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Report on the quarterly information review - ITR

The Board of Directors and Shareholders Companhia de Saneamento de Minas Gerais – COPASA MG Belo Horizonte – Minas Gerais

Introduction

We have reviewed the interim, individual and consolidated financial statements of the company Companhia de Saneamento de Minas Gerais - COPASA MG ("Company"), contained in the Quarterly Information Form - ITR for the quarter ended September 30, 2021, consisting of the statements of financial position as of September 30, 2021 and the related statements of income, the comprehensive statements of income for the three and nine-month periods then ended, the statement of changes in equity and statements of cash flows for the nine-month periods then ended, in addition to the notes to the financial statements.

Company Management is responsible for the preparation of the individual and consolidated interim financial statements in accordance with CPC 21 (R1) and the international standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board - IASB and for the presentation of this information in due accordance with the standards issued by the Brazilian Securities Commission applicable to the preparation of Quarterly Information - ITR. Our responsibility is to express an opinion on the interim financial statements based on our review.

Review scope

We conducted our review in accordance with Brazilian and international standards on reviews of interim information (NBC TR 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily to the management responsible for financial and accounting matters and applying analytical and other review procedures. The scope of a review is substantially smaller than an audit conducted in accordance with auditing standards, and consequently, it does not enable us to obtain assurance that we were aware of all the material matters that would have been identified in an audit. We are not therefore expressing an audit opinion.

Conclusion about the interim information

Based on our review we are not aware of any facts that lead us to believe the individual and consolidated interim financial information included in the aforesaid quarterly information has not been prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 issued by IASB applicable to the preparation of Quarterly Information - ITR, presented in a manner consistent with the requirements set forth by the Brazilian Securities Commission - CVM.

Other matters

Statements of added value

The individual and consolidated interim financial information relating to statements of added value for the nine-month period ended September 30, 2021, which are the responsibility of Company Management and are presented as supplementary information for the purpose of IAS 34, was subject to review procedures conducted in conjunction with the review of the Company's quarterly Information - ITR. To form our conclusion we evaluated whether these statements have been reconciled against the interim accounting information and accounting records, as applicable, and whether their form and content comply with the criteria set out in CPC Technical Pronouncement 09 - Statements of Added Value. Our review did not detect any facts that lead us to believe these statements of added value were not prepared, in all material respects, in accordance with the individual and consolidated interim financial statements accounting information taken as a whole.

Belo Horizonte, October 28, 2021

KPMG Auditores Independentes
CRC SP-014428/O-6 F-MG

Anderson Luiz de Menezes
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Company Data / Capital Breakdown

Number of Shares (thousand)	Current Quarter 09/30/2021
Paid-in Capital	
Common	380,253
Preferred	0
Total	380,253
Treasury stock	
Common	1,072
Preferred	0
Total	1,072

Individual Financial Statements - Statement of Financial Position - Assets (Reais**Thousand)**

Account Code	Account Description	Current Quarter 09/30/2021	Previous Year 12/31/2020
1	Total Assets	12,705,960	11,762,554
1.01	Current Assets	2,743,219	1,974,493
1.01.01	Cash and Cash Equivalents	1,416,290	786,377
1.01.03	Accounts Receivable	1,060,433	1,034,710
1.01.03.01	Receivables	1,060,433	1,034,710
1.01.04	Inventories	78,232	62,603
1.01.06	Recoverable Taxes	115,923	18,381
1.01.06.01	Current Taxes Recoverable	115,923	18,381
1.01.06.01.01	Recoverable Taxes	18,919	18,381
1.01.06.01.02	IRPJ/CSLL	97,004	0
1.01.08	Other Current Assets	72,341	72,422
1.01.08.03	Other	72,341	72,422
1.01.08.03.01	Advances to Employees	14,383	13,152
1.01.08.03.02	Other	13,777	10,334
1.01.08.03.03	Technical Cooperation Arrangement	35,515	16,152
1.01.08.03.04	Banks and Arrangements Applications	8,666	24,452
1.01.08.03.05	Pledge on Financing Security	0	8,332
1.02	Noncurrent Assets	9,962,741	9,788,061
1.02.01	Long-Term Assets	2,668,721	2,236,206
1.02.01.03	Short-term investments valued at amortized cost	76,120	75,715
1.02.01.04	Accounts Receivable	125,977	258,404
1.02.01.04.03	Borrowing, Financing and Debenture Guarantee Deposits	65,559	191,642
1.02.01.04.05	Other receivables	60,418	66,762
1.02.01.07	Deferred Taxes	358,914	293,349
1.02.01.07.01	Deferred Income and Social Contribution Taxes	358,914	293,349
1.02.01.09	Related-party Credits	0	2,125
1.02.01.09.02	Credit with Subsidiaries	0	2,125
1.02.01.10	Other Noncurrent Assets	2,107,710	1,606,613
1.02.01.10.03	Financial Assets - Concession Agreements	712,363	685,561
1.02.01.10.04	Financial Assets Measured at Fair Value through OCI	86,939	76,603
1.02.01.10.05	Lease Rights of Use	75,063	61,716
1.02.01.10.06	Contract Assets	1,223,537	756,545
1.02.01.10.07	Technical Cooperation Arrangement	9,808	26,188
1.02.02	Investment	206,689	165,392
1.02.02.01	Equity Interests	206,689	165,392
1.02.02.01.02	Interests in Subsidiaries	206,429	165,132
1.02.02.01.04	Other Investments	260	260
1.02.03	Property, plant and equipment	1,485,673	1,518,979
1.02.03.01	Property, plant and equipment in operation	1,485,673	1,518,979
1.02.04	Intangible assets	5,601,658	5,867,484
1.02.04.01	Intangible assets	5,601,658	5,867,484
1.02.04.01.01	Concession Agreement	5,601,658	5,867,484

Individual Financial Statements - Statement of Financial Position - Liabilities - (Reais**thousand)**

Account Code	Account Description	Current Quarter 09/30/2021	Previous Year 12/31/2020
2	Total Liabilities	12,705,960	11,762,554
2.01	Current Liabilities	2,006,493	1,378,860
2.01.01	Social and labor obligations	183,060	125,194
2.01.01.02	Labor Obligations	183,060	125,194
2.01.02	Trade payables	230,946	206,177
2.01.02.01	Domestic payables	230,946	206,177
2.01.03	Tax Obligations	75,721	79,680
2.01.03.01	Federal Tax Liabilities	73,324	78,101
2.01.03.01.02	Other Federal Obligations	73,324	78,101
2.01.03.03	Municipal Tax Obligations	2,397	1,579
2.01.04	Loans and Borrowings	728,829	595,756
2.01.04.01	Loans and Borrowings	190,146	201,851
2.01.04.01.01	In local currency	119,400	129,799
2.01.04.01.02	Foreign currency	70,746	72,052
2.01.04.02	Debentures	538,683	393,905
2.01.04.02.01	Nonconvertible	538,683	393,905
2.01.05	Other liabilities	667,715	280,717
2.01.05.02	Other	667,715	280,717
2.01.05.02.01	Dividends and Interest on Shareholder's Equity Payable	156,335	72,270
2.01.05.02.04	Retirement Benefit Obligations	10,643	21,998
2.01.05.02.06	Technical Cooperation Arrangement	1,272	3,547
2.01.05.02.07	Public Private Partnership	54,557	47,975
2.01.05.02.08	Miscellaneous Obligations	418,230	102,304
2.01.05.02.09	Lease Rights of Use	26,678	32,623
2.01.06	Provisions	120,222	91,336
2.01.06.01	Tax, Welfare and Civil Contingencies	120,222	91,336
2.01.06.01.07	Employee Profit Shares	120,222	91,336
2.02	Non-current Liabilities	4,045,428	3,927,082
2.02.01	Loans and Borrowings	3,260,144	3,185,385
2.02.01.01	Loans and Borrowings	901,900	1,072,146
2.02.01.01.01	In local currency	736,753	803,147
2.02.01.01.02	Foreign currency	165,147	268,999
2.02.01.02	Debentures	2,358,244	2,113,239
2.02.01.02.01	Nonconvertible	2,358,244	2,113,239
2.02.02	Other obligations	633,005	607,695
2.02.02.02	Other	633,005	607,695
2.02.02.02.03	Retirement Benefit Obligations	235,205	223,892
2.02.02.02.05	Deposits for Works	59,942	79,851
2.02.02.02.06	Public Private Partnership	217,881	258,251
2.02.02.02.07	Other	66,791	14,189
2.02.02.02.08	Lease Rights of Use	51,209	31,512
2.02.02.02.09	Technical Cooperation Arrangement	1,977	0
2.02.04	Provisions	152,279	134,002
2.02.04.01	Tax, Welfare and Civil Contingencies	152,279	134,002
2.02.04.01.06	Provision for Legal Claims	152,279	134,002
2.03	Equity	6,654,039	6,456,612

Individual Financial Statements - Statement of Financial Position - Liabilities (Reais**thousand)**

Account Code	Account Description	Current Quarter 09/30/2021	Previous Year 12/31/2020
2.03.01	Realized Capital	3,402,385	3,402,385
2.03.02	Capital Reserves	-8,576	-8,576
2.03.02.05	Treasury Stock	-8,576	-8,576
2.03.04	Profit Reserves	3,147,591	3,147,591
2.03.04.01	Legal Reserve	388,560	388,560
2.03.04.05	Profit Retention Reserve	2,710,828	2,710,828
2.03.04.07	Tax Incentive Reserve	48,203	48,203
2.03.05	Retained Earnings/Accumulated Losses	190,674	0
2.03.06	Equity Appraisal Adjustments	-78,035	-84,788

Individual Financial Statements / Statement of Profit or Loss (Reais

thousand)

Account Code	Account Description	Current Quarter 07/01/2021 to 09/30/2021	Accrued from Current Year 01/01/2021 to 09/30/2021	Same Quarter of Previous Year 07/01/2020 to 09/30/2020	Accrued from Previous Year 01/01/2020 to 09/30/2020
3.01	Revenue from Goods and Services Sold	1,494,734	4,298,067	1,346,163	3,859,104
3.01.01	Water Services	860,103	2,501,690	816,269	2,337,861
3.01.02	Sewage Services	446,561	1,389,349	458,044	1,330,983
3.01.03	Construction Revenue	187,533	405,318	71,331	188,712
3.01.04	Solid Waste Revenue	537	1,710	519	1,548
3.02	Cost of Goods and/or Services Sold	-1,011,103	-2,604,963	-722,733	-2,115,817
3.02.01	Cost of Goods and/or Services Sold	-823,570	-2,199,645	-651,402	-1,927,105
3.02.02	Construction Cost	-187,533	-405,318	-71,331	-188,712
3.03	Gross Profit	483,631	1,693,104	623,430	1,743,287
3.04	Operating Income/Expenses	-418,663	-954,493	-257,866	-843,814
3.04.01	Sales Expenses	-117,737	-336,829	-149,907	-447,989
3.04.01.01	Selling Expenses	-65,871	-175,279	-56,493	-166,890
3.04.01.02	Estimated Allowances for Doubtful Accounts	-51,866	-161,550	-93,414	-281,099
3.04.02	General and Administrative Expenses	-195,415	-461,924	-121,519	-361,365
3.04.04	Other Operating Income	36,753	89,895	64,667	120,352
3.04.05	Other Operating Expenses	-138,827	-237,192	-47,305	-139,984
3.04.05.01	Other Operating Expenses	-138,827	-237,192	-47,305	-139,984
3.04.06	Share of profit (loss) of equity-accounted investees	-3,437	-8,443	-3,802	-14,828
3.05	Earnings before finance income/loss and tax	64,968	738,611	365,564	899,473
3.06	Finance Income/Costs	-90,165	-134,865	-37,838	-150,577
3.06.01	Financial Revenue	34,855	128,935	35,555	128,778
3.06.02	Finance Costs	-125,020	-263,800	-73,393	-279,355
3.07	Earnings before tax on profit	-25,197	603,746	327,726	748,896
3.08	Income and social contribution taxes on profit	41,566	-130,461	-87,183	-201,173
3.08.01	Current	29,121	-199,541	-95,493	-269,436
3.08.02	Deferred	12,445	69,080	8,310	68,263
3.09	Net Income (Loss) from Continued Operations	16,369	473,285	240,543	547,723
3.11	Net Income/Loss for the Period	16,369	473,285	240,543	547,723

Individual Financial Statements - Statement of Other Comprehensive Income (Reais**thousand)**

Account Code	Account Description	Current Quarter 07/01/2021 to 09/30/2021	Accrued from Current Year 01/01/2021 to 09/30/2021	Same Quarter of Previous Year 07/01/2020 to 09/30/2020	Accrued from Previous Year 01/01/2020 to 09/30/2020
4.01	Net Income for the Period	16,369	473,285	240,543	547,723
4.02	Other Comprehensive Income	0	6,822	0	6,761
4.02.04	Fair Value of Available-For-Sale Financial Assets	0	6,822	0	6,761
4.03	Comprehensive Income for the Period	16,369	480,107	240,543	554,484

Individual Statements - Statement of Cash Flows - Indirect Method (Reais**thousand)**

Account Code	Account Description	Accrued in Current Period 01/01/2021 to 09/30/2021	Accrued from Previous Year 01/01/2020 to 09/30/2020
6.01	Net Cash from Operating Activities	1,237,373	1,347,919
6.01.01	Cash Provided by Operating Activities	1,326,031	1,489,469
6.01.01.01	Net Income for the Period	473,285	547,723
6.01.01.02	Allowance for Doubtful Accounts	161,550	281,099
6.01.01.04	Charges and Net Monetary and Exchange Variance	60,314	118,110
6.01.01.05	Interest Revenue and Expenses	133,339	49,747
6.01.01.06	Deferred Income and Social Contribution Taxes	-69,079	-68,263
6.01.01.07	Share of profit (loss) of equity-accounted investees	8,443	14,828
6.01.01.08	Gain / Loss on Intangible Assets and Property, Plant and Equipment	11,603	99,554
6.01.01.09	Depreciation and Amortization	507,156	477,449
6.01.01.10	Making of Provisions	26,987	-47,577
6.01.01.11	Provision on Retirement Benefits	49,626	43,709
6.01.01.12	Financial Assets	-36,554	-27,228
6.01.01.13	Other	-1,182	-317
6.01.01.16	Provision for Inventory Losses	543	635
6.01.02	Changes in Assets and Liabilities	380,216	254,469
6.01.02.01	Trade receivables	-151,060	-127,083
6.01.02.02	Inventories	-15,671	-8,039
6.01.02.03	Recoverable Taxes	-97,542	5
6.01.02.07	Advance on Rate Pass-through	4,524	-17,434
6.01.02.09	Other	-2,121	-10,032
6.01.02.10	Trade payables	10,520	31,234
6.01.02.11	Taxes, Contributions and Social Obligations	285,691	354,295
6.01.02.12	Provision for Vacations and 13 th month salary	57,866	65,659
6.01.02.13	Employee Profit Shares	28,886	33,929
6.01.02.14	Technical Cooperation Arrangement	-3,281	-12,260
6.01.02.15	Contingencies	-8,710	6,012
6.01.02.16	Retirement Benefit Obligations	-43,027	-42,004
6.01.02.17	Electricity and Other (Payment of Tax Financing)	318,208	371
6.01.02.19	Payment of Actuarial Liability	-4,067	-20,184
6.01.03	Other	-468,874	-396,019
6.01.03.01	Interest Paid	-159,988	-134,740
6.01.03.02	Interest paid to Public Private Partnership	-4,670	-7,120
6.01.03.03	IR/CSLL payment	-304,216	-254,159
6.02	Net Cash from Investment Activities	-558,144	-493,146
6.02.06	Payment to PPP	-40,264	-40,074
6.02.07	Amount received on sale of property, plant and equipment	2,964	2,516
6.02.08	Capital increase at Subsidiaries	-49,740	-43,736
6.02.10	Acquisition of Contract Assets	-510,573	-332,756
6.02.11	Acquisition of Intangible Assets	-100,426	-97,773
6.02.12	Acquisition of Property, Plant and Equipment	-18,022	-6,762
6.02.13	Pledge on Financing Security	142,131	22,595
6.02.14	Banks and Arrangements Applications	15,786	2,844
6.03	Net Cash from Financing Activities	-49,316	-305,414
6.03.01	Inflow of Loans and Borrowings and Debentures	854,055	26,861

Individual Statements - Statement of Cash Flows - Indirect Method (Reais**thousand)**

Account Code	Account Description	Accrued in Current Period 01/01/2021 to 09/30/2021	Accrued from Previous Year 01/01/2020 to 09/30/2020
6.03.02	Amortization of Loans, Financing and Debentures	-682,684	-162,429
6.03.04	Interest on Equity Paid	-184,050	-165,349
6.03.12	Borrowing Costs	-11,276	-3,516
6.03.13	Commercial Lease Payment	-25,361	-32,165
6.03.14	Capitalized Interest	0	31,184
6.05	Increase (Decrease) in Cash and Cash Equivalents	629,913	549,359
6.05.01	Opening Balance of Cash and Cash Equivalents	786,377	521,304
6.05.02	Closing Balance of Cash and Cash Equivalents	1,416,290	1,070,663

Individual Financial Statements - Statements of Changes in Equity - 01/01/2021 to 09/30/2021**(Reais thousand)**

Account Code	Account Description	Paid-in share capital	Capital Options Awarded and Treasury Stock	Reserves, and	Profit Reserves	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Equity
5.01	Opening Balances	3,402,385		-8,576	3,147,591	0	-84,788	6,456,612
5.03	Adjusted Opening Balances	3,402,385		-8,576	3,147,591	0	-84,788	6,456,612
5.05	Total Comprehensive Income	0		0	0	473,285	6,822	480,107
5.05.01	Net Income for the Period	0		0	0	473,285	6,822	480,107
5.06	Internal Changes in Equity	0		0	0	-282,611	-69	-282,680
5.06.04	Interest on Equity	0		0	0	-225,300	0	-225,300
5.06.05	Amortization of Monetary Restatement on Restated Assets	0		0	0	105	-105	0
5.06.06	Deferred IR and CS on Restated Assets	0		0	0	-36	36	0
5.06.07	Dividends Announced	0		0	0	-57,380	0	-57,380
5.07	Closing Balances	3,402,385		-8,576	3,147,591	190,674	-78,035	6,654,039

Individual Financial Statements - Statements of Changes in equity - 01/01/2020 to 09/30/2020**(Reais thousand)**

Account Code	Account Description	Paid-in share capital	Capital Options Awarded and Treasury Stock	Reserves, and	Profit Reserves	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Equity
5.01	Opening Balances	3,402,385		-8,576	3,378,939	0	-29,035	6,743,713
5.03	Adjusted Opening Balances	3,402,385		-8,576	3,378,939	0	-29,035	6,743,713
5.05	Total Comprehensive Income	0		0	0	547,723	6,761	554,484
5.05.01	Net Income for the Period	0		0	0	547,723	0	547,723
5.05.02	Other Comprehensive Income	0		0	0	0	6,761	6,761
5.05.02.06	Financial Assets Measured at Fair Value through OCI	0		0	0	0	6,761	6,761
5.06	Internal Changes in Equity	0		0	0	-152,321	-188	-152,509
5.06.04	Interest on Equity	0		0	0	-152,485	0	-152,485
5.06.05	Amortization of Monetary Restatement on Restated Assets	0		0	0	249	-249	0
5.06.06	Deferred IR and CS on Restated Assets	0		0	0	-85	85	0
5.06.07	Other	0		0	0	0	-24	-24
5.07	Closing Balances	3,402,385		-8,576	3,378,939	395,402	-22,462	7,145,688

Individual Statements - Statements of Added Value (Reais**Thousand)**

Account Code	Account Description	Accrued in Current Period	Accrued from Previous Year
		01/01/2021 to 09/30/2021	01/01/2020 to 09/30/2020
7.01	Revenue	4,623,412	4,072,992
7.01.01	Sales of Goods, Products and Services	4,289,749	4,045,027
7.01.02	Other Income	89,895	120,352
7.01.02.01	Other Operating Income	41,114	85,860
7.01.02.02	Recovery of Written-Off Accounts	48,781	34,492
7.01.03	Revenue relating to construction of company assets	405,318	188,712
7.01.04	Allowance/(Reversal of allowance) for doubtful accounts	-161,550	-281,099
7.02	Consumables acquired from third parties	-1,704,939	-1,176,814
7.02.01	Cost of Goods and Services Sold	-1,387,174	-968,568
7.02.02	Material, Energy, Outsourced Services and Other	-118,995	-103,298
7.02.04	Other	-198,770	-104,948
7.03	Gross Added Value	2,918,473	2,896,178
7.04	Withholdings	-507,156	-477,449
7.04.01	Depreciation, Amortization and Depletion	-507,156	-477,449
7.05	Net Added Value Produced	2,411,317	2,418,729
7.06	Transferred Added Value	125,556	118,349
7.06.01	Share of profit (loss) of equity-accounted investees	-8,443	-14,828
7.06.02	Financial Revenue	133,999	133,177
7.07	Total Added Value to be Distributed	2,536,873	2,537,078
7.08	Distribution of Added Value	2,536,873	2,537,078
7.08.01	Personnel	1,137,789	928,928
7.08.01.01	Direct Remuneration	792,903	606,595
7.08.01.02	Benefits	265,684	240,521
7.08.01.03	Severance Fund (F.G.T.S.)	49,306	47,144
7.08.01.04	Other	29,896	34,668
7.08.01.04.04	Employee Profit Shares	29,896	34,668
7.08.02	Taxes, Duties and Contributions	641,920	747,286
7.08.02.01	Federal taxes	603,406	712,508
7.08.02.02	State taxes	36,006	33,061
7.08.02.03	Municipal taxes	2,508	1,717
7.08.03	Interest Expenses	283,879	313,141
7.08.03.01	Interest	272,229	309,529
7.08.03.02	Rentals	11,650	3,612
7.08.04	Interest earnings	473,285	547,723
7.08.04.01	Interest on equity	225,300	152,485
7.08.04.03	Retained Earnings/Loss for the Period	247,985	395,238

