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Company information / Breakdown of capital

Quantity of shares (Thousand)	Current quarter 09/30/2023
Paid-in capital	
Common	380,253
Preferred	0
Total	380,253
Treasury	
Common	1,072
Preferred	0
Total	1,072

Individual financial statements / Balance sheet – Assets**(In thousands of reais)**

Code of account	Account description	Current quarter 09/30/2023	Prior year 12/31/2022
1	Total assets	14,001,294	13,175,980
1.01	Current assets	2,653,247	2,407,557
1.01.01	Cash and cash equivalents	1,203,526	1,091,080
1.01.03	Accounts receivable	1,233,234	1,040,394
1.01.03.01	Clients	1,233,234	1,040,394
1.01.04	Inventories	112,244	112,118
1.01.06	Recoverable taxes	12,637	90,325
1.01.06.01	Current taxes recoverable	12,637	90,325
1.01.06.01.01	Recoverable taxes	12,637	90,325
1.01.08	Other current assets	91,606	73,640
1.01.08.03	Other	91,606	73,640
1.01.08.03.01	Advances to employees	15,909	15,506
1.01.08.03.02	Sundry	19,856	16,173
1.01.08.03.03	Technical cooperation agreement	55,496	30,170
1.01.08.03.04	Banks and arrangements	345	11,791
1.02	Non-current assets	11,348,047	10,768,423
1.02.01	Long term assets	4,090,881	3,558,252
1.02.01.03	Interest earning bank deposits measured at amortized cost	74,616	71,706
1.02.01.04	Accounts receivable	148,904	146,183
1.02.01.04.01	Clients	43,731	34,678
1.02.01.04.03	Collaterals as guarantees of loans, financing and debentures	61,926	61,033
1.02.01.04.05	Advances and other	43,247	50,472
1.02.01.07	Deferred taxes	234,007	312,483
1.02.01.07.01	Deferred income tax and social contribution	234,007	312,483
1.02.01.10	Other non-current assets	3,633,354	3,027,880
1.02.01.10.03	Financial assets - Concession contracts	936,483	872,921
1.02.01.10.04	Financial assets measured at fair value through other comprehensive income	620	620
1.02.01.10.05	Right-of-use from lease	86,393	94,275
1.02.01.10.06	Contract asset	2,609,858	2,057,435
1.02.01.10.07	Technical cooperation agreement	0	2,629
1.02.02	Investments	274,452	245,457
1.02.02.01	Equity interest	274,452	245,457
1.02.02.01.02	Interest in subsidiaries	274,192	245,197
1.02.02.01.04	Other investments	260	260
1.02.03	Property, plant and equipment	1,442,914	1,467,396
1.02.03.01	Construction in progress	1,442,914	1,467,396
1.02.04	Intangible assets	5,539,800	5,497,318
1.02.04.01	Intangible assets	5,539,800	5,497,318
1.02.04.01.01	Concession contract	5,539,800	5,497,318

Individual financial statements - Balance sheet - Liabilities**(In thousands of reais)**

Code of account	Account description	Current quarter 09/30/2023	Prior year 12/31/2022
2	Total liabilities	14,001,294	13,175,980
2.01	Current liabilities	1,700,591	1,924,251
2.01.01	Social and labor obligations	199,010	135,235
2.01.01.02	Labor obligations	199,010	135,235
2.01.02	Suppliers	326,247	289,620
2.01.02.01	Domestic suppliers	326,247	289,620
2.01.03	Tax liabilities	97,180	98,125
2.01.03.01	Federal tax liabilities	93,412	95,374
2.01.03.01.01	Income tax and social contribution payable	289	0
2.01.03.01.02	Other federal liabilities	93,123	95,374
2.01.03.03	Municipal tax liabilities	3,768	2,751
2.01.04	Loans and financing	684,511	940,871
2.01.04.01	Loans and financing	119,066	150,328
2.01.04.01.01	In domestic currency	62,922	88,511
2.01.04.01.02	In foreign currency	56,144	61,817
2.01.04.02	Debentures	565,445	790,543
2.01.04.02.01	Non-convertible	565,445	790,543
2.01.05	Other liabilities	328,271	405,163
2.01.05.02	Other	328,271	405,163
2.01.05.02.01	Dividends and interest on own capital	119,528	231,653
2.01.05.02.04	Obligations with retirement benefits	9,828	9,627
2.01.05.02.06	Technical cooperation agreement	2,370	7,978
2.01.05.02.07	Public-Private Partnership	48,243	36,792
2.01.05.02.08	Sundry liabilities	107,763	84,001
2.01.05.02.09	Obligations – Lease	40,539	35,112
2.01.06	Provisions	65,372	55,237
2.01.06.01	Tax, social security, labor and civil provision	65,372	55,237
2.01.06.01.07	Employee profit sharing	65,372	55,237
2.02	Non-current liabilities	4,409,597	3,997,215
2.02.01	Loans and financing	3,912,037	3,199,049
2.02.01.01	Loans and financing	1,062,706	826,609
2.02.01.01.01	In domestic currency	689,690	691,766
2.02.01.01.02	In foreign currency	373,016	134,843
2.02.01.02	Debentures	2,849,331	2,372,440
2.02.01.02.01	Non-convertible	2,849,331	2,372,440
2.02.02	Other liabilities	362,703	401,418
2.02.02.02	Other	362,703	401,418
2.02.02.02.03	Obligations with retirement benefits	34,370	44,296
2.02.02.02.05	Deposits for works	54,373	55,429
2.02.02.02.06	Public-Private Partnership	173,370	206,811
2.02.02.02.07	Sundry	43,840	24,085
2.02.02.02.08	Obligations – Lease	56,750	70,797
2.02.04	Provisions	134,857	396,748
2.02.04.01	Tax, social security, labor and civil provision	134,857	396,748
2.02.04.01.06	Provision for legal disputes	134,857	396,748
2.03	Shareholders' equity	7,891,106	7,254,514

