</b>	<b>82.4%</b>
Provision for Income Tax	(121,543)	(102,519)	18.6%	(81,746)	48.7%	-	n.m.
Provision for Social Contribution on Net Income	11,042	3,698	198.6%	(22,837)	n.m.	(71,762)	-105.2%
<b>NET INCOME FOR THE PERIOD</b>	<b>351,550</b>	<b>337,706</b>	<b>4.1%</b>	<b>355,250</b>	<b>-1.0%</b>	<b>167,522</b>	<b>101.6%</b>
Number of outstanding shares (thousands)	379,181	379,181	-	379,181	-	379,181	-
<b>EARNINGS PER SHARE (BRL)</b>	<b>0.93</b>	<b>0.89</b>	<b>4.1%</b>	<b>0.94</b>	<b>-1.0%</b>	<b>0.44</b>	<b>101.6%</b>

**9.2. Balance Sheet – Assets**

ASSETS - PARENT CO.	03/2024	03/2023	03/2024 vs. 03/2023	12/2023	03/2024 vs. 12/2023	03/2022	03/2023 vs. 03/2022
<b>CURRENT</b>							
Cash and cash equivalents	737,964	1,044,323	-29.3%	994,581	-25.8%	783,005	33.4%
Trade accounts receivable	1,294,567	1,213,073	6.7%	1,264,375	2.4%	1,005,736	20.6%
Inventories	102,223	122,311	-16.4%	106,706	-4.2%	94,395	29.6%
Taxes recoverable	36,234	186,297	-80.6%	36,234	0.0%	138,076	34.9%
Technical cooperation agreement	36,346	23,678	53.5%	36,944	-1.6%	22,745	4.1%
Technical cooperation agreement	51,502	38,903	32.4%	51,368	0.3%	37,816	2.9%
Banks and agreement investments	197	3,827	-94.9%	-	n.m.	4,845	-21.0%
<b>TOTAL CURRENT ASSETS</b>	<b>2,259,033</b>	<b>2,632,412</b>	<b>-14.2%</b>	<b>2,490,208</b>	<b>-9.3%</b>	<b>2,086,618</b>	<b>26.2%</b>
<b>NON-CURRENT</b>							
Restricted investments	77,521	70,066	10.6%	75,285	3.0%	77,916	-10.1%
Accounts Receivable from Customers	48,772	37,775	29.1%	56,017	-12.9%	34,164	10.6%
Financing guarantee deposits	31,788	61,458	-48.3%	61,883	-48.6%	59,719	2.9%
Other Assets	40,020	55,466	-27.8%	48,083	-16.8%	83,232	-33.4%
Deferred income and social contribution taxes	247,866	316,181	-21.6%	236,824	4.7%	337,278	-6.3%
Financial Assets - Concession Contracts	1,087,036	838,568	29.6%	999,639	8.7%	748,093	12.1%
Right of use - commercial leasing	86,515	103,774	-16.6%	86,852	-0.4%	89,998	15.3%
Contract assets	2,534,571	2,327,270	8.9%	2,511,680	0.9%	1,596,868	45.7%
Technical cooperation agreement long term	4,478	2,617	71.1%	4,479	0.0%	6,096	-57.1%
Investments	295,698	256,014	15.5%	274,699	7.6%	227,184	12.7%
Property, plant and equipment	1,747,059	1,437,806	21.5%	1,757,823	-0.6%	1,444,608	-0.5%
Intangible assets	5,671,499	5,402,368	5.0%	5,570,519	1.8%	5,512,653	-2.0%
<b>TOTAL NON-CURRENT ASSETS</b>	<b>11,872,823</b>	<b>10,909,363</b>	<b>8.8%</b>	<b>11,683,783</b>	<b>1.6%</b>	<b>10,217,809</b>	<b>6.8%</b>
<b>TOTAL ASSETS</b>	<b>14,131,856</b>	<b>13,541,775</b>	<b>4.4%</b>	<b>14,173,991</b>	<b>-0.3%</b>	<b>12,304,427</b>	<b>10.1%</b>