Consolidated Financial Statements / Statement of Financial Position - Assets - (Reais**thousand)**

Account Code	Account Description	Current Quarter 09/30/2021	Previous Year 12/31/2020
1	Total Assets	12,717,117	11,772,457
1.01	Current Assets	2,796,671	2,004,368
1.01.01	Cash and Cash Equivalents	1,458,308	805,619
1.01.03	Accounts Receivable	1,071,799	1,045,441
1.01.04	Inventories	81,535	64,921
1.01.06	Recoverable Taxes	116,072	18,509
1.01.06.01	Current Taxes Recoverable	116,072	18,509
1.01.06.01.01	Recoverable Taxes	19,056	18,509
1.01.06.01.02	IRPJ/CSLL	97,016	0
1.01.08	Other Current Assets	68,957	69,878
1.01.08.03	Other	68,957	69,878
1.01.08.03.01	Advances to Employees	14,653	13,357
1.01.08.03.02	Other	10,057	7,519
1.01.08.03.03	Technical Cooperation Arrangement	35,533	16,170
1.01.08.03.04	Banks and Arrangements Application	8,714	24,500
1.01.08.03.05	Pledge on Financing Security	0	8,332
1.02	Noncurrent Assets	9,920,446	9,768,089
1.02.01	Long-Term Assets	2,733,831	2,288,263
1.02.01.03	Short-term investments valued at amortized cost	76,120	75,715
1.02.01.04	Accounts Receivable	125,992	258,404
1.02.01.04.03	Borrowing, Financing and Debenture Guarantee Deposits	65,559	191,642
1.02.01.04.05	Other Receivables	60,433	66,762
1.02.01.07	Deferred Taxes	358,914	293,349
1.02.01.07.01	Deferred Income and Social Contribution Taxes	358,914	293,349
1.02.01.10	Other Noncurrent Assets	2,172,805	1,660,795
1.02.01.10.03	Financial Assets - Concession Agreements	730,827	709,052
1.02.01.10.04	Financial Assets Measured at Fair Value through OCI	86,939	76,603
1.02.01.10.05	Lease Rights of Use	75,075	61,719
1.02.01.10.06	Contract Assets	1,270,156	787,233
1.02.01.10.07	Technical Cooperation Arrangement	9,808	26,188
1.02.02	Investment	260	260
1.02.02.01	Equity Interests	260	260
1.02.02.01.04	Interests in Joint Ventures	260	260
1.02.03	Property, plant and equipment	1,488,088	1,520,652
1.02.03.01	Property, plant and equipment in operation	1,488,088	1,520,652
1.02.04	Intangible assets	5,698,267	5,958,914
1.02.04.01	Intangible assets	5,698,267	5,958,914
1.02.04.01.01	Concession Agreement	5,698,267	5,958,914

Consolidated Statements / Statement of Financial Position - Liabilities - (Reais**Thousand)**

Account Code	Account Description	Current Quarter 09/30/2021	Previous Year 12/31/2020
2	Total Liabilities	12,717,117	11,772,457
2.01	Current Liabilities	2,016,853	1,388,231
2.01.01	Social and labor obligations	184,983	126,354
2.01.01.02	Labor Obligations	184,983	126,354
2.01.02	Trade payables	237,387	213,289
2.01.02.01	Domestic payables	237,387	213,289
2.01.03	Tax Obligations	76,239	80,230
2.01.03.01	Federal Tax Liabilities	73,822	78,651
2.01.03.01.02	Other Federal Obligations	73,822	78,651
2.01.03.03	Municipal Tax Obligations	2,417	1,579
2.01.04	Loans and Borrowings	728,829	595,756
2.01.04.01	Loans and Borrowings	190,146	201,851
2.01.04.01.01	In local currency	119,400	129,799
2.01.04.01.02	Foreign currency	70,746	72,052
2.01.04.02	Debentures	538,683	393,905
2.01.04.02.01	Nonconvertible	538,683	393,905
2.01.05	Other obligations	669,193	281,266
2.01.05.02	Other	669,193	281,266
2.01.05.02.01	Dividends and Interest on Shareholder's Equity Payable	156,335	72,270
2.01.05.02.04	Retirement Benefit Obligations	10,643	21,998
2.01.05.02.06	Technical Cooperation Arrangement	1,272	3,547
2.01.05.02.07	Public Private Partnership	54,557	47,975
2.01.05.02.08	Miscellaneous Obligations	419,696	102,850
2.01.05.02.09	Lease Rights of Use	26,690	32,626
2.01.06	Provisions	120,222	91,336
2.01.06.01	Tax, Welfare, Labor and Civil Contingencies	120,222	91,336
2.01.06.01.07	Employee Profit Shares	120,222	91,336
2.02	Non-current Liabilities	4,046,225	3,927,614
2.02.01	Loans and Borrowings	3,260,144	3,185,385
2.02.01.01	Loans and Borrowings	901,900	1,072,146
2.02.01.01.01	In local currency	736,753	803,147
2.02.01.01.02	Foreign currency	165,147	268,999
2.02.01.02	Debentures	2,358,244	2,113,239
2.02.01.02.01	Nonconvertible	2,358,244	2,113,239
2.02.02	Other obligations	633,005	607,695
2.02.02.02	Other	633,005	607,695
2.02.02.02.03	Retirement Benefit Obligations	235,205	223,892
2.02.02.02.05	Deposits for Works	59,942	79,851
2.02.02.02.06	Public Private Partnership	217,881	258,251
2.02.02.02.07	Other	66,791	14,189
2.02.02.02.08	Lease Rights of Use	51,209	31,512
2.02.02.02.09	Technical Cooperation Arrangement	1,977	0
2.02.04	Provisions	153,076	134,534
2.02.04.01	Tax, Welfare, Labor and Civil Contingencies	153,076	134,534
2.02.04.01.06	Provision for Legal Claims	153,076	134,534
2.03	Consolidated equity	6,654,039	6,456,612

Consolidated Statements / Statement of Financial Position - Liabilities (Reais**Thousand)**

Account Code	Account Description	Current Quarter 09/30/2021	Previous Year 12/31/2020
2.03.01	Realized Capital	3,402,385	3,402,385
2.03.02	Capital Reserves	-8,576	-8,576
2.03.02.05	Treasury Stock	-8,576	-8,576
2.03.04	Profit Reserves	3,147,591	3,147,591
2.03.04.01	Legal Reserve	388,560	388,560
2.03.04.05	Profit Retention Reserve	2,710,828	2,710,828
2.03.04.07	Tax Incentive Reserve	48,203	48,203
2.03.05	Retained Earnings/Accumulated Losses	190,674	0
2.03.06	Equity Appraisal Adjustments	-78,035	-84,788

Consolidated Statements / Statement of Profit or Loss (Reais**thousand)**

Account Code	Account Description	Current Quarter 07/01/2021 to 09/30/2021	Accrued from Current Year 01/01/2021 to 09/30/2021	Same Quarter of Previous Year 07/01/2020 to 09/30/2020	Accrued from Previous Year 01/01/2020 to 09/30/2020
3.01	Revenue from Goods and Services Sold	1,510,466	4,338,213	1,360,885	3,898,194
3.01.01	Water Services	868,238	2,525,021	823,492	2,358,167
3.01.02	Sewage Services	449,124	1,396,402	460,017	1,336,525
3.01.03	Construction Revenue	192,567	415,080	76,857	201,954
3.01.05	Solid Waste Revenue	537	1,710	519	1,548
3.02	Cost of Goods and/or Services Sold	-1,027,027	-2,646,472	-738,164	-2,157,815
3.02.01	Cost of Goods and/or Services Sold	-834,460	-2,231,392	-661,307	-1,955,861
3.02.02	Construction Cost	-192,567	-415,080	-76,857	-201,954
3.03	Gross Profit	483,439	1,691,741	622,721	1,740,379
3.04	Operating Income/Expenses	-419,037	-954,481	-257,379	-841,534
3.04.01	Selling Expenses	-119,614	-341,506	-152,416	-451,833
3.04.01.01	Selling Expenses	-66,239	-176,547	-56,854	-167,333
3.04.01.02	Estimated Allowances for Doubtful Accounts	-53,375	-164,959	-95,562	-284,500
3.04.02	General and Administrative Expenses	-197,202	-465,732	-122,052	-364,787
3.04.04	Other Operating Income	37,129	91,559	64,911	121,469
3.04.05	Other Operating Expenses	-139,350	-238,802	-47,822	-146,383
3.04.05.01	Other Operating Expenses	-139,350	-238,802	-47,822	-146,383
3.05	Earnings before finance income/loss and tax	64,402	737,260	365,342	898,845
3.06	Finance Income/Costs	-89,599	-133,514	-37,616	-149,949
3.06.01	Financial Revenue	35,460	130,343	35,839	129,566
3.06.02	Finance Costs	-125,059	-263,857	-73,455	-279,515
3.07	Earnings before tax on profit	-25,197	603,746	327,726	748,896
3.08	Income and social contribution taxes on profit	41,566	-130,461	-87,183	-201,173
3.08.01	Current	29,121	-199,541	-95,493	-269,436
3.08.02	Deferred	12,445	69,080	8,310	68,263
3.09	Net Income (Loss) from Continued Operations	16,369	473,285	240,543	547,723
3.11	Consolidated Net Income/Loss for the Period	16,369	473,285	240,543	547,723
3.11.01	Attributed to Partners of the Parent Company	0	0	240,543	547,723

Consolidated Statements / Statement of Profit or Loss (Reais**Thousand)**

Account Code	Account Description	Current Quarter 07/01/2021 to 09/30/2021	Accrued from Current Year 01/01/2021 to 09/30/2021	Same Quarter of Previous Year 07/01/2020 to 09/30/2020	Accrued from Previous Year 01/01/2020 to 09/30/2020
3.99	Earnings per Share - (Reais / Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common	0.04	1.25	0.63	1.44
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common	0.04	1.25	0.63	1.44

Consolidated Statements - Statement of Other Comprehensive Income (Reais**thousand)**

Account Code	Account Description	Current Quarter 07/01/2021 to 09/30/2021	Accrued from Current Year 01/01/2021 to 09/30/2021	Same Quarter of Previous Year 07/01/2020 to 09/30/2020	Accrued from Previous Year 01/01/2020 to 09/30/2020
4.01	Consolidated Net Income for the Period	16,369	473,285	240,543	547,723
4.02	Other Comprehensive Income	0	6,822	0	6,761
4.02.04	Fair Value of Available-For-Sale Financial Assets	0	6,822	0	6,761
4.03	Consolidated Comprehensive Income for the Period	16,369	480,107	240,543	554,484
4.03.01	Attributed to Partners of the Parent Company	16,369	480,107	240,543	554,484

Consolidated Statements - Statement of Cash Flows - Indirect Method (Reais**thousand)**

Account Code	Account Description	Accrued in Current Period	Accrued from Previous Year
		01/01/2021 to 09/30/2021	01/01/2020 to 09/30/2020
6.01	Net Cash from Operating Activities	1,231,917	1,347,005
6.01.01	Cash Provided by Operating Activities	1,325,927	1,488,987
6.01.01.01	Net Income for the Year	473,285	547,723
6.01.01.02	Allowance for Doubtful Accounts	164,959	284,500
6.01.01.04	Charges and Net Monetary and Exchange Variance	60,314	118,110
6.01.01.05	Interest Revenue and Expenses	132,873	49,373
6.01.01.06	Deferred Income and Social Contribution Taxes	-69,079	-68,263
6.01.01.08	Gain / Loss on Intangible Assets and Property, Plant and Equipment	11,821	102,437
6.01.01.09	Depreciation and Amortization	512,395	480,331
6.01.01.10	Making of Provisions	27,252	-47,596
6.01.01.11	Provision on Retirement Benefits	49,626	43,709
6.01.01.12	Financial Assets	-36,993	-27,380
6.01.01.13	Other	-1,182	4,883
6.01.01.16	Provision for Inventory Losses	656	1,160
6.01.02	Changes in Assets and Liabilities	374,865	254,038
6.01.02.01	Trade receivables	-154,638	-129,569
6.01.02.02	Inventories	-17,106	-8,785
6.01.02.03	Recoverable Taxes	-97,550	-16
6.01.02.07	Advance on Rate Pass-through	4,524	-17,434
6.01.02.09	Other	-3,406	-6,835
6.01.02.10	Trade payables	9,564	29,213
6.01.02.11	Taxes, Contributions and Social Obligations	285,647	354,934
6.01.02.12	Provision for Vacations and 13 th month salary	58,629	66,413
6.01.02.13	Employee Profit Shares	28,886	33,929
6.01.02.14	Technical Cooperation Arrangement	-3,280	-12,260
6.01.02.15	Contingencies	-8,726	6,299
6.01.02.16	Retirement Benefit Obligations	-43,027	-42,004
6.01.02.17	Electricity and Other (Payment of Tax Financing)	319,415	337
6.01.02.19	Payment of Actuarial Liability	-4,067	-20,184
6.01.03	Other	-468,875	-396,020
6.01.03.01	Interest Paid	-159,989	-134,741
6.01.03.02	Interest paid to Public Private Partnership	-4,670	-7,120
6.01.03.03	IR/CSLL payment	-304,216	-254,159
6.02	Net Cash from Investment Activities	-529,887	-467,767
6.02.07	Amount received on sale of property, plant and equipment	2,964	2,516
6.02.08	Payment to PPP	-40,264	-40,074
6.02.10	Acquisition of Contract Assets	-526,187	-348,454
6.02.11	Acquisition of Intangible Assets	-105,105	-100,258
6.02.12	Acquisition of Property, Plant and Equipment	-19,211	-6,922
6.02.13	Pledge on Financing Security	142,131	22,595
6.02.14	Banks and Arrangements Applications	15,785	2,830
6.03	Net Cash from Financing Activities	-49,342	-305,440
6.03.01	Inflow of Loans and Borrowings and Debentures	854,054	26,861
6.03.02	Amortization of Loans, Financing and Debentures	-682,684	-162,429

Consolidated Statements - Statement of Cash Flows - Indirect Method (Reais**thousand)**

Account Code	Account Description	Accrued in Current Period	Accrued from Previous Year
		01/01/2021 to 09/30/2021	01/01/2020 to 09/30/2020
6.03.04	Interest on Equity Paid	-184,050	-165,349
6.03.11	Borrowing Costs	-11,276	-3,516
6.03.12	Commercial Lease Payment	-25,386	-32,191
6.03.13	Capitalized Interest	0	31,184
6.05	Increase (Decrease) in Cash and Cash Equivalents	652,688	573,798
6.05.01	Opening Balance of Cash and Cash Equivalents	805,619	524,146
6.05.02	Closing Balance of Cash and Cash Equivalents	1,458,307	1,097,944

Consolidated Financial Statements - Statements of Changes in Equity - 01/01/2021 to 09/30/2021**(Reais thousand)**

Account Code	Account Description	Paid-in share capital	Capital Reserves, Options Awarded and Treasury Stock	Profit Reserves	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Equity	NCI	Consolidated Equity
5.01	Opening Balances	3,402,385	-8,576	3,147,591	0	-84,788	6,456,612	0	6,456,612
5.03	Adjusted Opening Balances	3,402,385	-8,576	3,147,591	0	-84,788	6,456,612	0	6,456,612
5.05	Total Comprehensive Income	0	0	0	473,285	6,822	480,107	0	480,107
5.05.01	Net Income for the Period	0	0	0	473,285	6,822	480,107	0	480,107
5.06	Internal Changes in Equity	0	0	0	-282,611	-69	-282,680	0	-282,680
5.06.04	Interest on Equity	0	0	0	-225,300	0	-225,300	0	-225,300
5.06.05	Amortization of Monetary Restatement on Restated Assets	0	0	0	105	-105	0	0	0
5.06.06	Deferred IR and CS on Restated Assets	0	0	0	-36	36	0	0	0
5.06.07	Dividends Announced	0	0	0	-57,380	0	-57,380	0	-57,380
5.07	Closing Balances	3,402,385	-8,576	3,147,591	190,674	-78,035	6,654,039	0	6,654,039

Consolidated Financial Statements - Statements of Changes in Equity - 01/01/2020 to 09/30/2020**(Reais thousand)**

Account Code	Account Description	Paid-in share capital	Capital Reserves, Options Awarded and Treasury Stock	Profit Reserves	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Equity	NCI	Consolidated Equity
5.01	Opening Balances	3,402,385	-8,576	3,378,939	0	-29,035	6,743,713	0	6,743,713
5.03	Adjusted Opening Balances	3,402,385	-8,576	3,378,939	0	-29,035	6,743,713	0	6,743,713
5.05	Total Comprehensive Income	0	0	0	547,723	6,761	554,484	0	554,484
5.05.01	Net Income for the Period	0	0	0	547,723	0	547,723	0	547,723
5.05.02	Other Comprehensive Income	0	0	0	0	6,761	6,761	0	6,761
5.05.02.06	Financial Assets Measured at Fair Value through OCI	0	0	0	0	6,761	6,761	0	6,761
5.06	Internal Changes in Equity	0	0	0	-152,321	-188	-152,509	0	-152,509
5.06.04	Interest on Equity	0	0	0	-152,485	0	-152,485	0	-152,485
5.06.05	Amortization of Monetary Restatement on Restated Assets	0	0	0	249	-249	0	0	0
5.06.06	Deferred IR and CS on Restated Assets	0	0	0	-85	85	0	0	0
5.06.07	Other	0	0	0	0	-24	-24	0	-24
5.07	Closing Balances	3,402,385	-8,576	3,378,939	395,402	-22,462	7,145,688	0	7,145,688

Consolidated Financial Statements - Statements of Added Value (Reais**Thousand)**

Account Code	Account Description	Accrued in Current Period	Accrued from Previous Year
		01/01/2021 to 09/30/2021	01/01/2020 to 09/30/2020
7.01	Revenue	4,664,910	4,112,433
7.01.01	Sales of Goods, Products and Services	4,323,230	4,073,510
7.01.02	Other Income	91,559	121,469
7.01.02.01	Other Operating Income	41,822	86,611
7.01.02.02	Recovery of Written-Off Accounts	49,737	34,858
7.01.03	Revenue relating to construction of company assets	415,080	201,954
7.01.04	Allowance/(Reversal of allowance) for doubtful accounts	-164,959	-284,500
7.02	Consumables acquired from third parties	-1,733,810	-1,206,691
7.02.01	Cost of Goods and Services Sold	-1,411,746	-994,915
7.02.02	Material, Energy, Outsourced Services and Other	-121,812	-105,676
7.02.04	Other	-200,252	-106,100
7.03	Gross Added Value	2,931,100	2,905,742
7.04	Withholdings	-512,395	-480,331
7.04.01	Depreciation, Amortization and Depletion	-512,395	-480,331
7.05	Net Added Value Produced	2,418,705	2,425,411
7.06	Transferred Added Value	135,476	128,803
7.06.02	Financial Revenue	135,476	134,003
7.06.03	Other	0	-5,200
7.07	Total Added Value to be Distributed	2,554,181	2,554,214
7.08	Distribution of Added Value	2,554,181	2,554,214
7.08.01	Personnel	1,149,693	940,874
7.08.01.01	Direct Remuneration	801,315	615,141
7.08.01.02	Benefits	268,578	243,321
7.08.01.03	Severance Fund (F.G.T.S.)	49,904	47,744
7.08.01.04	Other	29,896	34,668
7.08.01.04.01	Employee Profit Shares	29,896	34,668
7.08.02	Taxes, Fees and Contributions	647,244	752,344
7.08.02.01	Federal taxes	608,057	716,985
7.08.02.02	State taxes	36,670	33,642
7.08.02.03	Municipal taxes	2,517	1,717
7.08.03	Interest Expenses	283,959	313,273
7.08.03.01	Interest	272,230	309,585
7.08.03.02	Rentals	11,729	3,688
7.08.04	Interest earnings	473,285	547,723
7.08.04.01	Interest on equity	225,300	152,485
7.08.04.03	Retained Earnings/Loss for the Period	247,985	395,238

Performance Analysis

Performance Analysis

The Company now presents its Comments on its Performance regarding operating and financial results for the third quarter of 2021 (3Q21), compared with the third quarter of 2020 (3Q20):

1. Operating Performance

Concessions

In September 2021 the Company had 640 concessions for the provision of water supply services and 310 concessions for the provision of sewage collection services, as shown in the table below:

Concessions ¹	09/30/2021			09/30/2020		
	Total	Parent company	Copanor	Total	Parent company	Copanor
Water						
Concessions	640	591	49	640	591	49
In Operation	631	583	48	629	581	48
Sewage						
Concessions	310	254	56	310	254	56
In Operation	266	225	41	265	224	41

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

The table below shows the Company's 10 (ten) largest concessions, which together represented approximately 51% of the Company's revenue, as well as their respective maturities:

Municipality	Maturity
Belo Horizonte	2034
Contagem	2073
Betim	2042
Montes Claros	2048
Ribeirão das Neves	2034
Ipatinga	2022
Divinópolis	2041
Pouso Alegre	2046
Santa Luzia	2050
Varginha	2047

In September 2021, 78% of the Company's water and sewage revenues came from concessions expiring after January 2034. On the same date the concessions expired with the 69 municipalities, accounting for some 3.3% of water and sewage revenue. The Company is continuing to provide and bill its services normally, in order to ensure the ongoing provision of essential public services.