Individual financial statements - Balance sheet - Liabilities**(In thousands of reais)**

Code of account	Account description	Current quarter 09/30/2023	Prior year 12/31/2022
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 shares	-8,576	-8,576
2.03.04	Profit reserves	3,856,600	3,856,580
2.03.04.01	Legal reserve	457,608	457,608
2.03.04.05	Profit retention reserve	3,317,250	3,317,250
2.03.04.07	Tax incentive reserve	81,742	81,722
2.03.05	Retained Earnings/Losses	636,593	0
2.03.06	Equity valuation adjustments	4,104	4,125

Individual financial statements / Statement of income**(In thousands of reais)**

Code of account	Account description	Current quarter 07/01/2023–09/30/2023	Accumulated of the current year 01/01/2023–09/30/2023	Same quarter of the prior year 07/01/2022–09/30/2022	Accumulated of the prior year 01/01/2022–09/30/2022
3.01	Revenue from sales of goods and/or services	1,859,117	5,354,588	1,602,113	4,543,127
3.01.01	Water services	1,064,283	3,142,251	917,073	2,642,084
3.01.02	Sewage services	554,590	1,622,129	458,624	1,339,203
3.01.03	Revenue from construction	239,081	586,581	225,910	560,397
3.01.04	Revenues from solid waste	1,163	3,627	506	1,443
3.02	Cost of goods and/or services sold	-1,092,143	-3,145,723	-988,418	-2,830,474
3.02.01	Cost of goods and/or services sold	-853,062	-2,559,142	-762,508	-2,270,077
3.02.02	Construction cost	-239,081	-586,581	-225,910	-560,397
3.03	Gross income	766,974	2,208,865	613,695	1,712,653
3.04	Operating expenses/revenue	-272,575	-902,371	-278,269	-799,737
3.04.01	Sales expenses	-106,432	-362,727	-110,652	-345,058
3.04.01.01	Sales expenses	-72,772	-226,378	-59,539	-197,103
3.04.01.02	Provision for expected credit losses on Accounts Receivable	-33,660	-136,349	-51,113	-147,955
3.04.02	General and administrative expenses	-182,041	-491,859	-141,069	-412,497
3.04.04	Other operating revenue	23,526	55,461	32,229	101,898
3.04.05	Other operating expenses	-5,025	-84,651	-58,884	-137,453
3.04.05.01	Other operating expenses	-5,025	-84,651	-58,884	-137,453
3.04.06	Equity in net income of subsidiaries	-2,603	-18,595	107	-6,627
3.05	Income (loss) before financial income and taxes	494,399	1,306,494	335,426	912,916
3.06	Financial income (loss)	90,754	19,945	-31,780	-134,161
3.06.01	Financial revenues	77,770	242,710	57,665	208,529
3.06.02	Financial expenses	12,984	-222,765	-89,445	-342,690
3.07	Income (loss) before income tax	585,153	1,326,439	303,646	778,755
3.08	Income tax and social contribution	-148,039	-302,343	-76,478	-203,675
3.08.01	Current	-70,959	-223,867	-87,280	-145,345
3.08.02	Deferred	-77,080	-78,476	10,802	-58,330
3.09	Net income (loss) from continued operations	437,114	1,024,096	227,168	575,080
3.11	Income/loss for the period	437,114	1,024,096	227,168	575,080

Individual financial statements / Statement of comprehensive income**(In thousands of reais)**

Code of account	Account description	Current quarter 07/01/2023–09/30/2023	Accumulated of the current year 01/01/2023–09/30/2023	Same quarter of the prior year 07/01/2022–09/30/2022	Accumulated of the prior year 01/01/2022–09/30/2022
4.01	Net income for the period	437,114	1,024,096	227,168	575,080
4.03	Comprehensive income for the period	437,114	1,024,096	227,168	575,080

Individual financial statements / Statement of cash flows (Indirect method)**(In thousands of reais)**