**9.3. Balance Sheet – Liabilities**

<b>LIABILITIES - PARENT CO.</b>	<b>03/2024</b>	<b>03/2023</b>	<b>03/2024 vs. 03/2023</b>	<b>12/2023</b>	<b>03/2024 vs. 12/2023</b>	<b>03/2022</b>	<b>03/2023 vs. 03/2022</b>
<b>CURRENT</b>							
Provision for Vacations and 13th Salary	154,069	148,289	3.9%	140,157	9.9%	137,993	7.5%
Contractors and Suppliers	301,889	289,113	4.4%	377,766	-20.1%	239,585	20.7%
Taxes, Charges and Contributions	126,502	94,529	33.8%	111,914	13.0%	116,132	-18.6%
Loans and Financing	113,207	140,586	-19.5%	113,975	-0.7%	178,133	-21.1%
Debentures	524,090	686,549	-23.7%	567,681	-7.7%	657,010	4.5%
Dividends and Interest on Equity Payable	408,312	352,717	15.8%	430,991	-5.3%	31,820	1008.5%
Retirement Benefit Liabilities	8,568	9,604	-10.8%	60	n.m.	22,358	-57.0%
Technical Cooperation Agreement	479	7,080	-93.2%	1,298	-63.1%	3,242	118.4%
Public-Private Partnership	42,380	38,266	10.8%	45,752	-7.4%	50,281	-23.9%
Other Liabilities	78,331	71,549	9.5%	74,007	5.8%	85,556	-16.4%
Right of Use - Commercial Leasing	48,350	39,986	20.9%	47,457	1.9%	30,669	30.4%
Employees' Profit Sharing	99,592	76,101	30.9%	85,225	16.9%	46,358	64.2%
Tax Installments	-	-	n.m.	-	n.m.	6,623	-100.0%
Income Tax and Social Contribution	-	102,520	-100.0%	-	n.m.	-	n.m.
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,905,769</b>	<b>2,056,889</b>	<b>-7.3%</b>	<b>1,996,283</b>	<b>-4.5%</b>	<b>1,605,760</b>	<b>28.1%</b>
<b>NON-CURRENT</b>							
Loans and Financing	1,312,180	1,014,973	29.3%	1,315,102	-0.2%	837,666	21.2%
Debentures	2,650,615	2,220,948	19.3%	2,746,756	-3.5%	2,069,195	7.3%
Retirement Benefit Liabilities	100,103	31,059	222.3%	109,577	-8.6%	104,051	-70.2%
Public-Private Partnership	158,925	202,773	-21.6%	166,148	-4.3%	201,384	0.7%
Right of Use - Commercial Leasing	42,291	75,025	-43.6%	44,710	-5.4%	68,593	9.4%
Provision for Litigation	121,412	401,638	-69.8%	125,764	-3.5%	365,739	9.8%
Other Liabilities	-	77,832	-100.0%	95,826	-100.0%	153,569	-49.3%
Technical Cooperation Agreement Long Term	-	-	n.m.	-	n.m.	4,861	-100.0%
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>4,385,526</b>	<b>4,024,248</b>	<b>9.0%</b>	<b>4,603,883</b>	<b>-4.7%</b>	<b>3,805,058</b>	<b>5.8%</b>
<b>SHAREHOLDERS' EQUITY</b>							
Paid-up capital stock	3,403,141	3,402,385	0.02%	3,402,385	0.02%	3,402,385	-
Treasury shares	(8,576)	(8,576)	-	(8,576)	-	(8,576)	-
Profit reserve	4,224,965	3,856,580	9.6%	4,225,721	0.0%	3,402,583	13.3%
Equity valuation adjustments retained earnings	179,128 (45,710)	206,131 4,118	-13.1% n.m.	- (45,705)	n.m. 0.0%	133,663 (36,446)	54.2% -111.3%
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>7,752,948</b>	<b>7,460,638</b>	<b>3.9%</b>	<b>7,573,825</b>	<b>2.4%</b>	<b>6,893,609</b>	<b>8.2%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>14,044,243</b>	<b>13,541,775</b>	<b>3.7%</b>	<b>14,173,991</b>	<b>-0.9%</b>	<b>12,304,427</b>	<b>10.1%</b>