Operational Data

The main operational data and their growth in comparative periods are presented below. Considering COPASA MG and COPANOR jointly, the number of consumer units for water supply services and the number of sewage consumer units increased by 1.8% and 3.6% respectively in the last 12 months.

Performance Analysis

Breakdown-CONSOLIDATED (COPASA+COPANOR)	3Q21	3Q20	Change (Value)	Change (%)
Water				
Connections (1,000 units)	4,573	4,489	84	1.9%
Savings (1,000 units)	5,511	5,413	99	1.8%
Population Served (1,000 inhabitants)	11,820	11,770	51	0.4%
Distributed Volume (1,000 m ³)	269,275	263,501	5,774	2.2%
Measured Volume (1,000 m ³)	155,415	153,815	1,600	1.0%
Network Extension (km)	62,685	56,682	6,002	10.6%
Sewage				
Connections (1,000 units)	3,048	2,972	76	2.6%
Savings (1,000 units)	3,871	3,737	134	3.6%
Population Served (1,000 inhabitants)	8,412	8,294	117	1.4%
Measured Volume (1,000 m ³)	106,043	103,847	2,196	2.1%
Network Extension (km)	32,143	28,956	3,187	11.0%

Number of Employees

The numbers of “employees” in comparative periods are presented below:

Specification	3Q21	3Q20	Change (Amount)	Change (%)
COPASA	11,212	11,442	(230)	-2.0%
COPANOR	475	466	9	1.9%
Total	11,687	11,908	(221)	-1.9%

2. Financial Performance

Given the immateriality of the subsidiary COPANOR, the financial information provided by the Company in the Comments on Performance relates to the individual financial statements, except where stated otherwise.

Net Revenue

Net revenues from water, sewage and solid waste in 3Q21 totaled R\$ 1.31 billion, 2.5% higher than 3Q20, as shown in the table below:

Net Revenues (in R\$ thousands)	3Q21	3Q20	Change (Value)	Change (%)
Net Revenue - Water	860,103	816,269	43,834	5.4%
Net Revenue - Sewage	446,561	458,044	(11,483)	-2.5%
Net Revenue - Solid Waste	537	519	18	3.5%
Net Revenue - Water, Sewage and Solid Waste	1,307,201	1,274,832	32,369	2.5%

The Company presents below comments on the main factors that influenced net revenue from water and sewage services in the comparative periods:

- application of new rates by the Company, as authorized by Arsae-MG, with 3.04% from November 2020, due to the rate adjustment that year; of -1.52%, from August 2021, due to the result of the 2nd Rate Setting Review;

Performance Analysis

- growth in the number of consumer units of water (1.8%) and sewage (3.6%) at Parent Company;
- decrease in the volume of savings of 1.0% (water) and 1.3% (sewage), and
- decrease in the number of consumption days of 0.6%, to 90.6 days in 3Q21 compared with 91.2 days in 3Q20.

Costs and Expenses

The cost of sales and services, administrative and selling expenses (not including construction costs and costs of the Voluntary Redundancy Incentive Program - PDVI) amounted to R\$ 984.6 million in 3Q21 compared with R\$ 922.8 million in 3Q20, an increase of 6.7% as shown in the table below:

Costs and Expenses (R\$ thousand)	3Q21	3Q20	Change (Value)	Change (%)
Manageable Costs	794,798	625,464	169,334	27.1%
Personnel	376,885	351,081	25,287	7.2%
Voluntary Redundancy Incentive Program - PDVI	152,171	-	-	-
Outsourced Services	119,875	107,551	12,324	11.5%
Rio Manso PPP	22,241	18,544	3,697	19.9%
Material	19,231	14,216	5,015	35.3%
Impairment Loss on Trade Receivables	51,866	93,414	(41,548)	-44.5%
Rate pass-through to Municipalities	43,371	34,790	8,581	24.7%
Other Operating Costs	9,158	5,868	3,290	56.1%
Non Manageable Costs	170,014	129,031	40,983	31.8%
Electricity	152,551	114,723	37,828	33.0%
Telecoms	3,656	2,990	666	22.3%
Treatment Material	19,286	18,315	971	5.3%
Fuels and Lubricants	8,354	5,826	2,528	43.4%
Tax Credits	(13,833)	(12,823)	(1,010)	7.9%
Depreciation and Amortization	170,822	158,990	11,832	7.4%
Charge for Usage of Hydric Resources	1,088	9,343	(8,255)	-88.4%
Total Costs and Expenses	1,136,722	922,828	213,894	23.2%
Total Costs and Expenses (exc. PDVI)	984,551	922,828	61,723	6.7%

The following section presents the Company's comments on the items that make up the costs of sales and services rendered, selling and administrative expenses (excluding construction costs) that presented the most significant changes:

Personnel: increase of 7.2% primarily due to the provisions for the Collective Bargaining Agreement, valid as of May.

Voluntary Redundancy Incentive Program - PDVI: provisions for PDVI, entered into by 1,098 employees, with the severance period being October/21 to March/22.

Outsourced Services: this account rose by 11.5% primarily due to the higher spending on IT and professional technical services, in addition to higher spending on water disconnection/suspension/re-connections and various services due to contractual increases and formalizing new contracts.

Materials: this item increased by 35.3%, primarily due to higher spending on conservation materials and asset and systems maintenance.

Performance Analysis

Impairment Loss on Trade Receivables: the amounts recorded in 3Q21 are aligned with historic amounts observed. We emphasize that the amount recorded in Accounts Receivable Impairment in 3Q20 reflects the increase due to the enhancement in June 2020 of the methodology used to calculate the expected loss on trade receivables, based on studies carried out by the Company to align its estimates with expected losses.

Rate pass-through to Municipalities: the 24.7% increase in this item between 3Q21 and 3Q20 was due to the pass-through to new municipal sanitation funds, with the amounts recognized in the rate, as detailed below:

- **Rate adjustment (11/01/2020):** this review included 74 new municipal sanitation funds entitled to these pass-throughs. The number of municipalities qualified to receive these pass-throughs therefore rose to 134.
- **Rate-setting Review (08/01/2021):** this review included 85 new municipal sanitation funds entitled to these pass-throughs. The number of municipalities qualified to receive these pass-throughs therefore rose to 219 in the period August 2021 to July 2022. We emphasize that the amount stipulated for this pass-through for this period is R\$ 147.1 million, and the amounts are recognized in the rate.

Electricity: the 33.0% increase between 3Q21 and 3Q20 was primarily due to the higher spending on rate tiers, higher consumption due to higher operational demand and the higher average cost of energy due to the subsidy decrease.

Other Operating Income (Expenses)

As per the table below, other operating revenue (expenses) came to a negative R\$ 102.1 million in 3Q21 versus a positive result of 17.4 million in 3Q20. The increase in Other Operating Expenses was due to the returns determined by Arsae-MG, as detailed in Note 14 (v) of this ITR.

Other Operating Income (Expenses) (R\$ thousand)	3Q21	3Q20	Change (Value)	Change (%)
Other Operating Income	36,753	64,667	(27,914)	-43.2%
Technical Services Revenue	44	(111)	155	
Reversal of Nondeductible Provision	12,468	46,373	(33,905)	
Recovery of Written-Off Accounts	18,302	13,602	4,700	
Other Income	5,939	4,803	1,136	
Other Operating Expenses	(138,827)	(47,305)	(91,522)	193.5%
Payment of nondeductible provision	(23,457)	(24,568)	1,111	
Extraordinary or One-off Losses	(86,885)	(2,324)	(84,561)	
Service Inspection Fee	(10,738)	(9,852)	(886)	
Other Expenses	(17,747)	(10,561)	(7,186)	
Total	(102,074)	17,362	(119,436)	n.m

Share of profit (loss) of equity-accounted investees

Equity income in 3Q21 derives from the subsidiary COPANOR, and was a negative R\$ 3.4 million, compared with a negative R\$ 3.8 million in 3Q20, as per the table below:

Copanor Result (R\$ Thousand)	3Q21	3Q20	Change (Value)	Change (%)
Net Income (Loss)	(3,437)	(3,802)	365	-9.6%

Performance Analysis

Finance Income/Costs

The net financial result was a loss of R\$ 90.2 million in 3Q21, versus a loss of R\$ 37.8 million in 3Q20, as shown below:

Finance Income (Costs) (R\$ thousand)	3Q21	3Q20	Change (Value)	Change (%)
Financial Revenue	34,855	35,555	(700)	-2.0%
Monetary Variance (Revenue)	1,399	619	780	126.0%
Exchange Variance (Revenue)	272	4,957	(4,685)	-94.5%
Interest	12,405	8,872	3,533	39.8%
Real Gains from Financial Investments	10,023	5,510	4,513	81.9%
Capitalization of Financial Assets/Other	10,756	15,597	(4,841)	-31.0%
Finance Costs	(125,020)	(73,393)	(51,627)	70.3%
Monetary Variance	(49,574)	(12,110)	(37,464)	309.4%
Exchange Variance	(14,277)	(23,032)	8,755	-38.0%
Interest on Financing	(60,662)	(38,210)	(22,452)	58.8%
Various	(507)	(41)	(466)	n.m
Finance Income/Costs	(90,165)	(37,838)	(52,327)	138.3%

EBITDA and Net Income (Consolidated)

The EBITDA is a non-accounting measure adopted by COPASA MG, calculated in accordance with CVM Directive No. 527/2012, consisting of net income plus taxes on income, finance income/loss, depreciation and amortization of COPASA and COPANOR.

EBITDA was R\$ 237.1 million in 3Q21. The Adjusted EBITDA for 3Q21, calculated by adding the EBITDA to non-recurring extraordinary expenses of R\$ 234.8 million, of which R\$ 152.2 million derives from implementation of the Voluntary Redundancy Incentive Program and R\$ 82.6 million referring to the return of fees determined by Arsae-MG, amounted to R\$ 471.9 million. The adjusted EBITDA margin stood at 34.7%.

The recorded net income was R\$ 8.2 million in 3Q21, impacted by the nonrecurrent expenses. See below the table of the amounts for the comparative periods:

Net Income and EBITDA (R\$ thousand)	3Q21	3Q20	Change (Value)	Change (%)
Net Income for the Period	16,369	240,543	(224,174)	-93.2%
(+) Income taxes	(41,566)	87,183	(128,749)	-147.7%
(+) Financial Income/Expense	89,599	37,616	51,983	138.2%
(+) Depreciation and amortization	172,686	160,357	12,329	7.7%
(=) EBITDA	237,088	525,699	(288,611)	-54.9%
EBITDA Margin	17.5%	39.0%		
Adjustments - Non-recurring items				
(+) Voluntary Redundancy Incentive Program - PDVI	152,171	-	-	-
(+) Return - Arsae-MG	82,639	-	-	-
(=) Adjusted EBITDA	471,898	525,699	(53,801)	-10.2%
Adjusted EBITDA margin	34.8%	39.0%		

Notes

01. Operations

Companhia de Saneamento de Minas Gerais ("COPASA MG", "COPASA", "Parent", or "Company") is a publicly-traded corporation with state and private capital, controlled by the State of Minas Gerais, with registered head office in the city of Belo Horizonte at Rua Mar de Espanha, 525, Bairro Santo Antônio (EMG). The Company is engaged in planning, designing, performing, expanding, remodeling, managing, and providing public utility water supply and sewage treatment services, and is authorized to operate in Brazil and abroad.

The Board of Directors authorized the issue of this individual and consolidated Interim Accounting Information as of September 30, 2021 on October 27, 2021.

COPASA MG owns 100% of the subsidiary COPASA Serviços de Saneamento Integrado do Norte e Nordeste de Minas Gerais S/A ("COPANOR", "Subsidiary") - established by State Law 16698 on April 17, 2007, engaged in: planning, designing, performing, expanding, remodeling, exploring, and providing water supply and sewage collection and treatment public utility services; the collection, recycling, treatment and final disposal of urban, domestic and industrial waste; the draining and management of rainwater in urban areas in cities of the North of Minas Gerais and the water basins of the Jequitinhonha, Mucuri, São Mateus, Buranhém and Jucuruçu rivers.

Impacts of COVID-19 on the Company's finances and equity

Since March 2020 COPASA MG has adopted and been practicing a series of actions based on the recommendations of the Ministry of Health and World Health Organization in order to protect the integrity and health of its employees, also adopting commercial measures and other preventive measures to minimize the pandemic's impacts on clients.

In September/21, the Service Branches were already duly operating and employees are returning to on-site work after receiving the second vaccination dose.

Collection proceedings have been suspended for clients in the social category, which account for roughly 6% of the Company's sales. The possibility was also provided to finance late bills with no downpayment and without fines and interest, in up to 36 months, a measure which is effective until 07/10/2021.

We did not identify impacts requiring adjustments to the individual and consolidated Interim Accounting Information as of September 30, 2021 in respect of asset impairment, fair value of financial instruments, provisions for legal proceedings and revenue recognition.

02. Basis of preparation and presentation of the individual and consolidated financial statements

The individual and consolidated interim accounting information is stated in thousands of Reais (R\$ 1,000), except when specified otherwise.

Basis of preparation

The individual and consolidated interim accounting information presented here as "Individual" or "Parent Company" or "Consolidated" respectively has been prepared and is being presented in accordance with CPC 21(R1) "Interim Statements" and IAS 34 - Interim Financial Reporting, in accordance with the Brazilian Securities Commission - CVM regulations.

The Company took into account the guidelines issued in Technical Guidance OCPC 07 when preparing its financial statements. Management declares that all relevant information characteristic of interim accounting information, and only that information, is being presented and is that used by Management to run the Company.

Notes

This interim accounting information should be read in conjunction with the Company's Financial Statements for the financial year ended December 31, 2020, prepared and presented in accordance with the International Financial Reporting Standards IFRS issued by the International Accounting Standards Board - IASB and accounting practices adopted in Brazil, which include those established in Brazilian Corporation Law as well as the pronouncements, instructions and interpretations issued by the Accounting Pronouncements Committee - CPC and approved by the CVM.

As there were no material changes to the composition and nature of the balances presented in the Financial Statements as of December 31, 2020, the notes below are being presented in summary form for the period ended September 30, 2021:

- 03. Significant Accounting Policies;
- 04. Public Services Concession Agreements;
- 05. Cash and Cash Equivalents;
- 06. Trade Receivables and Other Assets;
- 15. Loans, Financing and Debentures;
- 17. Income and Social Contribution Taxes;
- 19. Retirement Benefit Obligations;
- 20. Equity and Dividends;
- 22. Financial Risk Management;
- 24. Related-Party Transactions.

03. Significant accounting policies

The significant accounting policies applied to this Interim Accounting Information is consistent with the policies described in Note 03 to the Company's Financial Statements for the financial year ended December 31, 2020, filed at the CVM.

04. Public Services Concession Agreements

At September 30, 2021 COPASA and COPANOR had 640 concessions for providing water supply services and 310 for sewage treatment.

As of September 30, 2021 the Company had R\$ 712,363 at the parent company (R\$ 685,561 at December 31, 2020) and a consolidated R\$ 730,826 (R\$ 709,052 as of December 31, 2020) as accounts receivable from the Concession Authority (municipalities) regarding the expected receipt at the end of the concessions for assets not depreciated during the concession period, as described in Note 06(b).

Public services concession agreements

	Parent company	
	09/30/2021	12/31/2020
Opening balance	685,561	648,892
Transfer from (to) intangible assets	(9,752)	263
Capitalization	37,017	37,707
Write-offs	(491)	(858)
Other	28	(443)
Closing balance	712,363	685,561

Notes

	Consolidated	
	09/30/2021	12/31/2020
Opening balance	709,052	651,069
Transfer from (to) intangible assets	(15,031)	21,369
Capitalization	37,268	37,915
Write-offs	(491)	(858)
Other	29	(443)
Closing balance	730,827	709,052

05. Cash and Cash Equivalents**(a) Cash and cash equivalents**

	Parent company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Cash and bank deposits	19,772	26,465	20,254	26,954
Bank deposit certificates - short-term	1,396,518	759,912	1,438,054	778,665
Total	1,416,290	786,377	1,458,308	805,619

The Company's own funds arising from its business activity are invested in Bank Deposit Certificates - CDBs, which consist of fixed-income securities, whose yield is substantially based on the variance of the Interbank Deposit Certificate - CDI rate. These investments yielded an average rate of 102.93% of the CDI rate in the period ended September 30, 2021 (104.36% of the CDI rate at December 31, 2020). The variance presented in the amount available was due to the entry of funds from the 16th debentures issuance in September/21.

06. Trade Receivables and Other Assets**(a) Trade receivables**

An aging list of receivables follows:

Amounts	Parent company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Overdue	632,316	580,626	639,410	587,607
Up to 30 days past due	211,908	218,124	214,631	220,591
31 to 60 past due	92,584	98,077	94,373	99,399
61 to 90 past due	55,097	58,077	56,043	58,910
91 to 180 past due	98,553	123,590	100,106	125,262
181 to 360 past due	143,172	60,970	143,235	61,646
Over 360 days past due	31,002	21,788	31,022	21,799
Neither past due nor impaired	297,864	250,694	300,523	252,909
Billed	930,180	831,320	939,933	840,516
To be billed	393,028	399,389	396,484	402,420
Trade receivables ⁽¹⁾	1,323,208	1,230,709	1,336,417	1,242,936
(-) Provision for estimated losses on Trade receivables	(262,775)	(195,999)	(264,618)	(197,495)
Net Trade receivables	1,060,433	1,034,710	1,071,799	1,045,441

⁽¹⁾ Includes accounts receivable from the shareholder Minas Gerais state, as shown below.

Detail of accounts receivable from Minas Gerais state:

Amounts	Parent company	
	09/30/2021	12/31/2020
Billed	21,136	16,127
To be billed	9,313	8,216
Accounts receivable from Minas Gerais state ⁽¹⁾	30,449	24,343

⁽¹⁾ Figures also stated in Note 24 (a) - Related parties.

Notes

Changes in the provision for expected losses on the Company's trade accounts receivable are as follows:

	Parent company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Opening balance	195,999	43,720	197,495	43,732
Addition to the allowance for doubtful accounts	161,550	369,880	164,959	374,482
Trade and other receivables written off in the period as uncollectible	(94,774)	(217,601)	(97,836)	(220,719)
Closing balance	262,775	195,999	264,618	197,495

The allowance for doubtful accounts was recognized in the statement of profit or loss for the period as selling expenses. The amounts charged to this allowance are written-off when the amounts involved are not expected to be recovered.

The Company adopts the provision matrix methodology for recording the Provision for Expected Credit Losses - PCE, including a retrospective and prospective assessment to determine the need for additional provisions, pursuant to CPC 48.

Given the need for an annual revision of said matrix, the calculation base was restated in the second quarter of 2021 to include the last three years, i.e. 2018 to 2020. This restatement generated an increase in expected losses and will be effective until the end of the first quarter of 2022.

The Company does not recognize a provision for losses on debits for Minas Gerais state (EMG), the controlling shareholder, given the recent history of renegotiations, payments received, the agreement made to repay the debt and offsetting agreements via dividends and interest on capital, in addition to the good payment history. Company Management is assessing this matter based on the facts and circumstances at each reporting date.

(b) Other Assets

	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Financial assets - Concession agreements ⁽ⁱ⁾	712,363	685,561	730,827	709,052
Other receivables ⁽ⁱⁱ⁾	88,578	90,248	85,143	87,638
Total	800,941	775,809	815,970	796,690
Current assets	28,160	23,486	24,710	20,876
Noncurrent assets	772,781	752,323	791,260	775,814

(i) Refers to the receivables from the Concession Authority under public utility concession arrangements that are entered into with the municipalities and in accordance with ICPC 01. These amounts were adjusted to the respective values present in the initial recognition at the discount rate determined suitable by Management for use in calculating the present value of future flows from investments made or being considered by the Company, as per Note 4.

(ii) The other receivables are as follows:

	Parent company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Advances to employees	14,383	13,152	14,653	13,357
Other	13,777	10,334	10,057	7,519
Current assets	28,160	23,486	24,710	20,876
Advance on rate pass-through	53,458	60,683	53,458	60,683
Judicial deposits	6,960	6,079	6,975	6,079
Noncurrent assets	60,418	66,762	60,433	66,762

The maximum exposure to credit risk on the reporting date is the carrying amount of each of the types of accounts receivable mentioned. The Company has pledged tariff revenue as financing collateral (note 22.1(c)).

Notes

07. Short-term investments and Loan, Financing and Debenture Guarantee Deposits

	Parent company / Consolidated	
	09/30/2021	12/31/2020
Borrowing, financing, and debenture guarantee deposits (i)	65,559	199,974
Secured short-term investment (ii)	76,120	75,715

- (i) Consists of money deposited in investment funds owned by the creditors, that the Company makes under its financing, loan and debentures contracts. A statutory lien is also awarded on its revenue by transferring to creditors part of its revenue, as per the table in Note 22.1 (c). Both guarantees occur within the term or grace period of the contracted debts.
- (ii) Refers to National Water and Basic Sanitation Agency (ANA) funds, granted under the Water Basin Clean-Up Program - PRODES. The amount of each agreement is deposited in a specific current account linked to each agreement, called water basin depollution. The amounts are converted into shares and invested in the “water basin depollution investment fixed-income long-term fund” intended solely and exclusively for the purpose of each agreement. COPASA MG will withdraw the payments for the wastewater treatment services in 12 quarterly, consecutive installments, starting when the wastewater treatment plant is fully operational and at the beginning of the wastewater treatment plant certification, and withdrawals are contingent to the attainment of the targets agreed when the agreement was executed. Because these targets were only partially attained, the Company also recognizes these funds in noncurrent liabilities, as other obligations.