Code of account	Account description	Accumulated of the current year 01/01/2023–09/30/2023	Accumulated of the prior year 01/01/2022–09/30/2022
6.01	Net cash from operating activities	1,326,030	698,132
6.01.01	Cash generated in operations	1,826,035	1,515,566
6.01.01.01	Net income for the period	1,024,096	575,080
6.01.01.02	Allowance for doubtful accounts	136,349	147,955
6.01.01.04	Charges and net inflation adjustments and exchange-rate changes	39,359	33,458
6.01.01.05	Interest revenues and expenses	157,396	148,823
6.01.01.06	Deferred income tax and social contribution	78,476	58,330
6.01.01.07	Equity in net income of subsidiaries	18,595	6,627
6.01.01.08	Gain/Loss in the write-off of intangible assets and Property, plant and equipment	68,480	12,236
6.01.01.09	Depreciation and amortization	581,844	536,732
6.01.01.10	Formation of provision	-259,257	-8,457
6.01.01.11	Provision from retirement benefits	42,012	48,834
6.01.01.12	Financial assets	-59,539	-42,014
6.01.01.13	Other	-2,100	-1,258
6.01.01.16	Provision for inventory losses	324	-780
6.01.02	Changes in assets and liabilities	75,934	-410,323
6.01.02.01	Trade accounts receivable	-299,873	-154,302
6.01.02.02	Inventories	-634	-26,538
6.01.02.03	Recoverable taxes	77,688	-129,867
6.01.02.06	Investment in Securities/ Restricted Interest Earning Bank Deposit	0	-1,134
6.01.02.07	Prepaid tariff pass-through	6,523	5,481
6.01.02.08	Other financial assets	0	372
6.01.02.09	Other	1,754	979
6.01.02.10	Suppliers	36,627	-30,480
6.01.02.11	Taxes, rates, contributions, and social charges	209,664	259,639
6.01.02.12	Provision for vacation and 13 th salary	63,775	65,791
6.01.02.13	Employee profit sharing	10,135	-82,176
6.01.02.14	Technical cooperation agreement	-28,305	5,534
6.01.02.15	Contingencies	-2,634	550
6.01.02.16	Obligations with retirement benefits	-51,737	-35,289
6.01.02.17	Other liabilities	-18,084	1,247
6.01.02.18	Collective Bargaining Agreement 2019/2022	0	-185,902
6.01.02.19	Payment of actuarial liabilities	0	-13,399
6.01.02.20	Voluntary Dismissal Incentive Program - PDVI	71,035	-90,829
6.01.03	Other	-575,939	-407,111
6.01.03.01	Interest paid	-328,901	-273,219
6.01.03.02	Interest paid to public-private partnership	-9,504	-10,782
6.01.03.03	Payment of income tax/social contribution	-237,534	-123,110
6.02	Net cash used in investment activities	-1,157,184	-956,993
6.02.06	Payment to PPP	-25,864	-21,016
6.02.07	Amount received for sale of property, plant and equipment	2,720	3,476
6.02.08	Capital increase in subsidiaries	-47,590	-54,179
6.02.10	Acquisition of contract assets	-790,782	-733,706
6.02.11	Acquisition of intangible assets	-277,567	-133,708
6.02.12	Acquisition of property, plant and equipment	-33,301	-27,070

Individual financial statements / Statement of cash flows (Indirect method)**(In thousands of reais)**

Code of account	Account description	Accumulated of the current year 01/01/2023–09/30/2023	Accumulated of the prior year 01/01/2022–09/30/2022
6.02.13	Collateral for financing	3,754	10,813
6.02.14	Banks and arrangements	11,446	-1,603
6.03	Net cash from financing activities	-56,400	-664,266
6.03.01	Inflows of loans, financing and debentures	1,208,138	68,872
6.03.02	Amortization of Loans, Financing and Debentures	-742,348	-623,534
6.03.04	Interest on own capital paid	-472,725	-81,235
6.03.12	Funding cost	-14,381	0
6.03.13	Lease payment	-35,084	-28,369
6.05	Increase (decrease) in cash and cash equivalents	112,446	-923,127
6.05.01	Opening balance of cash and cash equivalents	1,091,080	1,279,469
6.05.02	Closing balance of cash and cash equivalents	1,203,526	356,342

Individual financial statements / Statement of changes in shareholders' equity / DMPL – 01/01/2023–09/30/2023**(In thousands of reais)**

Code of account	Account description	Paid-up capital	Capital reserves, options granted and treasury shares	Profit reserves	Retained earnings (loss)	Other comprehensive income	Shareholders' equity
5.01	Opening balances	3,402,385	-8,576	3,856,580	0	4,126	7,254,515
5.03	Adjusted opening balances	3,402,385	-8,576	3,856,580	0	4,126	7,254,515
5.05	Total comprehensive income	0	0	0	1,024,096	0	1,024,096
5.05.01	Net income for the period	0	0	0	1,024,096	0	1,024,096
5.06	Internal changes in shareholders' equity	0	0	20	-387,503	-22	-387,505
5.06.05	Tax incentive reserve	0	0	20	0	0	20
5.06.06	Interest on own capital	0	0	0	-387,525	0	-387,525
5.06.10	Amortization of inflation adjustment on restated assets	0	0	0	34	-34	0
5.06.11	Deferred income tax and social contribution on restated assets	0	0	0	-12	12	0
5.07	Closing balances	3,402,385	-8,576	3,856,600	636,593	4,104	7,891,106