## 9.4. Cash Flow

Cash Flow	1Q24	1Q23	4Q23	1Q22
<b>Cash flow from operational activities:</b>				
<b>Net Income (Loss)</b>	<b>351,550</b>	<b>337,706</b>	<b>355,250</b>	<b>167,522</b>
Adjustments to reconcile net income and net cash:				
Expected credit losses for trade receivables	63,365	51,469	47,309	58,556
Monetary and foreign exchange variation and charges, net	33,532	27,412	23,313	(14,971)
Interest income and expenses	76,152	86,119	59,754	67,245
Deferred income and social contribution taxes	(11,042)	(3,698)	22,837	71,762
(Gain) loss on the write-off of intangibles and property, plant and equipment	419	9,427	(41,124)	(399)
Provision for retirement benefits	2,640	13,265	16,859	16,050
Financial assets	(19,777)	(28,317)	(13,802)	(13,306)
Others	(2,368)	2,402	(1,110)	(1,245)
Provision for inventories loss	547	101	-	(265)
<b>Adjusted profit</b>	<b>495,018</b>	<b>495,886</b>	<b>469,286</b>	<b>350,949</b>
Changes in assets:				
Accounts receivable from clients	(86,312)	(215,241)	(77,046)	(60,362)
Inventories	4,287	(10,241)	5,341	(10,539)
Taxes to be recovered	(89,361)	(95,972)	(23,576)	(37,508)
Advancement of tariff transfer to municipalities	2,970	1,454	-	1,739
Technical cooperation agreement	(133)	(8,721)	(351)	(476)
Changes in liabilities:				
Suppliers	(75,877)	(507)	51,519	(48,392)
Taxes, fees, contributions and social security and labor obligations	191,632	191,945	120,413	74,050
Provision for vacations and 13th salary	13,912	13,054	(58,853)	18,691
Employees' profit sharing	14,367	20,864	19,853	(78,820)
Technical Cooperational Agreement	(819)	(898)	(1,072)	4,912
Contingencies	2,227	626	(5,799)	774
Retirement benefit liabilities	(3,606)	(26,525)	(26,875)	1,047
Payroll payable - Collective Bargaining Agreement	-	-	-	(171,116)
Voluntary Separation Program - VSP	(4,534)	-	(35,567)	(72,102)
Others	1,509	(9,954)	3,533	(15,269)
Payment of actuarial liabilities	-	-	-	(13,399)
<b>Cash from operations</b>	<b>465,280</b>	<b>355,770</b>	<b>440,806</b>	<b>(55,821)</b>
Interest paid	(99,254)	(116,855)	(94,737)	(87,459)
Interest paid from the Public Private Partnership	(2,316)	(4,873)	(2,316)	(1,037)
Income Tax (IR) and Social Contribution (CSLL) payment	(95,906)	(103,539)	(112,225)	(35,331)
<b>Net Cash from Operating Activities</b>	<b>474,557</b>	<b>330,272</b>	<b>231,528</b>	<b>(17,456)</b>
<b>Cash flow from investing activities:</b>				
Public Private Partnership Payment	(11,651)	(4,325)	(10,770)	(12,119)
Subsidiary Capital Raise (COPANOR)	(23,796)	(23,795)	-	(27,090)
Amount received from the sale of property, plant and equipment	301	909	1,026	1,035
Purchase of Contract Assets	(224,931)	(203,010)	(255,229)	(181,588)
Purchase of Intangible Assets	(106,932)	(46,633)	(130,706)	(33,761)
Purchase of property, plant and equipment	(20,700)	(7,778)	(31,093)	(2,369)
Loan collateral deposits	33,862	1,083	851	7,598
Bank and financial investments of agreement	(197)	7,964	345	(1,572)
<b>Net Cash used in Investing Activities</b>	<b>(354,044)</b>	<b>(275,585)</b>	<b>(425,576)</b>	<b>(249,866)</b>
<b>Cash flow from financing activities:</b>				
Income from loans, financing and debentures	15,731	200,662	290,223	15,066
Amortization of loans, financing and debentures	(185,739)	(289,109)	(163,898)	(235,322)
Payment of Interest on Equity	-	-	(119,186)	(3)
Payment of dividends	-	-	(185,535)	-
Payment of principal and interest debt concessions	(186,883)	-	-	-
Issuance Costs of Securities	(6,845)	(301)	(7,292)	-
Payment of leasing	(13,394)	(12,696)	(16,457)	(8,883)
<b>Net Cash Used in Financing Activities</b>	<b>(377,130)</b>	<b>(101,444)</b>	<b>(202,145)</b>	<b>(229,142)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(256,617)</b>	<b>(46,757)</b>	<b>(208,945)</b>	<b>(496,464)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>994,581</b>	<b>1,091,080</b>	<b>1,203,526</b>	<b>1,279,469</b>
<b>Cash and cash equivalents at end of the period</b>	<b>737,964</b>	<b>1,044,323</b>	<b>994,581</b>	<b>783,005</b>