Funds have been released for the contracts in the following municipalities: Carmo do Paranaíba, 03 (three) payments until 2020, amounting to R\$ 931, and Patos de Minas, 01 (one) payment in May 2021, in the amount of R\$ 1,182, with remaining balances of these contracts in the amount of R\$ 2,938 and R\$ 13,240, respectively.

08. Investments

The table below presents the variations in investments:

Investments	12/31/2020	Share of profit (loss) of equity-accounted investees	Capital increase ⁽ⁱ⁾	09/30/2021
COPANOR	165,132	(8,443)	49,740	206,429
Other	260	-	-	260
	165,392	(8,443)	49,740	206,689

Investments	12/31/2019	Share of profit (loss) of equity-accounted investees	Capital increase ⁽ⁱ⁾	09/30/2020
COPANOR	133,983	(14,828)	43,736	162,891
Other	260	-	-	260
Total	134,243	(14,828)	43,736	163,151

Summary financial information

COPANOR	Interest (%)	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Equity	Net loss
2021	100%	57,171	164,118	14,078	782	206,429	(8,443)
2020	100%	32,691	147,284	12,185	533	167,257	(7,387)

- (i) The Parent Company paid in R\$ 49,740, including R\$ 25,945 in the 1st quarter/21 and R\$ 23,795 in the 3rd quarter of 2021 (R\$ 43,736 in 2020, with R\$ 21,868 in the 1st quarter/20 and R\$ 21,868 in the 3rd quarter/20) in COPANOR, and these funds will allow the investments in the construction, expansion and maintenance of water supply and sewage treatment systems.
- (ii) The share of profit (loss) of equity-accounted investees was a negative R\$ 8,443 (negative R\$ 14,828 at September 30, 2020).

Notes

09. Contract Assets

	Parent company				
	Systems of			Inventory for works	Total
	Water	Sewage collection	Common use		
Balances at January 01, 2021	163,154	338,838	164,889	89,664	756,545
Additions	214,749	177,700	100,308	17,316	510,073
Write-offs ⁽¹⁾	(1,498)	(7,712)	(717)	(1,182)	(11,109)
Capitalized interest	4,313	17,732	3,497	-	25,542
Transfers to intangible assets	(20,557)	(14,279)	(18,436)	-	(53,272)
Transfers to property, plant and equipment	-	-	(4,242)	-	(4,242)
Balances at September 30, 2021	360,161	512,279	245,299	105,798	1,223,537

⁽¹⁾ Denotes the use of inventory for works

	Consolidated				
	Systems of			Inventory for works	Total
	Water	Sewage collection	Common use		
Balances at January 01, 2021	169,035	354,638	165,662	97,898	787,233
Additions	218,842	184,763	101,719	20,699	526,023
Write-offs ⁽¹⁾	(1,498)	(7,712)	(717)	(1,182)	(11,109)
Capitalized interest	4,313	17,732	3,497	-	25,542
Transfers to intangible assets	(20,557)	(14,279)	(18,455)	-	(53,291)
Transfers to property, plant and equipment	-	-	(4,242)	-	(4,242)
Balances at September 30, 2021	370,135	535,142	247,464	117,415	1,270,156

⁽¹⁾ Denotes the use of inventory for works

In the nine-month period ended September 30, 2021, the additions in the amount of R\$ 510,073 at the Parent Company (R\$ 455,684 as of December 31, 2020) and R\$ 526,023 consolidated (R\$ 477,107 as of December 31, 2020) primarily denote works building water supply systems in the cities of Montes Claros and Paracatu and works building sanitary sewage systems in the cities of Divino, Divinópolis, Ibitiré, Inhapim, Ipatinga, Ribeirão das Neves, Sabará and Ubá.

In FY 2020 the breakdown was as follows:

	Parent company				
	Systems of			Inventory for works	Total
	Water	Sewage collection	Common use		
Balances at January 01, 2020	208,013	639,509	193,724	91,676	1,132,922
Additions	155,045	180,738	114,244	5,657	455,684
Write-offs ⁽¹⁾	(7,969)	(14,616)	(44,832)	(7,669)	(75,086)
Capitalized interest	6,092	31,604	598	-	38,294
Transfers to intangible assets	(198,027)	(498,397)	(63,777)	-	(760,201)
Transfers to property, plant and equipment	-	-	(35,068)	-	(35,068)
Balances at September 30, 2020	163,154	338,838	164,889	89,664	756,545

⁽¹⁾ Denotes the write-off of projects reincorporated into works in progress.

	Consolidated				
	Systems of			Inventory for works	Total
	Water	Sewage collection	Common use		
Balances at January 01, 2020	242,047	677,312	195,222	99,255	1,213,836
Additions	161,901	193,897	114,957	6,352	477,107
Write-offs ⁽¹⁾	(8,892)	(15,091)	(46,270)	(7,709)	(77,962)
Capitalized interest	6,092	31,604	598	-	38,294
Transfers to intangible assets	(231,916)	(533,084)	(63,777)	-	(828,777)
Transfers to property, plant and equipment	(197)	-	(35,068)	-	(35,265)
Balances at September 30, 2020	169,035	354,638	165,662	97,898	787,233

⁽¹⁾ Denotes the write-off of projects reincorporated into works in progress.

Notes**10. Intangible assets**

(a) The balances break down as follows:

	Parent Company					
	09/30/2021			12/31/2020		
	Cost	Accumulated amortization	Net intangible assets	Cost	Accumulated amortization	Net intangible assets
In operation						
Water mains	4,033,608	(2,485,451)	1,548,157	4,004,651	(2,378,562)	1,626,089
Sewage collection	6,102,962	(2,613,437)	3,489,525	6,050,820	(2,404,025)	3,646,795
Shared systems	1,004,745	(837,909)	166,836	961,300	(795,710)	165,590
Rights of use	602,612	(279,753)	322,859	584,503	(259,620)	324,883
Other intangible assets	100,067	(25,786)	74,281	130,280	(26,153)	104,127
Total intangible assets	11,843,994	(6,242,336)	5,601,658	11,731,554	(5,864,070)	5,867,484
	Consolidated					
	09/30/2021			12/31/2020		
	Cost	Accumulated amortization	Net intangible assets	Cost	Accumulated amortization	Net intangible assets
In operation						
Water mains	4,076,385	(2,488,925)	1,587,460	4,044,544	(2,380,506)	1,664,038
Sewage collection	6,156,650	(2,618,122)	3,538,528	6,099,461	(2,406,807)	3,692,654
Shared systems	1,016,097	(841,516)	174,581	970,561	(797,823)	172,738
Rights of use	602,761	(279,850)	322,911	584,653	(259,695)	324,958
Other intangible assets	100,609	(25,822)	74,787	130,700	(26,174)	104,526
Total intangible assets	11,952,502	(6,254,235)	5,698,267	11,829,919	(5,871,005)	5,958,914

(b) The change in intangible assets is shown below:

	Parent company					
	Systems of					
	Water	Sewage collection	Common use ⁽¹⁾	Rights of use	Other	Total
Balances at January 01, 2021	1,626,089	3,646,795	165,590	324,883	104,127	5,867,484
Additions	13,983	35,235	32,429	18,073	706	100,426
Write-offs	(2,537)	(471)	(96)	-	(15)	(3,119)
Amortization	(114,847)	(209,694)	(42,270)	(20,133)	(4,122)	(391,066)
Transfers from financial assets ⁽²⁾	7,686	2,812	488	18	(1,565)	9,439
Transfer between intangible assets and property, plant and equipment	(3,038)	(421)	1,994	15	(33,276)	(34,726)
Transfers from contract assets	20,876	15,269	8,699	2	8,426	53,272
Other	(55)		2	1		(52)
Balances at September 30, 2021	1,548,157	3,489,525	166,836	322,859	74,281	5,601,658

⁽¹⁾ Considering that the shared systems have a specific useful life rates, these assets started to be tracked in a specific group called 'shared systems'.⁽²⁾ Transfers from financial assets essentially consist of the incorporation of works completed in the period.

The Parent Company's amortization in the nine-month period ended September 30, 2021 allocated to profit or loss, was R\$ 391,066, with R\$ 387,330 as the cost of services, R\$ 390 as selling expenses and R\$ 3,346 as administrative expenses (R\$ 354,363 in the nine-month period ended September 30, 2020, with R\$ 350,723, R\$ 483 and R\$ 3,157 respectively).

Notes

	Consolidated					Total
	Systems of			Rights of use	Other	
	Water	Sewage collection	Common use ⁽¹⁾			
Balances at January 01, 2021	1,664,038	3,692,654	172,738	324,958	104,526	5,958,914
Additions	15,368	36,073	34,573	18,073	1,018	105,105
Write-offs	(2,537)	(471)	(126)	-	(15)	(3,149)
Amortization	(116,367)	(211,597)	(43,764)	(20,156)	(4,137)	(396,021)
Transfers from financial assets ⁽²⁾	9,156	7,021	466	18	(1,755)	14,906
Transfer between intangible assets and property, plant and equipment	(3,038)	(421)	1,994	15	(33,276)	(34,726)
Transfers from contract assets	20,895	15,269	8,699	2	8,426	53,291
Other	(55)	-	1	1	-	(53)
Balances at September 30, 2021	1,587,460	3,538,528	174,581	322,911	74,787	5,698,267

⁽¹⁾ Considering that the shared systems have a specific useful life rates, these assets started to be tracked in a specific group called 'shared systems'.

⁽²⁾ Transfers from financial assets essentially consist of the incorporation of works completed in the period.

The consolidated amortization in the nine-month period ended September 30, 2021 allocated to profit or loss, was R\$ 396,021, with R\$ 392,263 as the cost of services, R\$ 390 as selling expenses and R\$ 3,368 as administrative expenses (R\$ 357,109 in the nine-month period ended September 30, 2020, with R\$ 353,445, R\$ 484 and R\$ 3,180 respectively).

In FY 2020 the breakdown was as follows:

	Parent company					Total
	Systems of			Rights of use	Other	
	Water	Sewage collection	Common use ⁽¹⁾			
Balances at January 01, 2020	1,625,932	3,316,269	135,591	327,499	99,083	5,504,374
Additions	36,064	46,697	33,338	21,740	1,546	139,385
Write-offs	(56,095)	(1,176)	(8)	(1)	(153)	(57,433)
Amortization	(141,042)	(255,004)	(51,475)	(25,241)	(5,438)	(478,200)
Transfers from financial assets ⁽²⁾	(23,262)	26,878	(2,030)	248	(2,097)	(263)
Transfer between intangible assets and property, plant and equipment	809	422	461	472	(2,272)	(108)
Transfers from contract assets	183,801	512,804	49,942	166	13,488	760,201
Other	(118)	(95)	(229)	-	(30)	(472)
Balances at December 31, 2020	1,626,089	3,646,795	165,590	324,883	104,127	5,867,484

⁽¹⁾ Considering that the shared systems have a specific useful life rates, these assets started to be tracked in a specific group called 'shared systems'.

⁽²⁾ The transfers from the financial asset refer basically to the incorporation of works completed in the period and renewal of the concession with Santa Luzia.

	Consolidated					Total
	Systems of			Rights of use	Other	
	Water	Sewage collection	Common use ⁽¹⁾			
Balances at January 01, 2020	1,639,414	3,341,495	140,068	327,603	99,320	5,547,900
Additions	38,084	47,410	35,044	21,740	1,774	144,052
Impairment	(1,773)	(3,345)	-	-	-	(5,118)
Write-offs	(56,100)	(1,178)	(8)	(1)	(153)	(57,440)
Amortization	(142,297)	(256,709)	(52,694)	(25,271)	(5,456)	(482,427)
Transfers from financial assets ⁽²⁾	(30,832)	14,206	(2,846)	248	(2,145)	(21,369)
Transfers to property, plant and equipment	832	447	413	472	(2,272)	(108)
Transfers from contract assets	215,055	547,078	52,990	166	13,488	828,777
Impairment recovery	1,773	3,345	-	-	-	5,118
Other	(118)	(95)	(229)	1	(30)	(471)
Balances at December 31, 2020	1,664,038	3,692,654	172,738	324,958	104,526	5,958,914

⁽¹⁾ Considering that the shared systems have a specific useful life rates, these assets started to be tracked in a specific group called 'shared systems'.

⁽²⁾ The transfers from the financial asset refer basically to the incorporation of works completed in the period and renewal of the concession with Santa Luzia.

Notes

Average amortization rate determined at the parent company and consolidated:

	Parent company / Consolidated	
	09/30/2021	12/31/2020
Water mains	5.02%	4.21%
Sewage collection	5.05%	5.31%
Shared systems	19.83%	19.06%
Rights of use	5.34%	5.20%
Other intangible assets	4.71%	3.88%

11. Property, plant and equipment

(a) The balances break down as follows:

	Parent company						
	Average rate	Cost	09/30/2021		12/31/2020		Net PP&E
			Accumulated depreciation	Net PP&E	Cost	Accumulated depreciation	
In operation							
Plant and equipment	14.97%	581,352	(510,937)	70,415	563,295	(501,079)	62,216
Vehicles	20.00%	85,927	(79,148)	6,779	87,008	(77,397)	9,611
Other	-	31,485	(211)	31,274	31,464	(278)	31,186
		698,764	(590,296)	108,468	681,767	(578,754)	103,013
Land and buildings	4.58%	3,368,893	(1,991,688)	1,377,205	3,331,467	(1,915,501)	1,415,966
Total in operation		4,067,657	(2,581,984)	1,485,673	4,013,234	(2,494,255)	1,518,979
Total property, plant and equipment		4,067,657	(2,581,984)	1,485,673	4,013,234	(2,494,255)	1,518,979
	Consolidated						
	Average rate	Cost	09/30/2021		12/31/2020		Net PP&E
			Accumulated depreciation	Net PP&E	Cost	Accumulated depreciation	
In operation							
Plant and equipment	14.97%	584,323	(511,498)	72,825	565,076	(501,388)	63,688
Vehicles	20.00%	85,940	(79,157)	6,783	87,022	(77,404)	9,618
Other	-	31,485	(210)	31,275	31,465	(278)	31,187
		701,748	(590,865)	110,883	683,563	(579,070)	104,493
Land and buildings	4.58%	3,368,893	(1,991,688)	1,377,205	3,331,664	(1,915,505)	1,416,159
Total in operation		4,070,641	(2,582,553)	1,488,088	4,015,227	(2,494,575)	1,520,652
Total property, plant and equipment		4,070,641	(2,582,553)	1,488,088	4,015,227	(2,494,575)	1,520,652

(b) The change in property, plant and equipment is shown below:

	Parent company				
	Machinery and equipment	Vehicles	Other	Land & buildings	Total
Balances at January 01, 2021	62,216	9,611	31,186	1,415,966	1,518,979
Additions	18,022	-	-	-	18,022
Write-offs	(315)	(26)	-	-	(341)
Depreciation	(15,017)	(2,859)	(19)	(72,428)	(90,323)
Transfers from contract assets	4,072	-	107	63	4,242
Transfers between intangible assets and property, plant and equipment	1,199	44	-	33,483	34,726
Transfer to financial assets	238	9	-	65	312
Other	-	-	-	56	56
Balances at September 30, 2021	70,415	6,779	31,274	1,377,205	1,485,673

Notes

	Consolidated				
	Machinery and equipment	Vehicles	Other	Land & buildings	Total
Balances at January 01, 2021	63,688	9,618	31,187	1,416,159	1,520,652
Additions	19,211	-	-	-	19,211
Write-offs	(315)	(27)	-	(188)	(530)
Depreciation	(15,268)	(2,861)	(19)	(72,433)	(90,581)
Transfers from contract assets	4,072	-	107	63	4,242
Transfers between intangible assets and property, plant and equipment	1,199	44	-	33,483	34,726
Transfer to financial assets	238	9	-	65	312
Other	-	-	-	56	56
Balances at September 30, 2021	72,825	6,783	31,275	1,377,205	1,488,088

The Parent Company's depreciation in the nine-month period ended September 30, 2021 as allocated to profit or loss was R\$ 90,323, with R\$ 80,474 as the cost of services, R\$ 2,587 as selling expenses and R\$ 7,262 as administrative expenses (R\$ 88,604, with R\$ 79,610, R\$ 2,352, R\$ 6,642 respectively in the nine-month period ended September 30, 2020).

The Consolidated depreciation in the nine-month period ended September 30, 2021 as allocated to profit or loss was R\$ 90,581, with R\$ 80,731 as the cost of services, R\$ 2,588 as selling expenses and R\$ 7,262 as administrative expenses (R\$ 88,715, with R\$ 79,719, R\$ 2,353 and R\$ 6,643, respectively in the nine-month period ended at September 30, 2020).

In FY 2020 the movement was as follows:

	Parent company				
	Machinery and equipment	Vehicles	Other	Land & buildings	Total
Balances at January 01, 2020	62,583	13,326	31,841	1,482,553	1,590,303
Additions	12,556	3	-	-	12,559
Write-offs	(5)	(9)	-	-	(14)
Depreciation	(17,441)	(3,758)	-	(98,113)	(119,312)
Transfers from contract assets	4,462	52	4	30,550	35,068
Transfer of intangible assets	(218)	-	(3)	329	108
Other	279	(3)	(656)	647	267
Balance at December 31, 2020	62,216	9,611	31,186	1,415,966	1,518,979

	Consolidated				
	Machinery and equipment	Vehicles	Other	Land & buildings	Total
Balances at January 01, 2020	63,191	13,335	31,842	1,482,553	1,590,921
Additions	13,577	3	-	-	13,580
Adjustment - Impairment	(82)	-	-	-	(82)
Write-offs	(5)	(9)	-	-	(14)
Depreciation	(17,598)	(3,760)	-	(98,117)	(119,475)
Transfers from contract assets	4,462	52	4	30,747	35,265
Transfer of intangible assets	(218)	-	(3)	329	108
Impairment recovery	82	-	-	-	82
Other	279	(3)	(656)	647	267
Balance at December 31, 2020	63,688	9,618	31,187	1,416,159	1,520,652

Notes

12. Lease Rights of Use

(a) Lease rights of use (Noncurrent assets)

	Parent Company			Total
	Property	Vehicles	Machinery and Equipment	
Opening balance at January 01, 2021	7,801	52,971	944	61,716
Additions	4,142	35,503	373	40,018
Remeasurements	(752)	(145)	(8)	(905)
Depreciation	(3,300)	(21,609)	(857)	(25,766)
Balances at September 30, 2021	7,891	66,720	452	75,063

	Consolidated			Total
	Property	Vehicles	Machinery and Equipment	
Opening balance at January 01, 2021	7.804	52.971	944	61.719
Additions	4.177	35.503	373	40.053
Remeasurements	(752)	(145)	(8)	(905)
Depreciation	(3.326)	(21.609)	(857)	(25.792)
Balances at September 30, 2021	7.903	66.720	452	75.075

	Parent Company			Total
	Property	Vehicles	Machinery and Equipment	
Opening balance at January 01, 2020	6.908	50.261	-	57.169
Additions	5.209	40.869	1.979	48.057
Remeasurements	(167)	936	-	769
Depreciation	(4.149)	(39.095)	(1.035)	(44.279)
Balances at December 31, 2020	7.801	52.971	944	61.716

	Consolidated			Total
	Property	Vehicles	Machinery and Equipment	
Opening balance at January 01, 2020	6.910	50.261	-	57.171
Additions	5.245	40.869	1.979	48.093
Remeasurements	(167)	936	-	769
Depreciation	(4.184)	(39.095)	(1.035)	(44.314)
Balances at December 31, 2020	7.804	52.971	944	61.719

(b) Lease rights of use (Liabilities)

	Parent Company			Total
	Property	Vehicles	Machinery and Equipment	
Opening balance at January 01, 2021	8,218	54,928	989	64,135
Additions	4,142	35,503	373	40,018
Remeasurement	(752)	(145)	(8)	(905)
Payments	(3,769)	(24,254)	(916)	(28,939)
Interest	342	3,199	37	3,578
Balances at September 30, 2021	8,181	69,231	475	77,887
Current liabilities	3,785	22,459	434	26,678
Noncurrent liabilities	4,396	46,772	41	51,209

Notes

	Consolidated			
	Property	Vehicles	Machinery and Equipment	Total
Opening balance at January 01, 2021	8,221	54,928	989	64,138
Additions	4,177	35,503	373	40,053
Remeasurement	(752)	(145)	(8)	(905)
Payments	(3,796)	(24,254)	(916)	(28,966)
Interest	343	3,199	37	3,579
Balances at September 30, 2021	8,193	69,231	475	77,899
Current liabilities	3,797	22,459	434	26,690
Noncurrent liabilities	4,396	46,772	41	51,209

The discount rate used to measure the total present value of future rent payments for lease contracts signed in 2021 is 6.0% p.a. (5.5% p.a. as of December 31, 2020). The average rate used is 12.7% p.a (6.2% p.a. as of December 31, 2020) and the average term is 71 months (38 months as of December 31, 2020).