Individual financial statements / Statement of changes in shareholders' equity / DMPL – 01/01/2022–09/30/2022**(In thousands of reais)**

Code of account	Account description	Paid-up capital	Capital reserves, options granted and treasury shares	Profit reserves	Retained earnings (loss)	Other comprehensive income	Shareholders' equity
5.01	Opening balances	3,402,385	-8,576	3,402,583	0	-36,434	6,759,958
5.03	Adjusted opening balances	3,402,385	-8,576	3,402,583	0	-36,434	6,759,958
5.05	Total comprehensive income	0	0	0	575,080	0	575,080
5.05.01	Net income for the period	0	0	0	575,080	0	575,080
5.06	Internal changes in shareholders' equity	0	0	1,696	-145,697	-35	-144,036
5.06.04	Interest on own capital	0	0	0	-145,732	0	-145,732
5.06.05	Amortization of inflation adjustment on restated assets	0	0	0	53	-53	0
5.06.06	Deferred income tax and social contribution on restated assets	0	0	0	-18	18	0
5.06.08	Tax incentive reserve	0	0	1,696	0	0	1,696
5.07	Closing balances	3,402,385	-8,576	3,404,279	429,383	-36,469	7,191,002

Individual financial statements / Statement of added value**(In thousands of reais)**

Code of account	Account description	Accumulated of the current year 01/01/2023–09/30/2023	Accumulated of the prior year 01/01/2022–09/30/2022
7.01	Revenues	5,759,976	4,903,509
7.01.01	Sale of goods, products and services	5,254,283	4,389,169
7.01.02	Other revenues	55,461	101,898
7.01.02.01	Other operating revenue	55,461	68,429
7.01.02.02	Recovery of written-off accounts	0	33,469
7.01.03	Revenues from construction of own assets	586,581	560,397
7.01.04	Formation/reversal of allowance for doubtful accounts	-136,349	-147,955
7.02	Inputs acquired from third parties	-2,026,566	-1,897,248
7.02.01	Cost of products, goods and services sold	-1,797,352	-1,653,335
7.02.02	Materials, energy, outsourced services and other	-198,765	-156,054
7.02.04	Other	-30,449	-87,859
7.03	Gross added value	3,733,410	3,006,261
7.04	Retentions	-581,843	-536,732
7.04.01	Depreciation, amortization and depletion	-581,843	-536,732
7.05	Net added value produced	3,151,567	2,469,529
7.06	Added value received as transfer	231,793	207,276
7.06.01	Equity in net income of subsidiaries	-18,595	-6,627
7.06.02	Financial revenues	250,388	213,903
7.07	Total added value payable	3,383,360	2,676,805
7.08	Distribution of added value	3,383,360	2,676,805
7.08.01	Personnel	1,119,404	984,135
7.08.01.01	Direct remuneration	722,014	643,500
7.08.01.02	Benefits	282,160	264,292
7.08.01.03	Severance Pay Fund (FGTS)	51,686	48,877
7.08.01.04	Other	63,544	27,466
7.08.01.04.04	Employee profit sharing	63,544	27,466
7.08.02	Taxes, duties and contributions	906,194	707,363
7.08.02.01	Federal	855,432	660,194
7.08.02.02	State	47,526	44,741
7.08.02.03	Municipal	3,236	2,428
7.08.03	Third-party capital remuneration	333,666	410,227
7.08.03.01	Interest	313,886	401,578
7.08.03.02	Rentals	19,746	8,649
7.08.03.03	Other	34	0
7.08.04	Remuneration of own capital	1,024,096	575,080
7.08.04.01	Interest on own capital	387,525	145,732
7.08.04.03	Retained earnings / Loss for the period	636,571	429,348

Consolidated financial statements / Balance sheet – Assets**(In thousands of reais)**