## 9.5. Debt

Debt –Funding Lines Consolidated Data	Index + Fixed Rate (Annual)	Issue Date	Maturity Date	Outstanding Balance	%
<b><u>In National Currency:</u></b>					
FGTS Funds <sup>1</sup>	TR + 7.30% to TR + 8.50%	08.16.2009	01.16.2043	734,980	15.8%
Finame	2.5% to 8.7%	03.28.2011	01.15.2025	2,510	0.1%
BNDES Loan	TJLP + 1.55% to 1.73%	01.15.2008	05.15.2025	14,172	0.3%
Caixa Debentures - 5th Issue	TR + 9.00%	09.20.2011	09.01.2031	131,820	2.8%
BNDES Debentures - 8th Issue					
1st Series	TJLP + 1.87%	06.15.2015	06.15.2028	39,837	0.9%
2nd Series	IPCA + 8.18%	06.15.2015	06.15.2028	26,041	0.6%
BNDES Debentures - 11th Issue					
1st Series	TJLP + 2.62%	01.15.2017	01.15.2031	97,709	2.1%
2nd Series	IPCA + 8.85%	01.15.2017	01.15.2031	57,128	1.2%
Market Debentures – 12th Issue					
2nd Series	IPCA + 5.2737%	02.08.2018	01.15.2026	56,674	1.2%
Market Debentures – 13th Issue					
3rd Series	IPCA + 6.50%	07.15.2018	07.15.2025	46,340	1.0%
Market Debentures – 14th Issue					
1st Series	106.15% of CDI	06.15.2019	06.15.2024	4,935	0.1%
2nd Series	IPCA + 4.30%	06.15.2019	06.15.2026	118,527	2.6%
Market Debentures – 15th Issue					
1st Series	CDI + 1.75%	12.16.2020	12.16.2025	270,261	5.8%
Market Debentures – 16th Issue					
1st Series	IPCA + 5.2306%	09.15.2021	09.15.2031	290,658	6.3%
2nd Series	CDI + 1.30%	09.15.2021	09.15.2026	390,998	8.4%
Market Debentures – 17th Issue					
Single Series	CDI + 1.30%	12.16.2022	12.16.2029	752,762	16.2%
Market Debentures – 18th Issue					
1st Series	CDI + 1.20%	09.15.2023	09.16.2030	114,094	2.5%
2nd Series	IPCA + 7.10%	09.15.2023	09.16.2030	807,986	17.4%
<b><u>In Foreign Currency<sup>2,3</sup>:</u></b>					
KfW	Euro + 1.41%	12.13.2018	05.15.2034	187,631	4.0%
BEI	Euro + Euribor + 0.55%	12.13.2019	09.20.2033	494,604	10.7%
AFD	Euro + Euribor + 2.69%	12.29.2023	12.20.2043	697	0.0%
Issuance Costs of Securities				(40,272)	
<b>(=) Total Loans, Financing and Debentures</b>				<b>4,600,092</b>	
(+) Leasing Liabilities				90,641	
<b>(=) Total Gross Debt (Short + Long Term)</b>				<b>4,690,733</b>	
(-) Cash and Cash Equivalents				(783,598)	
<b>(=) Net Debt</b>				<b>3,907,135</b>	

(1) FGTS Funds: Brazilian Savings Bank.

(2) Foreign-currency contracts are also subject to an availability rate (0.25% p.a.) on the balance disbursable.

(3) Debts contracted in Euro, whose exchange rate in relation to the Real was R\$5.3979 on 03.31.2024.

## About COPASA MG

Companhia de Saneamento de Minas Gerais – COPASA MG is a mixed capital company, controlled by the Minas Gerais State, whose stock has been traded since February 2006 in Novo Mercado, the highest corporate governance segment of B3 – Brasil, Bolsa, Balcão, under the ticker CSMG3. COPASA MG’s activities are to plan, execute, expand, remodel and operate public sanitation services, involving water supply, sewage and solid waste services. Together with its subsidiary COPANOR, the Company has concessions in about 75% of the municipalities of the Minas Gerais State, supplying water to approximately 11.7 million people, of which 8.6 million people are also served with sewage services.

## Investor Relations

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Any information contained in this document regarding COPASA MG’s business prospects, projections and operational and financial goals is considered as assumptions and expectations of the Company’s Management, based on information currently available. They involve risks and uncertainties, as they refer to future events and therefore depend on circumstances that may or may not occur. Changes in macroeconomic policy, legislation or other operating factors may affect the future performance of COPASA MG and lead to results that materially differ from those expressed in such considerations.