	Parent Company			
	Property	Vehicles	Machinery and Equipment	Total
Opening balance at January 01, 2020	7,204	51,068	-	58,272
Additions	5,210	40,869	2,002	48,081
Remeasurement	(167)	936	-	769
Principal payment	(4,029)	(37,945)	(1,013)	(42,987)
Interest payment	(475)	(2,825)	(94)	(3,394)
Interest	475	2,825	94	3,394
Balances at December 31, 2020	8,218	54,928	989	64,135
Current liabilities	3,960	27,674	989	32,623
Noncurrent liabilities	4,258	27,254	-	31,512

	Consolidated			
	Property	Vehicles	Machinery and Equipment	Total
Opening balance at January 01, 2020	7,207	51,068	-	58,275
Additions	5,245	40,869	2,002	48,116
Remeasurement	(167)	936	-	769
Principal payment	(4,064)	(37,945)	(1,013)	(43,022)
Interest payment	(476)	(2,825)	(94)	(3,395)
Interest	476	2,825	94	3,395
Balances at December 31, 2020	8,221	54,928	989	64,138
Current liabilities	3,963	27,674	989	32,626
Noncurrent liabilities	4,258	27,254	-	31,512

(c) Lease expenses

Class of asset Leases	Parent Company			Consolidated		
	09/30/2021			09/30/2021		
	Leases low value	Leases short-term	Total	Leases low value	Leases short-term	Total
Plant and equipment	5.505	-	5.505	.528	-	5.528
Copying and IT equipment	640	-	640	648	-	648
Properties	-	136	136	-	176	176
Vehicles	-	4.275	4.275	-	4.275	4.275
Total	6.145	4.411	10.556	6.176	4.451	10.627

Notes

In accordance with Pronouncement CPC 06 (R2), to measure and remeasure its lease liability and right-of-use it proceeded to use the discounted cash flow method without including future inflation projected in the flows to be discounted, in accordance with the prohibition imposed by said CPC.

13. Public-Private Partnership (PPP) - Manso River Sourcing System

COPASA MG and BRK Ambiental - Manso S.A. (formerly Odebrecht Ambiental - Manso S.A.), a special-purpose entity (SPE), formalized a Public-Private Partnership agreement (PPP) in the form of an Administrative Concession, to expand the capacity of the Rio Manso Water Sourcing System, in the metropolitan region of Belo Horizonte, and the provision of services through this system.

During the construction works, the Company recognized the intangible asset according to the percentage-of-completion of construction and as a contra entry to a related liability, due to the PPP agreement. The inflation adjustment expenses were capitalized in intangible assets up to the beginning of operations on December 21, 2015.

The consideration due to the SPE started to be paid in January 2016. The amortized amount and interest paid in the nine-month period ended September 30, 2021 was R\$ 44,934 (R\$ 47,194 in the nine-month period ended September 30, 2020) and the expenses incurred under the agreement were accounted for as follows: R\$ 62,992 (R\$ 59,722 in the nine-month period ended September 30, 2020) as systems maintenance expenses and R\$ 15,815 (R\$ 10,857 in the nine-month period ended September 30, 2020). as finance costs recognized in profit or loss according to the contractual the inflation adjustment period.

The contractual index used to adjust the recognized liability is being applied annually in April and proportionately allocated throughout the subsequent twelve months. The change in liabilities is shown below:

	Parent Company / Consolidated	
	09/30/2021	12/31/2021
Opening balance	306,226	357,419
Restatement	11,146	14,331
Amortization	(40,264)	(56,665)
Interest paid	(4,670)	(8,859)
Closing balance	272,438	306,226
Current liabilities	54,557	47,975
Noncurrent liabilities	217,881	258,251

14. Taxes, charges, contributions, payroll, labor obligations and other obligations

(a) Current assets:

Tax credits are as follows:

	Parent company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
IRPJ	70,877	-	70,884	-
CSLL	26,127	-	26,132	-
Other Recoverable Taxes	18,919	18,381	19,056	18,509
Total	115,923	18,381	116,072	18,509

(b) Current liabilities:

	Parent company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Taxes, contributions and social obligations (i)	75,722	79,680	76,239	80,230
Other obligations (ii)	544,963	196,344	546,429	196,890
Total	620,685	276,024	622,668	277,120
Current liabilities	493,952	181,984	495,935	183,080
Noncurrent liabilities	126,733	94,040	126,733	94,040

Notes

	Parent company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Deposit for construction works (iii)	59,942	79,851	59,942	79,851
Other obligations	66,791	14,189	66,791	14,189
Noncurrent liabilities	126,733	94,040	126,733	94,040
Tax liabilities	75,722	79,680	76,239	80,230
Other obligations	418,230	102,304	419,696	102,850
Current liabilities	493,952	181,984	495,935	183,080

(i) The taxes, fees, contributions, and payroll taxes are broken down as follows:

	Parent company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
INSS	24,125	24,494	24,474	24,865
COFINS	26,178	27,046	26,241	27,090
PIS	5,655	5,850	5,668	5,859
Income tax	11,925	13,745	11,931	13,758
CSLL	-	-	-	-
FGTS	3,229	5,048	3,285	5,150
Other	4,610	3,497	4,640	3,508
Current liabilities	75,722	79,680	76,239	80,230

(ii) The various obligations break down as follows:

	Parent company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Other obligations				
Deposit for construction works (iii)	59,942	79,851	59,942	79,851
Netting	8,135	8,165	8,135	8,165
Payroll payable	143,154	73,593	143,820	73,735
PDVI (iv)	152,171	-	152,171	-
Return of Fees – ARSAE (v)	126,893	-	126,893	-
Other	54,668	34,735	55,468	35,139
Total	544,963	196,344	546,429	196,890
Current liabilities	418,230	102,304	419,696	102,850
Noncurrent liabilities	126,733	94,040	126,733	94,040

(iii) Refers to ANA funds, granted under the Water Basin Depollution Program - PRODES.

(iv) Voluntary Redundancy Incentive Program – PDVI

The Company introduced the Voluntary Redundancy Incentive Program in June/21, duly regulated and widely disclosed to its employees.

The signing on period was from 08/02/2021 to 08/31/2021, and the program is open to INSS retirees on account of contribution time, age or special retirement, whose retirement was awarded by 11/13/2019, before the onset of Constitutional Amendment 103/2019.

Notes

The financial incentive offered as a compensation premium was 0.8 (zero point eight) of the sum of the nominal salary plus bonuses, multiplied by the number of full years of effective service at the Company, limited to 30 years. The financial incentive will not exceed the amount equal to 20 times the sum of the nominal salary plus the bonus.

1,098 employees entered the program, who are scheduled for severance between October/21 and March/22. Financial compensation of R\$ 152,171 was recognized in September/21.

(v) Return of fees – ARSAE MG

The sewage collection and water supply services regulatory agency of Minas Gerais state - ARSAE MG determined amounts be returned to customers by way of the following administrative proceedings:

- Process 005/2019

In September 2019, ARSAE MG initiated Administrative Proceeding 005/2019 to determine amounts unduly collected in Belo Horizonte, relating to dynamic sewage system with collection and treatment – EDT. COPASA MG appealed the case, but unsuccessfully. Decision ARSAE 066/21 was issued in July 2021, determining the amount be returned to customers, as per the Company Announcement disclosed on July 26, 2021.

In August 2021, Company management authorized the simple and corrected initiation of returns, as per the Market Notice published on September 08, 2021. After identifying users entitled to make returns, the Company determined that the total returns amount to R\$ 125.8 million. The returns commenced in September 2021.

- Process 028/2021

In 2021 ARSAE MG initiated Administrative Proceeding 028/21, to determine possible adjustments regarding the system adopted by COPASA to calculate the billed amount, in the month following the billing based on the average for the period January to July 2020. COPASA MG appealed the case, but unsuccessfully. ARSAE MG resolved to return the amount to clients.

Company Management authorized the return of the restated amounts. The total amount of R\$ 12,028 will be returned, commencing in November/21.

The Company identified all the customers affected by the aforesaid proceedings and recorded the exact amount to be returned to each one, recognizing the total of R\$ 137,845 in September/21. R\$ 89,472 as principal (Other Operating Expenses) and R\$ 48,373 of interest and monetary restatement (Finance Costs). The return is made via credit (discount) in the customers' bills commencing September/21, with the amount of R\$ 10,952 having been returned this month. The remaining amount to be returned in future bills is R\$ 126,893, consisting of: R\$ 82,639 consisting of the principal and R\$ 44,254 of interest and monetary restatement.

15. Loans, Financing and Debentures

Borrowings, financing and debentures mature up to 2042 and have average coupons of 6.74% per year for the Parent company and consolidated statements (5.2% per year in December 2020 for the parent company and consolidated statements).

(a) Loans and borrowings

The Company's foreign-currency loans amount to R\$ 235,893 at September 30, 2021 in Euros (excluding borrowing costs) and R\$ 341,051 as of December 31, 2020, consisting of R\$ 341,051 with R\$ 131,568 in US dollars and R\$ 209,483 in Euros.

Notes

Changes in loans and borrowings are as follows:

	Parent Company / Consolidated		
	09/30/2021	12/31/2020	09/30/2020
Opening balance	1,273,997	1,281,386	1,281,386
Inflows of loans and borrowings	104,055	34,283	26,861
Capitalized interest	-	7,769	7,769
Charges provisioned for	54,189	73,885	54,037
Monetary and exchange variance	3,118	108,356	129,878
Amortization of charges	(54,810)	(73,884)	(50,739)
Amortization of principal	(288,695)	(154,532)	(87,846)
Arrangement costs	-	(3,516)	(3,516)
Amortization of borrowing cost	192	250	186
Closing balance	1,092,046	1,273,997	1,358,016
Current liabilities	190,146	201,851	207,961
Noncurrent liabilities	901,900	1,072,146	1,150,055

Parent company / Consolidated						
In local currency	Currency	Nominal interest rate p.a.	Monetary Restatement	Year of maturity	Carrying amount	Carrying amount
					09/30/2021	12/31/2020
Caixa Econômica Federal	BRL	7.69%	TR	08/16/2042	688,678	671,075
BNDES - BNE	BRL	6.41%	TJLP	05/15/2025	144,301	228,137
Finame	BRL	4.10%	-	01/15/2025	23,174	33,734
					856,153	932,946
In foreign currency	Currency	Nominal interest rate p.a.	Monetary Restatement	Year of maturity	Carrying amount	Carrying amount
					09/30/2021	12/31/2020
Banco do Brasil	USD	-	-	-	-	131.568
KfW	EURO	2,07%	-	20/12/2023	175.983	212.748
BEI	EURO	0,03%	-	20/09/2033	62.983	-
					377,515	303,688
Arrangement costs					(3.073)	(3.265)
					235.893	341.051
Loans and borrowings					1.092.046	1.273.997

b) Debêntures

Changes in debentures are as follows:

	09/30/2021	Parent company / Consolidated	
		12/31/2020	09/30/2020
Opening balance	2,507,144	2,028,851	2,028,851
Proceeds from debentures	750,000	530,489	-
Capitalized interest	-	25,707	23,415
Charges provisioned for	93,082	80,219	56,640
Monetary variance	51,974	32,924	14,374
Amortization of charges	(101,600)	(93,828)	(81,523)
Amortization of principal	(393,989)	(97,218)	(74,583)
Borrowing Costs	(11,276)	(1,764)	-
Amortization of funding cost	1,592	1,764	1,314
Closing balance	2,896,927	2,507,144	1,968,488
Current liabilities	538,683	393,905	362,218
Noncurrent liabilities	2,358,244	2,113,239	1,606,270

Notes

Parent company / Consolidated						
	Currency	Nominal interest rate p.a.	Monetary restatement	Year of maturity	Carrying amount 09/30/2021	Carrying amount 12/31/2020
Subscription 4 th issuance						
1 st	URTJLP	TJLP + 1.55%	TJLP	07/15/2022	22,131	54,065
2 nd	IPCA	9.05%	IPCA	08/15/2022	51,246	147,224
3 rd	URTJLP	TJLP + 1.55%	TJLP	07/15/2022	29,302	71,582
Total 4th issuance					102,679	272,871
Subscription 5 th issuance						
Single series	BRL	9.00%	TR	09/01/2031	175,755	188,999
Total 5th issuance					175,755	188,999
Subscription 7 th issuance						
1 st	BRL	-	-	04/15/2019	-	-
2 nd	IPCA	7.39%	IPCA	04/15/2021	-	35,736
Total 7th issuance					-	35,736
Subscription 8 th issuance						
1 st	URTJLP	TJLP + 1.87%	TJLP	06/15/2028	55,148	65,275
2 nd	BRL	8.18%	IPCA	06/15/2028	30,275	33,409
Total 8th issuance					85,423	98,684
Subscription 11 th issuance						
1 st	URTJLP	TJLP + 2.62%	TJLP	01/15/2031	113,515	128,628
2 nd	IPCA	8.85%	IPCA	01/15/2031	59,321	62,667
Total 11th issuance					172,836	191,295
Subscription 12 th issuance						
1 st	IPCA	5.06%	IPCA	01/15/2024	188,151	213,433
2 nd	IPCA	5.27%	IPCA	01/15/2026	97,175	91,906
Total 12th issuance					285,326	305,339
Subscription 13 th issuance						
1 st	BRL	106.9% of DI	-	07/15/2021	-	93,485
2 nd	BRL	110.0% of DI	-	07/15/2023	546,201	545,309
3 rd	IPCA	6.50%	IPCA	07/15/2025	79,483	75,391
Total 13th issuance					625,684	714,185
Subscription 14 th issuance						
1 st	BRL	106.15% of DI	-	06/15/2024	51,942	56,549
2 nd	IPCA	4.30%	IPCA	06/15/2026	162,649	150,226
Total 14th issuance					214,591	206,775
Subscription 15 th issuance						
Single series	BRL	CDI + 1.75%	-	12/16/2025	501,437	500,575
Total 15th issuance					501,437	500,575
Subscription 16 th issuance						
1 st	IPCA	5.23%	IPCA	09/15/2031	243,856	-
2 nd	BRL	CDI + 1.30%	-	09/15/2026	506,339	-
Total 16th issuance					750,195	-
Total debentures					2,913,926	2,514,459
Borrowing cost					(16,999)	(7,315)
Total					2,896,927	2,507,144

Debentures indexed to TJLP have a spread plus TJLP. Monetary restatement is also incurred when the index exceeds 6% p.a.

In September/21 the Company took out a long-term loan via the 16th nonconvertible ordinary debentures issuance subject to a firm guarantee based on CVM Directive 476/2009, in the amount of R\$ 750,000.00.

Notes

These funds are expected to be allocated to projects classified as priority for the purpose of the incentivized infrastructure debentures issuance, pursuant to article 2 of Law 12.431, of June 24, 2011, Decree 8.874, of October 11, 2016, as per Regional Development Ministry (MDR) Ordinances 581 and 582, of 03/30/2021, and to implement part of the Company's investments program.

(c) Covenants and security

The Company has borrowings, financing and debentures that require the compliance with restrictive covenants based on certain financial ratios, with different result calculation periods, as specified in the related agreements. Some agreements prescribed that in case of noncompliance with these ratios, the Company must provide additional collaterals to the creditor or comply with contractual financial ratios within a given period. Finally, if a temporary compliance waiver for these ratios is not obtained, the creditor may trigger early debt maturity.

The Company has monetary pledges, as cited in Note 07, in addition to a statutory lien on receivables, as per Note 22.1(c). Both guarantees occur within the term or grace period of the contracted debts.

In addition to the financial guarantees submitted to creditors under its debts, the Company has been performing specific and particular non-financial obligations for each contract.

16. Provision for Legal Claims

(a) Provisioned for legal claims

The breakdown of the provision for legal claims is as follows:

	Parent company					
	09/30/2021			12/31/2020		
	Contingencies	Judicial deposits	Net balance	Contingencies	Judicial deposits	Net balance
Civil	90,347	(6,124)	84,223	79,938	(1,251)	78,687
Labor claims	85,677	(14,696)	70,981	68,752	(5,892)	62,860
Tax	1,682	(4,607)	(2,925)	1,734	(9,574)	(7,840)
Environmental	-	-	-	295	-	295
Total	177,706	(25,427)	152,279	150,719	(16,717)	134,002

	Consolidated					
	09/30/2021			12/31/2020		
	Contingencies	Judicial deposits	Net balance	Contingencies	Judicial deposits	Net balance
Civil	91,112	(6,124)	84,988	80,437	(1,251)	79,186
Labor claims	85,739	(14,726)	71,013	68,815	(5,922)	62,893
Tax	1,682	(4,607)	(2,925)	1,734	(9,574)	(7,840)
Environmental	-	-	-	295	-	295
Total	178,533	(25,457)	153,076	151,281	(16,747)	134,534

Notes

The changes in the provision for legal claims are as follows:

	Parent company	Consolidated
Balance as at December 31, 2020, before the offset of judicial deposits	150,719	151,281
Additions	39,463	39,932
Restatements	9,549	9,603
Reversals	(12,862)	(13,110)
Write-offs	(9,163)	(9,173)
Total provisions	177,706	178,533
Offset against escrow deposits	(25,427)	(25,457)
Balance at September 30, 2021	152,279	153,076

The additions and reversals relate to the inclusion of new proceedings and reassessments of the chances of defeat in judicial proceedings against the Company as analyzed by the legal department, based on case law or verdicts delivered by the courts and validated in Copasa's Contingencies Forum. The adjustments refer to the adjustment of the provision for inflation.

The changes can be summarized as follows:

1. Additions of R\$ 39,463 denoting the provisions made for multiple civil and labor claims, including the R\$ 25,582 increase in the provision for labor claims and R\$ 13,881 in civil provisions.
2. Reversals of R\$ 12,862, including the reversal of R\$ 5,636 of labor claims, R\$ 6,931 of civil proceedings and R\$ 295 of tax proceedings.
3. Write-offs of R\$ 9,163 spread between labor and civil claims.

	Parent company	Consolidated
Balance as at December 31, 2019, before the offset against judicial deposits	213,576	214,125
Additions	30,414	30,547
Restatements	9,757	9,788
Reversals	(68,472)	(68,513)
Write-offs	(34,556)	(34,666)
Total provisions	150,719	151,281
Offset against escrow deposits	(16,717)	(16,747)
Balance at December 31, 2020	134,002	134,534

The Company is a party to several lawsuits arising in the normal course of business and the quantity and value of these lawsuits are very diluted. The main lawsuits are listed below:

(i) Provisions for civil contingencies

The provisions for civil contingencies refer to lawsuits claiming compensation for property damages or pain and suffering, or claims for the reimbursement due to overpayment or double billing. COPASA MG estimates the provision based on the billed amounts subject to challenges and recent court decisions.

1. The Prosecutor's Department of Minas Gerais state filed a public civil action which ruled against the Company by revoking the increase in the sewage collection rate introduced by COPASA MG in September 2012, and ordering the Company to return the unduly received amounts resulting from this increase to all consumers in the municipality of Pará de Minas, within 90 days as from the date the decision was made final and unappealable. The amounts being reimbursed to consumers in the municipality. The amount as of September 30, 2021 is R\$ 2,573.
2. In 2005 the Public Prosecutions Department of Minas Gerais state filed a compensation lawsuit due to environmental damages caused to Lagoa Central, in the municipality of Lagoa Santa and COPASA MG was sentenced to paying said compensation. The case award is currently being enforced, with COPASA MG having filed an appeal before the Court of Appeal of Minas Gerais state. The provision as of September 30, 2021 is R\$ 10,581 (R\$ 9,845 as of December 31, 2020).
3. In 2003 the Prosecutor's Department of Minas Gerais state filed a collective civil action to recover for users the readjustment for March 2003 on the grounds that these amounts were charged in the same month that the readjustment was authorized when they should have been charged 30 days after the authorized term.

Notes

The decision went against COPASA MG and the award is now being calculated, pending performance of the expert analysis. The Company made a provision with a view to filing court agreement to complete the proceeding. The provision as of September 30, 2021 is R\$ 18,292 (R\$ 17,018 as of December 31, 2020).

(ii) Provision for labor contingencies

The lawsuits where the Company is directly liable are mostly related to pain and suffering and damages due to occupational illnesses or accidents, overtime, risk and health exposure premiums, stand- by periods, salary differences deriving from alleged job equality, and challenges of terminations with cause. The Company provisions for all labor claims rated as a probable defeat.

1. There is a labor class action, No. 0102100-74.2008.5.03.0024, processed at the 24th Labor Court of Belo Horizonte, linked to a public civil lawsuit, whereby SINDAGUA and the Public Prosecution Office challenge the extinct dismissal policy and motivational program adopted by the Company, pleading for the reintegration of the employees dismissed under this policy and payment of salaries not yet due and already due. In this case, COPASA MG was successful in the lower court, but the decision was reversed by the appellate court. On February 24, 2017, the Superior Labor Court issued a decision against the interlocutory appeal filed by COPASA MG. On December 10, 2019 the case was submitted to the Regional Labor Tribunal of Region 3. The likelihood of loss in this case was assessed by the legal advisers as probable and its amount was determined based on calculations made using legal guidelines and grounds stated by the lawyers responsible for the case. The related provision as at September 30, 2021 is R\$ 34,544 (R\$ 33,464 as at December 31, 2020).

(b) Contingencies not provisioned for

COPASA MG is a party to other lawsuits rated as possible defeats. No provision was recognized for such lawsuits to cover any losses since the Company believes that there are solid legal grounds to support the adopted defense procedures.