Code of account	Account description	Current quarter 09/30/2023	Prior year 12/31/2022
1	Total assets	14,016,273	13,189,607
1.01	Current assets	2,715,478	2,449,939
1.01.01	Cash and cash equivalents	1,250,850	1,122,299
1.01.03	Accounts receivable	1,247,500	1,051,607
1.01.03.01	Clients	1,247,500	1,051,607
1.01.04	Inventories	117,681	116,395
1.01.06	Recoverable taxes	13,676	90,989
1.01.06.01	Current taxes recoverable	13,676	90,989
1.01.06.01.01	Recoverable taxes	13,676	90,989
1.01.08	Other current assets	85,771	68,649
1.01.08.03	Other	85,771	68,649
1.01.08.03.01	Advances to employees	16,318	15,791
1.01.08.03.02	Sundry	13,481	10,831
1.01.08.03.03	Technical cooperation agreement	55,505	30,185
1.01.08.03.04	Banks and arrangements	467	11,842
1.02	Non-current assets	11,300,795	10,739,668
1.02.01	Long term assets	4,197,848	3,641,958
1.02.01.03	Interest earning bank deposits measured at amortized cost	74,616	71,706
1.02.01.04	Accounts receivable	149,398	146,518
1.02.01.04.01	Clients	44,147	34,963
1.02.01.04.03	Collaterals as guarantees of loans, financing and debentures	61,926	61,033
1.02.01.04.05	Advances and other	43,325	50,522
1.02.01.07	Deferred taxes	234,007	312,483
1.02.01.07.01	Deferred income tax and social contribution	234,007	312,483
1.02.01.10	Other non-current assets	3,739,827	3,111,251
1.02.01.10.03	Financial assets - Concession contracts	953,288	889,897
1.02.01.10.04	Financial assets measured at fair value through other comprehensive income	620	620
1.02.01.10.05	Right-of-use from lease	86,483	94,284
1.02.01.10.06	Contract asset	2,699,436	2,123,821
1.02.01.10.07	Technical cooperation agreement	0	2,629
1.02.02	Investments	260	260
1.02.02.01	Equity interest	260	260
1.02.02.01.05	Other investments	260	260
1.02.03	Property, plant and equipment	1,450,303	1,473,823
1.02.03.01	Construction in progress	1,450,303	1,473,823
1.02.04	Intangible assets	5,652,384	5,623,627
1.02.04.01	Intangible assets	5,652,384	5,623,627
1.02.04.01.01	Concession contract	5,652,384	5,623,627

Consolidated financial statements / Balance sheet – Liabilities**(In thousands of reais)**

Code of account	Account description	Current quarter 09/30/2023	Prior year 12/31/2022
2	Total liabilities	14,016,273	13,189,607
2.01	Current liabilities	1,714,998	1,937,386
2.01.01	Social and labor obligations	201,507	136,614
2.01.01.02	Labor obligations	201,507	136,614
2.01.02	Suppliers	335,161	298,595
2.01.02.01	Domestic suppliers	335,161	298,595
2.01.03	Tax liabilities	98,145	98,976
2.01.03.01	Federal tax liabilities	94,318	96,225
2.01.03.01.01	Income tax and social contribution payable	289	0
2.01.03.01.02	Other federal liabilities	94,029	96,225
2.01.03.03	Municipal tax liabilities	3,827	2,751
2.01.04	Loans and financing	684,511	940,871
2.01.04.01	Loans and financing	119,066	150,328
2.01.04.01.01	In domestic currency	62,922	88,511
2.01.04.01.02	In foreign currency	56,144	61,817
2.01.04.02	Debentures	565,445	790,543
2.01.04.02.01	Non-convertible	565,445	790,543
2.01.05	Other liabilities	328,596	405,517
2.01.05.02	Other	328,596	405,517
2.01.05.02.01	Dividends and interest on own capital	119,528	231,653
2.01.05.02.04	Obligations with retirement benefits	9,828	9,627
2.01.05.02.06	Technical cooperation agreement	2,370	7,978
2.01.05.02.07	Public-Private Partnership	48,243	36,792
2.01.05.02.08	Sundry liabilities	108,049	84,348
2.01.05.02.09	Obligations – Lease	40,578	35,119
2.01.06	Provisions	67,078	56,813
2.01.06.01	Tax, social security, labor and civil provision	67,078	56,813
2.01.06.01.05	Other tax obligations	1,706	1,576
2.01.06.01.07	Employee profit sharing	65,372	55,237
2.02	Non-current liabilities	4,410,169	3,997,707
2.02.01	Loans and financing	3,912,037	3,199,049
2.02.01.01	Loans and financing	1,062,706	826,609
2.02.01.01.01	In domestic currency	689,690	691,766
2.02.01.01.02	In foreign currency	373,016	134,843
2.02.01.02	Debentures	2,849,331	2,372,440
2.02.01.02.01	Non-convertible	2,849,331	2,372,440
2.02.02	Other liabilities	362,748	401,418
2.02.02.02	Other	362,748	401,418
2.02.02.02.03	Obligations with retirement benefits	34,370	44,296
2.02.02.02.05	Deposits for works	54,373	55,429
2.02.02.02.06	Public-Private Partnership	173,370	206,811
2.02.02.02.07	Sundry	43,840	24,085
2.02.02.02.08	Obligations – Lease	56,795	70,797
2.02.04	Provisions	135,384	397,240
2.02.04.01	Tax, social security, labor and civil provision	135,384	397,240
2.02.04.01.06	Provision for legal disputes	135,384	397,240

Consolidated financial statements / Balance sheet – Liabilities**(In thousands of reais)**