The proceedings at the administrative level and in different level courts, filed against the Company, are broken down as follows:

Type	Parent company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Civil (i)	375,002	348,523	382,458	356,691
Labor (ii)	53,145	50,124	53,400	50,267
Tax (iii)	69,988	71,239	71,689	72,304
Environmental	1,022	-	1,022	-
Total	499,157	469,886	508,569	479,262

(i) Civil

Refer to lawsuits filed by customers, State and Federal prosecutors, municipalities, associations, etc., that seek jurisdictional protection with respect to different issues, except for tax- and labor-related claims, which are at various court levels, judicial courts and small claims courts, and are summarized as follows:

Individual lawsuits

The Company and its subsidiary are parties to a significant number of individual lawsuits claiming compensation for damages for the disconnection of water services and damage caused by construction works. These lawsuits were filed in the normal course of business and involve pain and suffering and damages, such as for damages to properties and vehicles, and accidents caused during our activities, among others. Management does not believe that an unfavorable outcome in these lawsuits, either individually or collectively, would have a material adverse effect on results of operations, financial condition or business prospects of the Company and its subsidiary.

The most significant individual lawsuits are described below:

Notes

1. Lawsuit filed by Augusta Silva Seabra and other parties, alleging that she is the lawful owner of a property located in the Nova Suíça District, Nova Lima, totaling an area of 76,735 m². She alleges that in 1999 the defendant invaded said property, without any expropriation order, and fenced off an area of 28,334 m² to supply water to Belo Horizonte. Accordingly, she is requesting the repossession of the property and the return of the fenced area "in the same conditions as found". In addition, she is claiming compensation for the market value of the property, valued at R\$ 6,288. Note that the claimant has not provided proof that she is the rightful owner of the property as claimed in the Statement of Claim. On the other hand, the vast attached documentation (transfer of the area to COPASA MG under a Concession arrangement with the City of Belo Horizonte, the plans, project descriptions, and sentence letter in favor of the Company) by the defendant evidence the inconsistency of the claim. The case is worth R\$ 17,169 as of September 30, 2021 (R\$ 15,973 as of December 31, 2020).
2. Claim filed by Sebastiana Ferreira Guimarães Scarabelli and other parties, where in summary the claimants alleged that they are the heirs of a property located in Padre Carvalho, where COPANOR's WWTP was built, alleging that they found this property after their father died, during the estate inventory. Currently this case is at the fact-finding stage. In principle, based on COPANOR's own investigation, the claimed property is not the same property where the WWTP is located and also the claimed property had already been sold to third parties (Empresa Florestal). The Company, however, awaits the expert's report. The case is worth R\$ 6,082 as of September 30, 2021 (R\$ 5,659 as of December 31, 2020).
3. Civil Public Action filed by the municipality of Coronel Fabriciano, in 2020, on the grounds the Company was not performing all its contractual obligations, as it had not treated all of the sewage produced in the municipality. This failure to treat sewage had also caused environmental damage. Because of this, the Municipality intends to have COPASA instructed not to charge sewage fees or to charge them at a proportionally reduced amount until all of the sewage has been treated; and to pay a compensatory fine to the municipality of Coronel Fabriciano, for the allegedly breach of Concession Agreement rules; return charged sewage fees to users; roll out full sewage treatment in the municipality; and pay compensation for collective moral damages. The interim relief was denied because the claims did not have to be examined urgently and there was no prevailing caselaw around the possibility of charging sewage rates under the services provided. COPASA MG submitted a contestation in its defense, amongst other arguments contending that there was no contractual nonperformance, as the sewage service embraces more than 108 thousand people; works are in progress interconnecting the Integrated System to the municipality of Timóteo, where half the population is now served by this System. The case amount as of September 30, 2021 is R\$ 5,585.

Class actions

The Company is party to public civil actions and class actions that challenge and seek to annul, suspend or declare void 35 of its concession arrangements, namely those entered into with the municipalities of Andradas, Araçuaí, Barbacena, Betim, Campina Verde, Caratinga, Cataguases, Confins, Congonhas, Curvelo, Divinópolis, Fronteira, Esmeraldas, Extrema, Guaxupé, Guidoal, Igaratinga, João Pinheiro, Lagoa Santa, Mirabela, Mirai, Montes Claros, Nova Serrana, Paracatu, Patos de Minas, Pirapetinga, Ribeirão das Neves, São Gotardo, Sabará, São Sebastião do Paraíso, Serra da Saudade, Tiros, Três Marias, Vazante and Visconde do Rio Branco. These actions were rated as possible or remote defeats, and no provisions were therefore recognized. It is worth noting also that a precedent from the Court of Justice of the State of Minas Gerais in a similar case and the opinions of renowned jurists are in favor of the Company's position that the concession arrangements are lawful instruments.

(ii) Labor claims

The lawsuits where the Company is directly liable are mostly related to pain and suffering and damages due to occupational illnesses or accidents, overtime, risk and health exposure premiums, stand-by periods, salary differences deriving from alleged job equality, and challenges of terminations with cause and joint liability in cases for contractors, service providers and suppliers.

All labor claims are initially classified as possible losses and the risk rating defeat, contingency value and provision are periodically reviewed and changed as decisions are delivered at each procedural stage.

Notes**(iii) Tax**

The Company assessed the timing for the utilization of PIS and COFINS credits, pursuant to Law 11.488/07, Law 11.638/07, and Law 12.973/14. COPASA MG, based on the opinion of its independent legal advisors on the interpretation of the timing for the utilization of these credits, believes that the currently adopted procedure is appropriate. If the tax treatment is rejected, the Company estimates additional tax expenses of approximately R\$ 56,802 (R\$ 58,503 consolidated), where our independent legal advisers assess the chance of COPASA MG prevailing in the event of a legal dispute as possible.

17. Income Tax and Social Contribution**(a) Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL)**

The amounts recorded in the financial statements as income tax and social contribution expenses are reconciled with the standard rates established by law, as follows:

	Parent Company			
	Three-month periods ended		Nine-month periods ended	
	September 30,		September 30,	
	2021	2020	2021	2020
Net income before tax and contributions	(25,197)	327,726	603,746	748,896
Statutory rate	34%	34%	34%	34%
Expected Revenue (Expense) at nominal rate	8,567	(111,427)	(205,274)	(254,625)
IRPJ and CSLL on:				
(Additions)/deductions				
Share of profit (loss) of equity-accounted investees	(1,169)	(1,292)	(2,871)	(5,041)
Donations and subsidies	-	108	402	108
Other (additions) /exclusions	(1,245)	2,023	(3,439)	1,067
Other reconciliation items				
Interest on equity	35,796	21,462	76,602	51,845
Tax incentives	(383)	1,943	4,119	5,473
IRPJ and CSLL	41,566	(87,183)	(130,461)	(201,173)
Effective rate	164.96%	26.60%	21.61%	26.86%
Current IRPJ and CSLL	29,121	(95,493)	(199,541)	(269,436)
Deferred IRPJ and CSLL	12,445	8,310	69,080	68,263
IRPJ and CSLL	41,566	(87,183)	(130,461)	(201,173)

Notes

	Consolidated			
	Three-month periods ended		Nine-month periods ended	
	September 30,		September 30,	
	2021	2020	2021	2020
Net income before tax and contributions	(25,197)	327,726	603,746	748,896
Statutory rate	34%	34%	34%	34%
Expected Revenue (Expense) at nominal rate	8,567	(111,427)	(205,274)	(254,625)
IRPJ and CSLL on:				
(Additions)/deductions				
Donations and subsidies	-	108	402	108
Other (additions) /exclusions	(2,414)	731	(6,310)	(3,974)
Other reconciliation items				
Interest on equity	35,796	21,462	76,602	51,845
Tax incentives	(383)	1,943	4,119	5,473
IRPJ and CSLL	41,566	(87,183)	(130,461)	(201,173)
Effective rate	164.96%	26.60%	21.61%	26.86%
Current IRPJ and CSLL	29,121	(95,493)	(199,541)	(269,436)
Deferred IRPJ and CSLL	12,445	8,310	69,080	68,263
IRPJ and CSLL	41,566	(87,183)	(130,461)	(201,173)

The change in the balances of IRPJ/CSLL in 3Q21 occurred due to the recognition of expenses on the Voluntary Redundancy Program (PDVI) and rates returned to customers at the determination of the sewage collection and water supply services regulatory agency of Minas Gerais state (ARSAE-MG), and the amendment of the profit distribution percentage in 3Q21, from 25% to 50%, where the value of the portion related to the interest on equity can be deducted from the income tax calculation base. The profit distribution percentage in 2020 was 25%. (Note 14. (a))

(b) Deferred income tax and social contribution

The amounts for offsetting are as follows:

	Parent company / Consolidated	
	09/30/2021	12/31/2020
Equity balances		
In the assets		
Temporary differences:		
Impairment loss on trade receivables	262,775	195,999
Provision for legal claims	177,705	149,781
Provision for actuarial liabilities - comprehensive income	197,810	197,810
Balance of assigned assets to be depreciated	128,312	134,327
Difference in amortization generated for the deduction of the financial asset	475,360	426,313
Exchange variance on loans	61,018	78,649
Other sundry temporary provisions	248,411	134,464
Total assets	1,551,391	1,317,343
Deferred IRPJ	387,848	329,336
Deferred CSLL	139,625	118,561
	527,473	447,897
In the liabilities		
Temporary differences:		
Exchange variance on loans	-	11,711
Margin of deferred construction revenue	88,377	92,281
Capitalization of deducted financial asset	307,755	270,652
Borrowing cost of debentures issuance	16,999	7,315
Borrowing cost	3,073	3,266
Provision of CPC adjustments - comprehensive income	79,558	69,326
Total liabilities	495,762	454,551
Deferred IRPJ	123,940	113,638
Deferred CSLL	44,619	40,910
	168,559	154,548
Deferred net IRPJ and CSLL	358,914	293,349

Notes

As of September 30, 2021 there were no changes to the nature and conditions of the income and social contribution taxes in relation to that described in Note 18 to the Company's Financial Statements for the financial year ended December 31, 2020. Management therefore decided not to reproduce this information in its interim accounting information.

18. Technical Cooperation Arrangement

The balance of arrangements in assets breaks down as follows:

	Parent company			
	Receivable	Advance	Net	
September 30, 2021				
State	4,155	(3,904)	251	
Other	169,363	(124,291)	45,072	
Total	173,518	(128,195)	45,323	
December 31, 2020				
State	4,147	(3,904)	243	
Other	163,346	(121,249)	42,097	
Total	167,493	(125,153)	42,340	
	Consolidated			
	Receivable	Advance	Net	
September 30, 2021				
State	562,918	(562,649)	269	
Other	169,363	(124,291)	45,072	
Total	732,281	(686,940)	45,341	
December 31, 2020				
State	= 562,910	(562,649)	261	
Other	163,346	(121,249)	42,097	
Total	726,256	(683,898)	42,358	
	Parent company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Current assets	35,515	16,152	35,533	16,170
Noncurrent assets	9,808	26,188	9,808	26,188
	45,323	42,340	45,341	42,358

The balance of arrangements in liabilities breaks down as follows:

	Parent company/ Consolidated		
	Advance	Receivable	Net
September 30, 2021			
State funds	515	-	515
Other	42,317	(39,583)	2,734
Total	42,832	(39,583)	3,249
December 31, 2020			
State funds	505	-	505
Other	43,006	(39,964)	3,042
Total	43,511	(39,964)	3,547
	Parent company/Consolidated		
	09/30/2021	12/31/2020	
Current liabilities	1,272		3,547
Non-current liabilities	1,977		-
	3,249		3,547

Notes**19. Retirement Benefit Obligations**

The related amounts and information on retirement benefit obligations are as follows:

	Parent company / Consolidated	
	09/30/2021	12/31/2020
Immediate obligations	913	4,669
Long-term obligations	235,205	223,892
	236,118	228,561
Regular contributions	9,730	17,329
Total obligations recorded in the statement of financial position	245,848	245,890
Current liabilities	10,643	21,998
Noncurrent liabilities	235,205	223,892

Changes in net liabilities were as follows:

	Parent company / Consolidated
Net liability at December 31, 2020	245,890
Amounts recognized in the statement of income	11,628
Actuarial losses are directly recognized in other comprehensive income	-
IR and CSLL on actuarial losses directly recognized in other comprehensive income	-
Amortization of principal	(3,938)
Amortization of debt interest	(133)
Provision for employer contributions	35,428
Provision for participant contributions	51,769
Amortization of contributions (employer and participants)	(94,796)
Net liability at September 30, 2021	245,848
Current liabilities	10,643
Noncurrent liabilities	235,205

	Parent company / Consolidated
Net liability at December 31, 2019	178,177
Amounts recognized in the statement of income	7,956
Actuarial losses are directly recognized in other comprehensive income	-
IR and CSLL on actuarial losses directly recognized in other comprehensive income	-
Amortization of principal	(19,229)
Amortization of debt interest	(955)
Provision for employer contributions	35,080
Provision for participant contributions	51,864
Amortization of contributions (employer and participants)	(93,868)
Net liability at September 30, 2020	159,025
Current liabilities	20,085
Noncurrent liabilities	138,940

Amounts broken down by Benefit plan (1)**1) RP1-BD Benefits plan**

	09/30/2021	12/31/2020
Present value of financed obligations	(69,453)	(67,483)
Fair value of the plan's assets	75,164	68,031
Effect of asset ceiling	(5,711)	(548)
Restriction of contracted deficit	-	(4,681)
Plan's net liabilities	-	(4,681)

Notes

2) Settled COPASA Plan -BD

	<u>09/30/2021</u>	<u>12/31/2020</u>
Present value of financed obligations	(1,451,945)	(1,426,043)
Fair value of the plan's assets	1,213,732	1,202,163
Plan's net liabilities	(238,213)	(223,880)

3) New COPASA Plan -CD

	<u>09/30/2021</u>	<u>12/31/2020</u>
Present value of financed obligations	(11,627)	(10,424)
Fair value of the plan's assets	50,579	46,292
Effect of asset ceiling	(38,952)	(35,868)
Plan's net assets / liabilities	-	-

⁽¹⁾ Amounts projected for FY 2021 stated in the actuarial report prepared on December 31, 2020. The Company conducts an annual actuarial assessment of the 03 retirement benefit plans.

As of September 30, 2021 there were no changes to the nature and conditions of the retirement benefit plans in relation to that described in Note 20 to the Company's Financial Statements for the financial year ended December 31, 2020. Management therefore decided not to reproduce this information in this interim accounting information.

20. Equity and Dividends

(a) Capital

The Company is listed in the New Corporate Governance Market of B3 - Brasil, Bolsa, Balcão, a stock exchange, and its capital consists exclusively of common shares. As of September 30, 2021 and December 31, 2020, the subscribed and paid-in authorized capital amounts to R\$ 3,402,385, comprising 379,181,430 registered, common shares with no par value.

On July 14, 2021 the Company disclosed a Company Announcement, announcing it had received from its controlling shareholder, Minas Gerais state, by way of the General Attorneys Department (AGE), on that date, an official notification informing the approval of Draft Law no. 2.508/2021 by the Legislative Assembly of Minas Gerais state, regarding authorization for additional budget and capital contribution into this Company to carry out works and interventions that will enhance the hydric resilience of the Paraopeba and Rio das Velhas basins, under the legal settlement between Minas Gerais state and the company Vale S.A. Under the settlement these investments amount to R\$ 2.05 billion. The Minas Gerais State Government sanctioned the Law on July 28, 2021 (Law 23.830/2021). Recognition in the Financial Statements will occur after the funds have been effectively contributed, both by Minas Gerais state and the noncontrolling shareholders exercising their pre-emptive rights, subject to corporate legislation.

(b) Profit reserves

There were no material changes to reserves in relation to that described in Note 21 (b) to the Company's Financial Statements for the financial year ended December 31, 2020. Management therefore decided not to reproduce this information in this interim accounting information.

(c) Asset and liability valuation adjustments

There were no material changes to the balances of asset and liability valuation adjustments in this quarter.

Notes

(d) Shareholder compensation

• Dividend Policy

The Bylaws entitle shareholders to minimum mandatory dividends of 25% of net income for the year adjusted for the increase or decrease of the amount specified in article 202 (I, II and III) of Law 6.404/76.

On May 7, 2018, the Extraordinary General Meeting approved the revision of the Company's Dividends Policy by setting the rules for the distribution of proceeds based on the Company's observed leverage, as shown below:

• Regular Dividends

By March 31 of each year, the Board of Directors sets the percentage of the Adjusted Profit for the Year to be distributed, subject to the 25% minimum under the bylaws, and capped at 50%.

Dividends are declared on a quarterly basis and paid within 60 days, as from the dividend declaration date, except for the amounts for the fourth quarter, which are defined by the Annual General Meeting (AGM).

• Extraordinary Dividends

In conjunction with the release of the Annual Financial Statements and Interim Accounting Information for the second quarter of each year, and in accordance with the Company's Dividends Policy, management will disclose the Regulatory Compliance Calculation, including payment of Regular Dividends, in order to determine whether it falls within the Efficient Regulatory Leveraged Range and if this index is:

a) Above the range: the Board of Directors shall determined that the percentage distribution of the Adjusted Net Income will be the minimum mandatory amount.

b) Within the range: the shareholders' compensation will fall in the range between the minimum legal mandatory amount and the maximum limit of 50%.

c) Below the range: within up to 03 (three) months of publishing the annual financial statements or quarterly information for the second quarter of each year, the Board of Directors may declare Extraordinary Dividends, comprising additional compensation that is sufficient to achieve the lower level of this range. This declaration will be made after studies are carried out showing that any payment of Extraordinary Dividends will not jeopardize the financial health, investment plan or current liquidity of the Company.

The Regulatory Compliance Calculation means the indicator of the Company's Net Debt over EBITDA accumulated in the 12 months before the calculation period (Net Debt/EBITDA), which should achieve the ratio of 2.10x, with a margin of 0.10x either way.

Dividend Policy Revision

As per the Market Notice published 10/08/2021, at a meeting held 09/30/2021 the Board of Directors approved (i) the schedule to review the Company's Dividends Policy; and (ii) that the study regarding the possible payment of extraordinary dividends would be presented for the approval of said Policy by the Extraordinary General Meeting.

Declaration of dividends/Interest on equity (JCP) for the period

At a meeting held 09/17/2021 the Board of Directors approved the change to the percentage of Regular Dividends for FY 2021, from 50% (fifty percent) of Net Income, plus or minus the amounts specified in article 202 (I,II,III) of Federal Law 6.404/1976, in the form of Interest on Equity and/or dividends.

Notes

Shareholder compensation for FY 2021 approved by the Board of Directors is as follows:

Reference	Compensation Type	Corporate Event and Date	Amounts in Reais (R\$ millions)	Payment Date
1Q21	Interest on equity	RCA 03/19/2021	64.84	05/18/2021
2Q21	Interest on equity	RCA 06/17/2021	55.17	08/16/2021
3Q21	Dividends	RCA 09/21/2021	57.38	11/19/2021
3Q21	Interest on equity	RCA 09/21/2021	105.28	11/19/2021
Jan to Sep/21			282.67	

Due to the retention of income tax on JCP and the shareholder's right to receive the minimum mandatory dividend of 25%, the 15% income tax withheld at source was included in the calculation of interest on equity, amounting to a percentage distribution of 29.41% on adjusted net income.

The movement in the balance of "dividends and interest on equity payable" is shown below:

	Parent company / Consolidated	
	09/30/2021	12/31/2020
Dividends and interest on equity payable at start of period	72,270	80,719
Interest on equity proposed	225,299	228,027
IR withheld at source on interest on equity	(14,565)	(11,494)
Interest on equity paid in the period	(184,050)	(225,064)
Proposed dividends	57,381	820,000
Dividends paid	-	(819,918)
Dividends and interest on equity payable at end of period	156,335	72,270

(e) Earnings per share

- Basic

The Company calculates basic earnings per share by dividing the net income attributable to the company's shareholders by the weighted average number of common shares issued in the period, excluding the common shares purchased by the company and held as treasury stock (item "a" of this Note).

	Consolidated			
	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2021	2020	2021	2020
Profit attributable to shareholders of the Company	16,369	240,543	473,285	547,723
Weighted average number of common shares issued - thousands	379,181	379,181	379,181	379,181
Basic earnings per share (in Reais)	0.04	0.63	1.25	1.44

⁽¹⁾ The basic earnings per share for the periods of 2020 was adjusted due to the splitting of the Company's common shares at the proportion of 1 (one) to 3 (three), as approved at the General Shareholders meeting held November 19, 2020.

- Diluted

As at September 30, 2021 and 2020 the diluted earnings per share are equal to the basic earnings because there are no dilutive instruments.

Notes

21. Segment reporting

Company Management defined the operating segments used for strategic decision-making as water supply, sewage treatment and solid waste disposal services.

(i) Net income

	Consolidated				
	Nine-month period ended September 30, 2021				
	Water services	Sewage services	Solid waste	Reconciliati on with the Financial Statements	Balance as per Financial Statements
Gross operating revenue*	2,820,073	1,572,540	1,949	415,080	4,809,642
Deductions from gross revenue	(295,052)	(176,138)	(239)	-	(471,429)
Net operating revenue*	2,525,021	1,396,402	1,710	415,080	4,338,213
Selling and administrative expenses and costs	(1,956,587)	(1,082,043)	-	(415,080)	(3,453,710)
Operating profit before other net operating expenses	568,434	314,359	1,710	-	884,503
Other operating revenue/(expenses) net					(147,243)
Net finance income/loss					(133,514)
Net operating income before tax					603,746
Amortization and depreciation	169,298	233,121		109,976	512,395

* The Company does not have intersegment revenue, only having external clients.