Code of account	Account description	Current quarter 09/30/2023	Prior year 12/31/2022
2.03	Consolidated shareholders' equity	7,891,106	7,254,514
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 shares	-8,576	-8,576
2.03.04	Profit reserves	3,856,600	3,856,580
2.03.04.01	Legal reserve	457,608	457,608
2.03.04.05	Profit retention reserve	3,317,250	3,317,250
2.03.04.07	Tax incentive reserve	81,742	81,722
2.03.05	Retained Earnings/Losses	636,593	0
2.03.06	Equity valuation adjustments	4,104	4,125

Consolidated financial statements / Statement of income**(In thousands of reais)**

Code of account	Account description	Current quarter 07/01/2023–09/30/2023	Accumulated of the current year 01/01/2023–09/30/2023	Same quarter of the prior year 07/01/2022–09/30/2022	Accumulated of the prior year 01/01/2022–09/30/2022
3.01	Revenue from sales of goods and/or services	1,877,575	5,409,010	1,621,758	4,588,683
3.01.01	Water services	1,076,238	3,177,439	926,414	2,668,672
3.01.02	Sewage services	558,389	1,633,317	461,553	1,347,617
3.01.03	Revenue from construction	241,785	594,627	233,285	570,951
3.01.05	Revenues from solid waste	1,163	3,627	506	1,443
3.02	Cost of goods and/or services sold	-1,112,247	-3,199,817	-1,006,596	-2,877,887
3.02.01	Cost of goods and/or services sold	-870,462	-2,605,190	-773,311	-2,306,936
3.02.02	Construction cost	-241,785	-594,627	-233,285	-570,951
3.03	Gross income	765,328	2,209,193	615,162	1,710,796
3.04	Operating expenses/revenue	-272,454	-900,296	-281,273	-801,516
3.04.01	Sales expenses	-107,537	-365,795	-112,306	-349,976
3.04.01.01	Sales expenses	-73,398	-228,208	-60,023	-198,566
3.04.01.02	Provision for expected credit losses on Accounts Receivable	-34,139	-137,587	-52,283	-151,410
3.04.02	General and administrative expenses	-183,165	-495,134	-141,899	-416,521
3.04.04	Other operating revenue	24,055	56,062	32,060	103,370
3.04.05	Other operating expenses	-5,807	-95,429	-59,128	-138,389
3.04.05.01	Other operating expenses	-5,807	-95,429	-59,128	-138,389
3.05	Income (loss) before financial income and taxes	492,874	1,308,897	333,889	909,280
3.06	Financial income (loss)	92,279	17,542	-30,243	-130,525
3.06.01	Financial revenues	79,318	246,595	59,222	212,189
3.06.02	Financial expenses	12,961	-229,053	-89,465	-342,714
3.07	Income (loss) before income tax	585,153	1,326,439	303,646	778,755
3.08	Income tax and social contribution	-148,039	-302,343	-76,478	-203,675
3.08.01	Current	-70,959	-223,867	-87,280	-145,345
3.08.02	Deferred	-77,080	-78,476	10,802	-58,330
3.09	Net income (loss) from continued operations	437,114	1,024,096	227,168	575,080
3.11	Income/loss for the period	437,114	1,024,096	227,168	575,080
3.99	Earnings per share - (Reais R\$ / Shares)				

Consolidated financial statements / Statement of income**(In thousands of reais)**

Code of account	Account description	Current quarter 07/01/2023–09/30/2023	Accumulated of the current year 01/01/2023–09/30/2023	Same quarter of the prior year 07/01/2022–09/30/2022	Accumulated of the prior year 01/01/2022–09/30/2022
3.99.01	Basic earnings per share				
3.99.01.01	Common shares	1.15	2.7	0.6	1.52
3.99.02	Diluted earnings per share				
3.99.02.01	Common shares	1.15	2.7	0.6	1.52

Consolidated financial statements / Statement of comprehensive income**(In thousands of reais)**

Code of account	Account description	Current quarter 07/01/2023–09/30/2023	Accumulated of the current year 01/01/2023–09/30/2023	Same quarter of the prior year 07/01/2022–09/30/2022	Accumulated of the prior year 01/01/2022–09/30/2022
4.01	Consolidated net income for the period	437,114	1,024,096	227,168	575,080
4.03	Consolidated comprehensive income for the period	437,114	1,024,096	227,168	575,080
4.03.01	Attributed to the Parent company's partners	437,114	1,024,096	227,168	575,080

Consolidated financial statements / Statement of cash flows (Indirect method)**(In thousands of reais)**