Depreciation of property, plant and equipment is allocated as follows: R\$ 51,871 to water services, R\$ 20,884 to sewage services and R\$ 17,827 to Other property, plant and equipment items, amounting to R\$ 90,582.

	Consolidated				
	Thre-month period ended September 30, 2021				
	Water services	Sewage services	Solid waste	Reconciliati on with the Financial Statements	Balance as per Financial Statements
Gross operating revenue*	994,316	528,696	612	192,567	1,716,191
Deductions from gross revenue	(126,078)	(79,572)	(75)	-	(205,725)
Net operating revenue*	868,238	449,124	537	192,567	1,510,466
Selling and administrative expenses and costs	(755,795)	(395,481)	-	(192,567)	(1,343,843)
Operating profit before other net operating expenses	112,443	53,643	537	-	166,623
Other net operating income/(expenses)					(102,221)
Net finance income/loss					(89,599)
Net operating income before tax					(25,197)
Amortization and depreciation	55,305	78,452	-	38,930	172,687

* The Company does not have intersegment revenue, only having external clients.

Depreciation of property, plant and equipment is allocated as follows: R\$ 17,292 to water services, R\$ 6,956 to sewage services and R\$ 7,292 to Other property, plant and equipment items, amounting to R\$ 31,540.

Notes

	Consolidated				Water services
	Nine-month period ended September 30, 2020				
	Water services	Water services	Water services	Water services	
Gross operating revenue ⁽ⁱ⁾	2,598,931	1,472,815	1,764	201,954	4,275,464
Deductions from gross revenue	(240,764)	(136,290)	(216)	-	(377,270)
Net operating revenue ⁽ⁱ⁾	2,358,167	1,336,525	1,548	201,954	3,898,194
Selling and administrative expenses and costs	(1,766,204)	(1,006,277)	-	(201,954)	(2,974,435)
Operating profit before other net operating expenses	591,963	330,248	1,548	-	923,759
Other net operating income/(expenses)					(24,914)
Net finance income/loss					(149,949)
Net operating income before tax					748,896
Amortization and depreciation	155,109	210,585	-	114,637	480,331

* The Company does not have intersegment revenue, only having external clients.

Depreciation of property, plant and equipment is allocated as follows: R\$ 48,600 to water services, R\$ 20,799 to sewage services and R\$ 19,316 to Other property, plant and equipment items, amounting to R\$ 88,715.

	Consolidated				Balance as per Financial Statements
	Three-month period ended September 30, 2020				
	Water services	Sewage services	Solid waste	Reconciliati on with the Financial Statements	
Gross operating revenue ⁽ⁱ⁾	907,472	506,916	591	76,857	1,491,836
Deductions from gross revenue	(83,980)	(46,899)	(72)	-	(130,951)
Net operating revenue ⁽ⁱ⁾	823,492	460,017	519	76,857	1,360,885
Selling and administrative expenses and costs	(597,173)	(338,602)	-	(76,857)	(1,012,632)
Operating profit before other net operating expenses	226,319	121,415	519	-	348,253
Other net operating income/(expenses)					17,089
Net finance income/loss					(37,616)
Net operating income before tax					327,726
Amortization and depreciation	52,233	70,760	-	37,364	160,357

* The Company does not have intersegment revenue, only having external clients.

Depreciation of property, plant and equipment is allocated as follows in the 3rd quarter of 2020: R\$ 16,227 to water services, R\$ 6,954 to sewage services and R\$ 6,360 to Other property, plant and equipment items, amounting to R\$ 29,541.

The impacts on gross operating revenue and costs, arising from the reconciliation of the financial statements are as follows:

	09/30/2021	09/30/2020
Gross construction revenue referring to ICPC 1 (R1)	415,080	201,954
Construction costs referring to ICPC 1 (R1)	(415,080)	(201,954)
Construction margin	-	-

Notes**(ii) Intangible assets**

The assets of the reportable segments are reconciled to total intangible assets as shown below:

	Consolidated	
	09/30/2021	12/31/2020
Water services	1,587,460	1,664,038
Sewage services	3,538,528	3,692,654
Other intangible assets	572,279	602,222
Total intangible assets	5,698,267	5,958,914

(iii) Property, plant and equipment

The assets corresponding to the reporting segments are reconciled with total property, plant and equipment, allocated as follows: R\$ 981,969 to water services, R\$ 286,243 to sewage services and R\$ 219,876 to Other property, plant and equipment items, amounting to R\$ 1,488,088 at September 30, 2021. R\$ 1,033,662 to water services, R\$ 307,078 to sewage services and R\$ 179,912 to Other property, plant and equipment items, amounting to R\$ 1,520,652 in the f] ended December 31, 2020.

There are no liabilities allocated to the reporting segments.

22. Financial Risk Management

In the period ended September 30, 2021 there were no changes to the financial risk management and policies in relation to those disclosed in Note 23 to the Company's Financial Statements for the financial year ended December 31, 2020. The information related to: (a) liabilities subject to exchange variance; (b) credit quality of financial assets; (c) cash flow from financial instruments, also suffered no changes in relation to that disclosed in said Note. Management therefore decided not to reproduce this information in this interim accounting information at September 30, 2021.

22.1 Sensitivity analysis**(a) Interest rate sensitivity**

The Company prepared a sensitivity analysis of the effects of a possible change in the interest rates of borrowings, financing, and debentures. With all other variables held constant, the Company's pretax profit is affected by the impact on loans, financing and debentures subject to floating rates, as shown below:

Notes

Indicators	Exposure (i)	Scenario I	Scenario II	Scenario III	Scenario IV	Scenario V
		Probable (ii)	+25%	-25%	+50%	-50%
TJLP	363,400	5.5500%	6.9375%	4.1625%	8.3250%	2.7750%
Change in Principal (R\$)	-	20,169	25,211	15,127	30,253	10,084
IPCA	905,060	8.5100%	10.6375%	6.3825%	12.7650%	4.2550%
Change in Principal (R\$)	-	77,021	96,276	57,765	115,531	38,510
CDI	1,598,003	8.2500%	10.3125%	6.1875%	12.3750%	4.1250%
Change in Principal (R\$)	-	-	-	-	-	-
TR	861,518	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Change in Principal (R\$)	-	-	-	-	-	-
INPC (iii)	910	3.3400%	4.1750%	2.5050%	5.0100%	1.6700%
Change in Principal (R\$)	-	30	38	23	46	15
FIXED RATE (iv)	261,086	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Change in Principal (R\$)	-	-	-	-	-	-
Total (R\$)	3,989,977	97,220	121,525	72,915	145,830	48,609

(i) Principal as of September 30, 2021.

(ii) Sources of the indexes:

CDI (Target Selic) and IPCA (Focus Report - BACEN dated 10/01/2021

TJLP (Bradesco projection 01/10/2021: <https://www.economiaemdia.com.br/SiteEconomiaEmDia/Projecoes/Longo-PrazoINPC> (Bacen Projections System (latest projection available 02/17/2021:

<https://www3.bcb.gov.br/expectativas/publico/?wicket:interface=:1:::>).

(iii) Addition of balances from actuarial liability assumption agreements of Libertas (pension fund).

(iv) Contracts without monetary restatement: KfW, BEI and FINAME.

(b) Sensitivity to foreign-exchange rate

The Company's sensitivity analysis is determined by estimating the exchange variance of the Euro (€), of $\pm 25\%$ e $\pm 50\%$, in the debit balance of loans and borrowings. The USD loan with Banco do Brasil was settled in February 2021. With all other variables held constant, the result of the sensitivity to the foreign exchange rate, before taxes, is as follows:

Financial instrument as of 09/30/2021	Banco KfW	Banco BEI
Foreign-currency debit balance	€27,780	€10,000
Debit balance	174,967	62,983

Scenarios relating to the debit balance	Gain/(loss)	
	Banco KfW	Banco BEI
Probable (Projection)	(881)	(317)
25% decrease in Euro	43,742	15,746
50% decrease in Euro	87,483	31,492
25% increase in Euro	(43,742)	(15,746)
50% increase in Euro	(87,483)	(31,492)

Sources of projected indexes: Euro Bradesco Projection as of 10/01/2021;

(<https://www.economiaemdia.com.br/SiteEconomiaEmDia/Projecoes/Longo-Prazo>)

(c) Liquidity risk

The table below shows the collateralized receivables pledged by the Company in the borrowings, financing, and debenture agreements, and the Rio Manso PPP. We emphasize that these agreements also provide for a guarantee deposit (note 07).

Notes

Restricted revenue at September 30, 2021				
	Financial institution/agreement	Collateral (committed revenue)	Amount	Agreement end date
Caixa Econômica Federal	CAIXA - 2007/2008 Financing	Restricted revenue amounting to 3 (three) times the monthly debt service of the 2007 and 2008 agreements.	R\$ 5,533	September-31
	CAIXA - PAC 2009	Restricted revenue amounting to 3 (three) times the monthly debt service of the agreements.	R\$ 1,996	November-32
	5 th Debentures Issuance (R\$ 288 Million)	Restricted revenue amounting to at 4.5% of the debentures' outstanding balance in the last business day of each year.	R\$ 8,670	September-31
	CAIXA - 2011 Financing (NIs 33, 25 and 24)	Restricted revenue amounting to 3 (three) times the monthly debt service of the agreements.	R\$ 4,235	June-35
	CAIXA - 2012 Financing (NI 24)	Restricted revenue amounting to 3 (three) times the monthly debt service of the agreements.	R\$ 554	May-36
	CAIXA - 2013 Financing (NI 27)	Restricted revenue amounting to 3 (three) times the monthly debt service of the agreements.	R\$ 3,765	October-37
	CAIXA - 2014 Financing (NI 02)	Restricted revenue amounting to 3 (three) times the monthly debt service of the agreements.	R\$ 2,535	February-38
	CAIXA - 2015 Financing (NI 02)	Restricted revenue amounting to 3 (three) times the monthly debt service of the agreements.	R\$ 1,510	March-39
	CAIXA - 2017 Financing (NI 29)	Restricted revenue amounting to 3 (three) times the monthly debt service of the agreements.	R\$ 1,382	August-41
	Financing (PAC 2007 - R\$ 48 million)/ (PAC 2008 - R\$ 578 million)	Restricted revenue of R\$ 26 million, annually restated by the IPCA since May/2008.	R\$ 53,079	June-23
	BNDES Financing (R\$ 181 million)	Restricted revenue of R\$ 7.0 million, annually restated by the IPCA since Apr/2010.	R\$ 12,898	May-25
	4 th Debentures Issuance (R\$ 740 million)	Restricted revenue of R\$ 32.0 million, annually restated by the IPCA since Jul/2010.	R\$ 59,356	August-22
	8 th Debentures Issuance (R\$ 140 million)	Restricted revenue of R\$ 16.9 million, annually restated by the IPCA since Sep/2015.	R\$ 22,739	June-28
	11 th Debentures Issuance (R\$ 226 million)	Restricted revenue of R\$ 5.5 million, annually restated by the IPCA since April/2017.	R\$ 5,500	January-31
	Banco KfW	€ 100 million	Restricted revenue amounting to 1 (one) times the monthly debt service of the agreement.	R\$ 35,468
BRK Ambiental	Rio Manso PPP	1/12 of the annual installment of the consideration payable for each effective year.	R\$ 10,435	December-28
Caixa Econômica Federal and Banco do Brasil	Finame CEF and BB	Indexing of 130% of the contracts PMT.	R\$ 1,480	January/25
Total Restricted Revenue			R\$ 231,135	

Notes**22.2 Estimate of fair value****(a) Fair value of loans, borrowings and debentures**

The carrying amounts compared with their respective estimated fair values are as follows:

	Parent company / Consolidated			
	Carrying amount	Fair	Carrying amount	Fair
	09/30/2021	09/30/2021	12/31/2020	12/31/2020
Loans and borrowings	1,092,046	621,548	1,273,997	1,245,015
Simple debentures	2,896,927	2,902,392	2,507,144	2,486,913
Total	3,988,973	3,523,940	3,781,141	3,731,928

The liability market values are calculated by projecting the debit balance, restated by the contractual rate, for the remaining payment term. The amount found is dated back to the current period, using the market rates below:

Lines	Contractual rate	Parent company / Consolidated		Notes
		Period months	Market rate	
CEF/FGTS	7,69%	171	5,84%	CEF rate price in Sep/2021
BNDES/Loans	6,41%	32	7,96%	BNDES loan rate in Sep/2021
FINAME	0%	40	14,76%	FINAME rate price in Sep/2021
Simple debentures	6,98%	59	7,19%	Quote of BNDES Debentures BNDES and Market rates in Sep/2021
KfW	2,07%	27	1,66%	KfW rate price in Sep/2021
BEI	0,03%	146	0,55%	BEI rate price in Sep/2021

(b) Financial instruments measured at fair value

The table below presents the assets of COPASA and its subsidiary measured at fair value at September 30, 2021 and December 31, 2020:

	Parent company / Consolidated	
	Assets	
	09/30/2021	12/31/2020
Financial assets investment BRK Ambiental - Foz Jeceaba	86,939	76,603
Total balance	86,939	76,603

Since 01/11/2011 the Company has held a 15.5% equity interest in the company GS Inima Industrial Jeceaba S/A, in the amount of R\$ 86.9 million as of September/21. The other 84.5% is held by GS Inima Industrial. The investment consists of a Specific Purpose Entity - SPE founded to design, implement, operate and maintain industrial water and effluent systems, waste and by-product management and electricity infrastructure of the steel mill owned by Vallourec & Sumitomo Tubos do Brasil – VSB, in the municipality of Jeceaba/MG.

This Entity (SPE) was scheduled to close in January/2026. However, the company Vallourec & Sumitomo Tubos do Brasil – VSB exercised its contractual right in September 2021 to acquire the assets of GS Inima Industrial Jeceaba S/A (unjustified termination), for R\$ 456 million.

The company GS Inima Industrial Jeceaba S/A is therefore undergoing liquidation and COPASA MG will duly recognize it in its financial statements upon effective receipt of its equity interest, subject to accounting rules.

In the period 2011 to 2021 the Company received dividends of R\$ 75 million.

Notes

23. Financial Instruments by Category

(a) Parent Company

	09/30/2021			12/31/2020		
	Financial assets at amortized cost	Fair value in OCI	Total	Financial assets at amortized cost	Fair value in OCI	Total
Assets						
Cash and cash equivalents	1,416,290	-	1,416,290	786,377	-	786,377
Trade receivables	1,060,433	-	1,060,433	1,034,710	-	1,034,710
Banks and arrangements application	8,666	-	8,666	24,452	-	24,452
Restricted short-term investments	76,120	-	76,120	75,715	-	75,715
Financial concession assets	712,363	-	712,363	685,561	-	685,561
Financial assets at fair value through other comprehensive income ⁽¹⁾	-	86,939	86,939	-	76,603	76,603
Credit against Subsidiaries	-	-	-	2,125	-	2,125
Other accounts receivable	147,177	-	147,177	284,143	-	284,143
Total	3,421,049	86,939	3,507,988	2,893,083	76,603	2,969,686

⁽¹⁾ Excluding prepayments.

	09/30/2021		12/31/2020	
	Financial Liabilities at Amortized Cost	Total	Financial Liabilities at Amortized Cost	Total
Liabilities				
Loans and financing, and debentures	3,988,973	3,988,973	3,781,141	3,781,141
Trade payables	230,946	230,946	206,177	206,177
Lease	77,887	77,887	64,135	64,135
Public Private Partnership	272,438	272,438	306,226	306,226
Total	4,570,244	4,570,244	4,357,679	4,357,679

(b) Consolidated

	09/30/2021			12/31/2020		
	Financial assets at amortized cost	Fair value in OCI	Total	Financial assets at amortized cost	Fair value in OCI	Total
Assets						
Cash and cash equivalents	1,458,308	-	1,458,308	805,619	-	805,619
Trade receivables	1,071,799	-	1,071,799	1,045,441	-	1,045,441
Banks and arrangements application	8,714	-	8,714	24,500	-	24,500
Restricted short-term investments	76,120	-	76,120	75,715	-	75,715
Financial concession assets	730,827	-	730,827	709,052	-	709,052
Financial assets at fair value through other comprehensive income ⁽¹⁾	-	86,939	86,939	-	76,603	76,603
Other accounts receivable	143,727	-	143,727	281,533	-	281,533
Total	3,489,495	86,939	3,576,434	2,941,860	76,603	3,018,463

⁽¹⁾ Excluding prepayments.

	09/30/2021		12/31/2020	
	Financial Liabilities at Amortized Cost	Total	Financial Liabilities at Amortized Cost	Total
Liabilities				
Loans and financing, and debentures	3,988,973	3,988,973	3,781,141	3,781,141
Trade payables	237,386	237,386	213,289	213,289
Lease	77,899	77,899	64,138	64,138
Public Private Partnership	272,438	272,438	306,226	306,226
Total	4,576,696	4,576,696	4,364,794	4,364,794

Notes**24. Related-Party Transactions****(a) Asset, liabilities and net income**

In addition to transactions with its wholly-owned subsidiary COPANOR, the Company recognizes Copass Saúde and Fundação Libertas de Seguridade Social as related parties, as well as the financial transactions with key management personnel, its majority shareholder or the companies or agencies directly or indirectly related to it, providing there are formal contracts generating finance transactions with these companies or agencies.

The balances and operations with related parties are as follows:

	Parent company			
	09/30/2021			
	Subsidiary COPANOR	Other		
	MG STATE	COPASS	LIBERTAS	
Assets				
Current				
Trade accounts receivable				
Amounts invoiced	-	21,136	1	14
Outstanding billing	-	9,313	1	7
Arrangements	-	250	-	-
Other receivables				
Credits against subsidiary	3,720	-	-	-
Total assets	3,720	30,699	2	21
Liabilities				
Current				
Arrangements	-	515	-	-
Retirement benefit obligations	-	-	-	10,643
HealthCare plan	-	-	10,797	-
Noncurrent				
Retirement benefit obligations	-	-	-	235,204
Total liabilities	-	515	10,797	245,847
Net income in the half ended 09/30/2021				
Revenue from water and sewage				
services	-	87,786	5	121
Security program	-	-	-	(37,999)
HealthCare plan	-	-	(76,410)	-
Net income in the quarter ended 09/30/2021				
Revenue from water and sewage				
services	-	29,882	2	34
Security program	-	-	-	(13,127)
HealthCare plan	-	-	(26,196)	-

Notes

	Parent company			
	12/31/2020			
	Subsidiary COPANOR	Other		
	MG STATE	COPASS	LIBERTAS	
Assets				
Current				
Trade accounts receivable				
Amounts invoiced	-	16,127	1	14
Outstanding billing	-	8,216	1	7
Arrangements	-	243	-	-
Other receivables				
Credits against subsidiary	2,815	-	-	-
Total assets	2,815	24,586	2	21
Liabilities				
Current				
Arrangements	-	505	-	-
Retirement benefit obligations	-	-	-	21,998
HealthCare plan	-	-	10,426	-
Noncurrent				
Retirement benefit obligations	-	-	-	223,892
Total liabilities	-	505	10,426	245,890

Net income in the half ended 09/30/2020

Revenue from water and sewage services	-	104,083	5	119
Security program	-	-	-	(35,657)
HealthCare plan	-	-	(60,066)	-

Net income in the quarter ended 09/30/2020

Revenue from water and sewage services	-	30,873	1	26
Security program	-	-	-	(12,068)
HealthCare plan	-	-	(17,570)	-

Balances and transactions with related parties are conducted at prices and under terms and conditions agreed by the parties.

(b) Compensation of key management personnel

	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2021	2020	2021	2020
Compensation	1,139	1,258	3,245	3,049
Welfare benefits ⁽ⁱ⁾	109	92	317	251
Total	1,248	1,350	3,562	3,300

(i) Consists of meals, health care and post-employment benefits.