Code of account	Account description	Accumulated of the current year 01/01/2023–09/30/2023	Accumulated of the prior year 01/01/2022–09/30/2022
6.01	Net cash from operating activities	1,313,130	688,743
6.01.01	Cash generated in operations	1,816,775	1,516,657
6.01.01.01	Net income for the year	1,024,096	575,080
6.01.01.02	Allowance for doubtful accounts	137,587	151,410
6.01.01.04	Charges and net inflation adjustments and exchange-rate changes	39,359	33,458
6.01.01.05	Interest revenues and expenses	157,011	148,389
6.01.01.06	Deferred income tax and social contribution	78,476	58,330
6.01.01.08	Gain/Loss in the write-off of intangible assets and Property, plant and equipment	68,483	12,272
6.01.01.09	Depreciation and amortization	590,115	543,235
6.01.01.10	Formation of provision	-259,068	-8,853
6.01.01.11	Provision from retirement benefits	42,012	48,834
6.01.01.12	Financial assets	-59,972	-42,310
6.01.01.13	Other	-2,100	-1,274
6.01.01.16	Provision for inventory losses	776	-1,914
6.01.02	Changes in assets and liabilities	72,294	-420,800
6.01.02.01	Trade accounts receivable	-303,907	-157,479
6.01.02.02	Inventories	-1,838	-27,041
6.01.02.03	Recoverable taxes	77,313	-130,186
6.01.02.06	Investment in Securities / Restricted Interest Earning Bank Deposit	0	-1,134
6.01.02.07	Prepaid tariff pass-through	6,523	5,481
6.01.02.08	Other financial assets	0	372
6.01.02.09	Other	2,635	1,904
6.01.02.10	Suppliers	36,566	-39,574
6.01.02.11	Taxes, rates, contributions, and social charges	209,779	259,520
6.01.02.12	Provision for vacation and 13 th salary	64,893	66,573
6.01.02.13	Employee profit sharing	10,135	-82,176
6.01.02.14	Technical cooperation agreement	-28,299	5,537
6.01.02.15	Contingencies	-2,658	480
6.01.02.16	Obligations with retirement benefits	-51,737	-35,289
6.01.02.17	Other liabilities	-18,146	2,342
6.01.02.18	Collective Bargaining Agreement 2019/2022	0	-185,902
6.01.02.19	Payment of actuarial liabilities	0	-13,399
6.01.02.20	Voluntary Dismissal Incentive Program - PDVI	71,035	-90,829
6.01.03	Other	-575,939	-407,114
6.01.03.01	Interest paid	-328,901	-273,222
6.01.03.02	Interest paid to public-private partnership	-9,504	-10,782
6.01.03.03	Payment of income tax/social contribution	-237,534	-123,110
6.02	Net cash used in investment activities	-1,128,120	-928,202
6.02.07	Amount received for sale of property, plant and equipment	2,720	3,476
6.02.08	Payment to PPP	-25,864	-21,016
6.02.10	Acquisition of contract assets	-800,914	-749,714
6.02.11	Acquisition of intangible assets	-284,164	-139,525
6.02.12	Acquisition of property, plant and equipment	-35,027	-30,629
6.02.13	Collateral for financing	3,754	10,813
6.02.14	Banks and arrangements	11,375	-1,607

Consolidated financial statements / Statement of cash flows (Indirect method)**(In thousands of reais)**

Code of account	Account description	Accumulated of the current year 01/01/2023–09/30/2023	Accumulated of the prior year 01/01/2022–09/30/2022
6.03	Net cash from financing activities	-56,459	-664,308
6.03.01	Inflows of loans, financing and debentures	1,208,138	68,872
6.03.02	Amortization of loans, financing and debentures	-742,348	-623,534
6.03.04	Interest on own capital paid	-472,725	-81,235
6.03.12	Funding cost	-14,381	0
6.03.13	Lease payment	-35,143	-28,411
6.05	Increase (decrease) in cash and cash equivalents	128,551	-903,767
6.05.01	Opening balance of cash and cash equivalents	1,122,299	1,309,721
6.05.02	Closing balance of cash and cash equivalents	1,250,850	405,954

Consolidated financial statements / Statement of changes in shareholders' equity / DMPL – 01/01/2023–09/30/2023**(In thousands of reais)**

Code of account	Account description	Paid-up capital	Capital reserves, options granted and treasury shares	Profit reserves	Retained earnings (loss)	Other comprehensive income	Shareholders' equity	Non-controlling interest	Consolidated shareholders' equity
5.01	Opening balances	3,402,385	-8,576	3,856,580	0	4,126	7,254,515	0	7,254,515
5.03	Adjusted opening balances	3,402,385	-8,576	3,856,580	0	4,126	7,254,515	0	7,254,515
5.05	Total comprehensive income	0	0	0	1,024,096	0	1,024,096	0	1,024,096
5.05.01	Net income for the period	0	0	0	1,024,096	0	1,024,096	0	1,024,096
5.06	Internal changes in shareholders' equity	0	0	20	-387,503	-22	-387,505	0	-387,505
5.06.05	Tax incentive reserve	0	0	20	0	0	20	0	20
5.06.07	Interest on own capital	0	0	0	-387,525	0	-387,525	0	-387,525
5.06.10	Amortization of inflation adjustment on restated assets	0	0	0	34	-34	0	0	0
5.06.11	Deferred income tax and social contribution on restated assets	0	0	0	-12	12	0	0	0
5.07	Closing balances	3,402,385	-8,576	3,856,600	636,593	4,104	7,891,106	0	7,891,106

Consolidated financial statements / Statement of changes in shareholders' equity / DMPL – 01/01/2022–09/30/2022**(In thousands of reais)**