Notes

25. Commitments

The Company has contracts for the construction of new ventures in which obligations are recorded as/when the services are delivered. The main commitments made to contractors and suppliers at September 30, 2021 are as follows:

	Average term Amount contracted in months	
Contractual obligations — Investments in construction works and organic growth in several concessions which corresponds to the expected disbursement	311,574	12
Contractual obligations — Lease agreements outside the scope of IFRS 16, which corresponds to the expected disbursement	6,171	06

26. Transactions not involving Cash or Cash Equivalents

The Company and its subsidiary carried out the following non-cash investment activities, meaning they were not reflected in the cash flow statement:

	Parent company / Consolidated	
	09/30/2021	09/30/2020
Capitalized interest (Note 9)	25,542	30,363
Total	25,542	30,363

27. Revenue

The reconciliation between gross revenue and net revenue is as follows:

	Parent company			
	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2021	2020	2021	2020
Gross revenue from water and sewage	947,808	899,513	2,756,821	2,576,555
Gross revenue from sewage services	492,083	504,742	1,530,979	1,466,708
Solid waste	613	591	1,949	1,764
Construction revenue	187,533	71,331	405,318	188,712
Total gross revenue	1,628,037	1,476,177	4,695,067	4,233,739
Sales taxes	(133,303)	(130,014)	(397,000)	(374,635)
Net revenue	1,494,734	1,346,163	4,298,067	3,859,104
	Consolidated			
	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2021	2020	2021	2020
Gross revenue from water and sewage	956,772	907,472	2,782,530	2,598,931
Gross revenue from sewage services	494,907	506,916	1,538,751	1,472,815
Solid waste	613	591	1,949	1,764
Construction revenue	192,567	76,857	415,080	201,954
Total gross revenue	1,644,859	1,491,836	4,738,310	4,275,464
Sales taxes	(134,393)	(130,951)	(400,097)	(377,270)
Net revenue	1,510,466	1,360,885	4,338,213	3,898,194

Notes

(*) Net revenue breakdown:

	Parent company			
	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2021	2020	2021	2020
Direct water revenue	840,086	796,734	2,442,689	2,282,154
Direct sewage revenue	444,411	455,780	1,382,156	1,323,645
Solid waste	537	519	1,710	1,548
Total direct revenue	1,285,034	1,253,033	3,826,555	3,607,347
Indirect water revenue	20,017	19,535	59,001	55,707
Indirect sewage revenue	2,150	2,264	7,193	7,338
Total indirect revenue	22,167	21,799	66,194	63,045
Construction revenue	187,533	71,331	405,318	188,712
Total net revenue	1,494,734	1,346,163	4,298,067	3,859,104

	Consolidated			
	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2021	2020	2021	2020
Direct water revenue	848,034	803,774	2,465,432	2,301,928
Direct sewage revenue	446,974	457,753	1,389,209	1,329,187
Solid waste	537	519	1,710	1,548
Total direct revenue	1,295,545	1,262,046	3,856,351	3,632,663
Indirect water revenue	20,204	19,718	59,589	56,239
Indirect sewage revenue	2,150	2,264	7,193	7,338
Total indirect revenue	22,354	21,982	66,782	63,577
Construction revenue	192,567	76,857	415,080	201,954
Total net revenue	1,510,466	1,360,885	4,338,213	3,898,194

28. Costs and Expenses by Nature

	Parent company			
	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2021	2020	2021	2020
Operating costs ⁽ⁱ⁾				
Personnel	281,877	187,762	674,191	556,296
Pension obligations	42,072	38,554	122,712	115,611
Construction costs ^(*)	187,533	71,331	405,318	188,712
General materials	26,409	19,149	68,930	56,229
Treatment materials	17,744	17,232	58,396	68,614
Outsourced services	111,719	105,283	313,439	302,317
Electricity	151,149	113,498	397,092	325,246
General expenses	48,577	38,724	137,582	110,153
Depreciation and amortization	157,856	144,023	469,558	432,008
(-) Tax credits	(13,833)	(12,823)	(42,255)	(39,369)
	1,011,103	722,733	2,604,963	2,115,817

Notes

	Parent company			
	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2021	2020	2021	2020
Sales expenses⁽ⁱ⁾				
Personnel	50,252	42,046	128,484	122,526
Pension obligations	6,900	7,591	21,044	22,417
General materials	1,221	1,045	3,431	3,146
Treatment materials	12	1	43	8
Outsourced services	5,168	3,786	14,605	11,471
Electricity	562	451	1,660	1,473
General expenses	54	116	1,175	1,376
Depreciation and amortization	1,702	1,457	4,837	4,473
	65,871	56,493	175,279	166,890
Estimated losses on Trade receivables	51,866	93,414	161,550	281,099

	Parent company			
	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2021	2020	2021	2020
Administrative expenses⁽ⁱ⁾				
Personnel	134,361	64,783	284,714	200,327
Pension obligations	13,595	10,345	37,817	32,465
General materials	1,467	921	3,361	2,677
Treatment materials	18	9	50	44
Outsourced services	28,885	20,016	85,990	60,476
Electricity	840	774	2,455	2,254
General expenses	3,742	11,267	13,410	21,424
Depreciation and amortization	11,264	13,510	32,761	40,968
Provision for obsolete material losses	1,243	(106)	1,366	730
	195,415	121,519	461,924	361,365

	Parent company			
	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2021	2020	2021	2020
Costs and expenses				
Personnel (Note 29)	466,490	294,591	1,087,389	879,149
Social security liabilities (Note 29)	62,567	56,490	181,573	170,493
Construction costs ^(*)	187,533	71,331	405,318	188,712
General materials	29,097	21,115	75,722	62,052
Treatment materials	17,774	17,242	58,489	68,666
Outsourced services	145,772	129,085	414,034	374,264
Electricity	152,551	114,723	401,207	328,973
General expenses	52,373	50,107	152,167	132,953
Depreciation and amortization	170,822	158,990	507,156	477,449
(-) Tax credits	(13,833)	(12,823)	(42,255)	(39,369)
Provision for obsolete material losses	1,243	(106)	1,366	730
Impairment loss on trade receivable	51,866	93,414	161,550	281,099
Total	1,324,255	994,159	3,403,716	2,925,171

Notes

	Consolidated			
	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2021	2020	2021	2020
Operating costs ⁽ⁱ⁾				
Personnel	284,866	191,422	684,602	567,440
Pension obligations	42,747	39,300	124,900	117,859
Construction costs ^(*)	192,567	76,857	415,080	201,954
General materials	27,226	20,034	71,253	58,436
Treatment materials	18,121	17,712	59,547	69,859
Outsourced services	112,734	105,546	315,757	304,246
Electricity	154,407	116,114	405,597	332,532
General expenses	48,813	38,935	138,173	110,666
Depreciation and amortization	159,713	145,382	474,774	434,866
(-) Tax credits	(14,167)	(13,138)	(43,211)	(40,043)
	1,027,027	738,164	2,646,472	2,157,815

	Consolidated			
	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2021	2020	2021	2020
Sales expenses⁽ⁱ⁾				
Personnel	50,302	42,165	128,680	122,711
Pension obligations	6,911	7,614	21,083	22,452
General materials	1,221	1,046	3,436	3,148
Treatment materials	12	1	43	8
Outsourced services	5,474	4,003	15,629	11,689
Electricity	561	451	1,660	1,473
General expenses	55	117	1,178	1,378
Depreciation and amortization	1,703	1,457	4,838	4,474
	66,239	56,854	176,547	167,333
Estimated losses on Trade receivables	53,375	95,562	164,959	284,500

	Consolidated			
	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2021	2020	2021	2020
Administrative expenses⁽ⁱ⁾				
Personnel	135,109	64,888	286,010	200,944
Pension obligations	13,648	10,367	37,997	32,565
General materials	1,457	953	3,362	2,768
Treatment materials	18	9	50	44
Outsourced services	29,563	20,413	87,459	62,334
Electricity	912	810	2,621	2,359
General expenses	3,793	11,280	13,562	21,527
Depreciation and amortization	11,270	13,518	32,783	40,991
Provision for obsolete material losses	1,432	(186)	1,888	1,255
	197,202	122,052	465,732	364,787

Notes

	Consolidated			
	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2021	2020	2021	2020
Costs and expenses				
Personnel (Note 29)	470,277	298,475	1,099,292	891,095
Social security liabilities (Note 29)	63,306	57,281	183,980	172,876
Construction costs (*)	192,567	76,857	415,080	201,954
General materials	29,904	22,033	78,051	64,352
Treatment materials	18,151	17,722	59,640	69,911
Outsourced services	147,771	129,962	418,845	378,269
Electricity	155,880	117,375	409,878	336,364
General expenses	52,661	50,332	152,913	133,571
Depreciation and amortization	172,686	160,357	512,395	480,331
(-) Tax credits	(14,167)	(13,138)	(43,211)	(40,043)
Provision for obsolete material losses	1,432	(186)	1,888	1,255
Impairment loss on trade receivables				
	53,375	95,562	164,959	284,500
Total	1,343,843	1,012,632	3,453,710	2,974,435

(i) The Company classified its expenses by function or nature. The amounts regarding employee profit sharing were paid out to the appropriate positions. The calculation of the employees' profit sharing is limited to 25% of the minimum mandatory dividends paid to shareholders, less the legal reserve. This profit sharing is distributed on a straight-line basis for all employees. As of September 30, 2021 the Company had unsettled balances of R\$ 126,326 (R\$ 79,953 as of September 30, 2020).

(*) Breakdown of construction costs:

	Parent company			
	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2021	2020	2021	2020
Payroll and related charges	9,423	10,048	29,781	29,574
Materials	20,012	9,126	39,413	24,743
Equipment	2,450	2,562	8,155	9,786
Outsourced services	147,855	39,785	305,452	93,618
Financing costs	7,685	9,660	21,997	29,841
Other	108	150	520	1,150
Total construction costs	187,533	71,331	405,318	188,712

	Consolidated			
	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2021	2020	2021	2020
Payroll and related charges	9,423	10,048	29,781	29,574
Materials	20,549	9,865	40,456	25,690
Equipment	2,491	2,581	8,388	9,914
Outsourced services	152,311	44,553	313,938	105,785
Financing costs	7,685	9,660	21,997	29,841
Other	108	150	520	1,150
Total construction costs	192,567	76,857	415,080	201,954

Notes

29. Personnel Expenses

	Parent company			
	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2021	2020	2021	2020
Salaries	204,459	185,343	590,332	556,816
PDVI	152,171	-	152,171	-
Social security costs	62,567	56,490	181,573	170,493
FGTS	16,987	15,657	49,306	47,144
Pension plan contribution	13,127	12,068	37,999	35,657
Workers' meal program	46,324	43,927	135,384	130,995
Health care plan	26,196	17,570	76,409	60,066
Employee profit shares	1,037	15,213	29,896	34,668
Other benefits	6,189	4,813	15,892	13,803
Total (Note 28)	529,057	351,081	1,268,962	1,049,642
Personnel (Note 28)	466,490	294,591	1,087,389	879,149
Social security liabilities (Note 28)	62,567	56,490	181,573	170,493
	Consolidated			
	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2021	2020	2021	2020
Salaries	207,079	188,141	598,744	565,362
PDVI	152,171	-	152,171	-
Social security costs	63,306	57,281	183,980	172,876
FGTS	17,171	15,854	49,904	47,744
Pension plan contribution	13,126	12,067	37,998	35,656
Workers' meal program	47,103	44,637	137,676	133,099
Health care plan	26,377	17,718	76,936	60,553
Employee profit shares	1,037	15,213	29,896	34,668
Other benefits	6,213	4,845	15,967	14,013
Total (Note 28)	533,583	355,756	1,283,272	1,063,971
Personnel (Note 28)	470,277	298,475	1,099,292	891,095
Social security liabilities (Note 28)	63,306	57,281	183,980	172,876

30. Other Operating Expenses and Revenue

The Company's other operating income as at September 30, 2021 and 2020 is set out below:

	Parent company			
	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2021	2020	2021	2020
Reversal of nondeductible provision	12,468	46,373	21,955	73,482
Recovery of written off accounts	18,302	13,602	48,781	34,492
Reimbursement of health-care plan	-	261	119	955
Disposal of property, plant and equipment	946	1,065	2,964	2,516
Other revenue	5,037	3,366	16,076	8,907
Total other operating revenue	36,753	64,667	89,895	120,352

Notes

	Consolidated			
	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2021	2020	2021	2020
Reversal of nondeductible provision	12,694	46,390	22,622	73,633
Recovery of written off accounts	18,446	13,799	49,737	34,858
Reimbursement of health-care plan	-	261	119	955
Disposal of property, plant and equipment	946	1,066	2,964	2,516
Other revenue	5,043	3,395	16,117	9,507
Total other operating revenue	37,129	64,911	91,559	121,469

The Company's other operating expenses as at September 30, 2021 and 2020 is set out below:

	Parent company			
	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2021	2020	2021	2020
Compensation and legal claim payments	97,264	18,412	115,545	45,956
ARSAE Rate	10,738	9,852	32,212	29,556
Provisions for legal claims	13,077	8,477	49,012	25,811
Environmental conservation expenses	9,933	6,459	19,088	17,766
Donations for measures combating COVID-19	-	3	-	5,003
Taxes	1,446	1,337	6,978	6,226
Actuarial liability	3,821	2,351	11,313	6,544
Other	2,548	414	3,044	3,122
Total other operating expenses	138,827	47,305	237,192	139,984

	Consolidated			
	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2021	2020	2021	2020
Compensation and legal claim payments	97,533	18,682	115,903	46,344
ARSAE Rate	10,932	10,025	32,794	30,075
Provisions for legal claims	13,129	8,547	49,535	25,943
Environmental conservation expenses	9,933	6,459	19,088	17,766
Donations for measures combating COVID-19	-	3	-	5,003
Taxes	1,450	1,340	7,070	6,342
Actuarial liability	3,821	2,351	11,313	6,544
Other	2,552	415	3,099	8,366
Total other operating expenses	139,350	47,822	238,802	146,383

31. Financial Revenue and Expenses

Finance income (expenses) can be summarized as follows:

	Parent Company			
	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2021	2020	2021	2020
Interest earned	12,405	8,872	35,118	32,241
Yields on short-term investments	10,023	5,510	21,934	18,277
Monetary and exchange variance revenue	1,671	5,576	27,623	39,859
Income from financial and other assets	12,442	17,056	49,324	42,800
Taxes on finance income	(1,686)	(1,459)	(5,064)	(4,399)
Total revenue	34,855	35,555	128,935	128,778
Financing charges ⁽¹⁾	(60,662)	(38,210)	(145,668)	(116,094)
Monetary and exchange variance expense ⁽²⁾	(63,851)	(35,142)	(117,347)	(163,072)
Other expenses	(507)	(41)	(785)	(189)
Total expense	(125,020)	(73,393)	(263,800)	(279,355)
Finance income (costs)	(90,165)	(37,838)	(134,865)	(150,577)

Notes

	Consolidated			
	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2021	2020	2021	2020
Interest earned	12,523	8,980	35,564	32,602
Yields on short-term investments	10,428	5,598	22,661	18,520
Monetary and exchange variance revenue	1,677	5,580	27,644	39,927
Income from financial and other assets	12,548	17,154	49,607	42,954
Taxes on finance income	(1,716)	(1,473)	(5,133)	(4,437)
Total revenue	35,460	35,839	130,343	129,566
Financing charges ⁽¹⁾	(60,662)	(38,210)	(145,669)	(116,150)
Monetary and exchange variance expense ⁽²⁾	(63,851)	(35,143)	(117,347)	(163,072)
Other expenses	(546)	(102)	(841)	(293)
Total expense	(125,059)	(73,455)	(263,857)	(279,515)
Finance income (costs)	(89,599)	(37,616)	(133,514)	(149,949)

(1) Includes interest on the Libertas financing amounting to R\$ 119 at September 30, 2021 (R\$ 868 at September 30, 2020).

(2) Includes monetary variance expenses on the Libertas financing amounting to R\$ 196 at September 30, 2021 (R\$ 544 at September 30, 2020).

32. Rate-Setting Review

By way of Resolution ARSAE-MG154/2021 of June 28, 2021, in June 2021 ARSAE- MG authorized the company to apply new rates to the public water supply and sewage sanitation services provided, commencing August 01, 2021.

The average rate effect applied to the existing rates is -1.52% (minus one point five two percent), as it includes offsets from the previous year and other financial components.

ARSAE MG also introduced collection for the sewage sanitation service without any special rates depending on whether or not there is collected sewage treatment for each user.

33. Notes in the Annual Financial Statements not presented in this Interim Accounting Information

Pursuant to Official Circular CVM/SNC/SEP/N°003/2011, the Company broke down the notes considered material in the context of “Basic Conceptual Pronouncement - Framework for the Preparation and Presentation of Financial Statements”. All information whose omission or misstatement could influence economic decisions by readers has been duly disclosed in this Interim Account Information, which should be read in conjunction with the Financial Statements as of December 31, 2020.

See below the exact location of the Notes whose information has not been reproduced in these Interim Accounting Information because of either redundancy or materiality:

Note 04 - Critical Accounting Estimates and Judgments;

Note 27 - Insurance Policy;

Note 34 – Financial and Operating Data of Activities Related to Achieving Core Interests.

Note 35 - Rate Adjustment.

Comment about Corporate Projections

Comment about Corporate Projections

1. Projections

In order to dynamically monitor the sanitation sector and Brazil's economic performance, the Company periodically reviews its plans and targets, including investment plans.

1.1. Investment Program

1.1.1. 2021 Investment Program

The Annual General Meeting held 04/30/2021 approved the Parent Company's Investments Program (COPASA MG), for FY 2021, in the amount of R\$ 1,306.8 million.

In respect of COPANOR's investments plan, the subsidiary's executive board resolved the amount of R\$ 47.2 million for 2021.

The following table presents investments made from January to September 2021 (9M21):

Investment (R\$ million)	9M21
Water	283.6
Sewage	225.4
Business and Operational Development	87.9
Parent Company (COPASA MG)	596.9
COPANOR	17.9
Total	614.8

1.1.2. Investment Program - 2022 to 2025

See below the values of the Multi-year Investments Program projected for COPASA MG for the period 2022 to 2025:

Year	2022	2023	2024	2025
Projected Amount (R\$ million)	1,365	1,275	1,275	1,250

Opinions and Representations / Special Review Report – Unqualified

To the Directors and Shareholders
Companhia de Saneamento de Minas Gerais – COPASA MG Belo Horizonte - Minas Gerais

Introduction

We have reviewed the interim, individual and consolidated financial statements of the company Companhia de Saneamento de Minas Gerais - COPASA MG (“Company”), contained in the Quarterly Information Form - ITR for the quarter ended September 30, 2021, consisting of the statements of financial position as of September 30, 2021 and the related statements of income, the comprehensive statements of income for the three- and nine-month periods then ended, the statement of changes in equity and statements of cash flows for the three- and nine-month periods then ended, in addition to the notes to the financial statements.

Company Management is responsible for the preparation of the individual and consolidated interim financial statements in accordance with CPC 21 (R1) and the international standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board - IASB and for the presentation of this information in due accordance with the standards issued by the Brazilian Securities Commission applicable to the preparation of Quarterly Information - ITR. Our responsibility is to express an opinion on the interim financial statements based on our review.

Review scope

We conducted our review in accordance with Brazilian and international standards for reviewing interim information (NBC TR 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily to the management responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially smaller in scope than an audit conducted in accordance with audit standards, and we cannot therefore provide assurance that we have discovered all the significant matters that could have been identified by an audit. Accordingly, we do not express an audit opinion.

Conclusion about the individual and consolidated interim information

Our review did not detect any facts that suggest the individual and consolidated interim financial information included in the aforesaid quarterly information was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 that applies to Quarterly Information - ITR, presented in accordance with the standards issued by the Brazilian Securities Commission - CVM.

Other matters

Statements of added value

The aforesaid quarterly information includes the individual and consolidated statements of added value (DVA) for the nine-month period ended September 30, 2021, which are the responsibility of Company management and are presented as supplementary information for the purpose of IAS 34. These statements were subject to review procedures conducted in conjunction with the review of the quarterly information, in order to conclude whether these statements have been reconciled against the interim accounting information and accounting records, as applicable, and whether their form and content comply with the criteria set out in CPC Technical Pronouncement 09 - Statements of Added Value. Our review did not detect any facts that lead us to believe these statements of added value have not been prepared, in all material respects, in accordance with the criteria established in this Standard and consistently in relation to the individual and consolidated interim financial statements taken as a whole.

Belo Horizonte, October 28, 2021 KPMG

Audidores Independentes
CRC SP-014428/O-6 F-MG

Anderson Luiz de Menezes
Accountant CRC MG-070240/O-3

Opinions and Representations / Representation of the Officers about the Financial Statements

REPRESENTATION BY THE OFFICERS OF THE FINANCIAL STATEMENTS REVIEW AND INDEPENDENT AUDIT OPINION

Pursuant to articles 25 (V and VI) of CVM Directive 480 of December 07, 2009, the CEO and other Officers of Companhia de Saneamento de Minas Gerais - COPASA MG, a mixed capital company, having its registered office at the address Rua Mar de Espanha, 525, Belo Horizonte - MG, Corporate taxpayer number (CNPJ) 17.281.106/0001- 03, hereby represent that:

1. They have revised, discussed and accepted the opinions expressed in the report issued by KPMG Auditores Independentes about the Parent company and consolidated Interim Accounting Information in accordance with the accounting practices adopted in Brazil and International financial reporting standards - IFRS for the period ended September 30, 2021, and
2. They have revised, discussed and accepted the Parent company and consolidated Interim Accounting Information in accordance with the accounting practices adopted in Brazil and International financial reporting standards - IFRS for the period ended September 30, 2021.

Belo Horizonte, October 28, 2021.

Carlos Eduardo Tavares de Castro
CEO

Carlos Augusto Botrel Berto
CFO and Investor Relations Officer

Cristiane Schwanka
Market and Relations Officer

Guilherme Frasson Neto
Chief Operating Officer

Ricardo Augusto Simões Campos
Technological Development, Environment and Enterprises Officer

Opinions and Representations / Representation of the Officers about the Independent Auditors' Report

REPRESENTATION BY THE OFFICERS OF THE FINANCIAL STATEMENTS REVIEW AND INDEPENDENT AUDIT OPINION

Pursuant to articles 25 (V and VI) of CVM Directive 480 of December 07, 2009, the CEO and other Officers of Companhia de Saneamento de Minas Gerais - COPASA MG, a mixed capital company, having its registered office at the address Rua Mar de Espanha, 525, Belo Horizonte - MG, Corporate taxpayer number (CNPJ) 17.281.106/0001- 03, hereby represent that:

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Belo Horizonte, October 28, 2021.

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