Code of account	Account description	Paid-up capital	Capital reserves, options granted and treasury shares	Profit reserves	Retained earnings (loss)	Other comprehensive income	Shareholders' equity	Non-controlling interest	Consolidated shareholders' equity
5.01	Opening balances	3,402,385	-8,576	3,402,583	0	-36,434	6,759,958	0	6,759,958
5.03	Adjusted opening balances	3,402,385	-8,576	3,402,583	0	-36,434	6,759,958	0	6,759,958
5.05	Total comprehensive income	0	0	0	575,080	0	575,080	0	575,080
5.05.01	Net income for the period	0	0	0	575,080	0	575,080	0	575,080
5.06	Internal changes in shareholders' equity	0	0	1,696	-145,697	-35	-144,036	0	-144,036
5.06.04	Interest on own capital	0	0	0	-145,732	0	-145,732	0	-145,732
5.06.05	Amortization of inflation adjustment on restated assets	0	0	0	53	-53	0	0	0
5.06.06	Deferred income tax and social contribution on restated assets	0	0	0	-18	18	0	0	0
5.06.08	Tax incentive reserve	0	0	1,696	0	0	1,696	0	1,696
5.07	Closing balances	3,402,385	-8,576	3,404,279	429,383	-36,469	7,191,002	0	7,191,002

Consolidated financial statements / Statement of added value**(In thousands of reais)**

Code of account	Account description	Accumulated of the current year 01/01/2023–09/30/2023	Accumulated of the prior year 01/01/2022–09/30/2022
7.01	Revenues	5,818,487	4,950,650
7.01.01	Sale of goods, products and services	5,305,385	4,427,739
7.01.02	Other revenues	56,062	103,370
7.01.02.01	Other operating revenue	56,062	68,465
7.01.02.02	Recovery of written-off accounts	0	34,905
7.01.03	Revenues from construction of own assets	594,627	570,951
7.01.04	Formation/reversal of allowance for doubtful accounts	-137,587	-151,410
7.02	Inputs acquired from third parties	-2,070,542	-1,927,966
7.02.01	Cost of products, goods and services sold	-1,827,978	-1,682,170
7.02.02	Materials, energy, outsourced services and other	-201,951	-158,986
7.02.04	Other	-40,613	-86,810
7.03	Gross added value	3,747,945	3,022,684
7.04	Retentions	-590,115	-543,235
7.04.01	Depreciation, amortization and depletion	-590,115	-543,235
7.05	Net added value produced	3,157,830	2,479,449
7.06	Added value received as transfer	254,442	217,728
7.06.02	Financial revenues	254,442	217,728
7.07	Total added value payable	3,412,272	2,697,177
7.08	Distribution of added value	3,412,272	2,697,177
7.08.01	Personnel	1,135,155	997,744
7.08.01.01	Direct remuneration	732,930	653,127
7.08.01.02	Benefits	286,230	267,588
7.08.01.03	Severance Pay Fund (FGTS)	52,451	49,562
7.08.01.04	Other	63,544	27,467
7.08.01.04.01	Employee profit sharing	63,544	27,467
7.08.02	Taxes, duties and contributions	912,994	714,098
7.08.02.01	Federal	861,230	666,080
7.08.02.02	State	48,528	45,586
7.08.02.03	Municipal	3,236	2,432
7.08.03	Third-party capital remuneration	340,027	410,255
7.08.03.01	Interest	320,151	401,582
7.08.03.02	Rentals	19,832	8,673
7.08.03.03	Other	44	0
7.08.04	Remuneration of own capital	1,024,096	575,080
7.08.04.01	Interest on own capital	387,525	145,732
7.08.04.03	Retained earnings / Loss for the period	636,571	429,348

Performance comment

Performance Comment

The Company presents a Performance Comment on the operating and financial income (loss) for the third quarter of 2023 (3Q23) compared to the third quarter of 2022 (3Q22), as follows:

1. Operating performance

Concessions

In September 2023, COPASA MG (consolidated) had 640 concessions to render water services and 309 concessions to provide sewage treatment services, as shown in the following table:

Concessões ¹	09/2023			09/2022		
	Total	Parent Company	COPANOR	Total	Parent Company	COPANOR
Water						
Concessions	640	591	49	640	591	49
In operation	633	584	49	632	584	48
Sewage						
Concessions	309	253	56	310	254	56
In operation	271	229	42	268	227	41

(1) Only one (1) concession/operation per municipality is considered, regardless of whether there is more than one contract, in the case of COPASA and COPANOR services in the same municipality, or whether the contract covers only districts and localities outside the municipal seat.

(2) Includes expired concessions with 28 municipalities and concessions with 2 municipalities, whose contracts were judicially declared null and void.

(3) This reduction is due to the termination of the sewage concession in the municipality of Datas, which has a population of less than 4,000 inhabitants. The concession was not operated.

The ten main current concessions on September 30, 2023, which jointly accounted for approximately 49% of the Company's net water and sewage revenue, as well as their respective maturities, are listed below:

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

In September 2023, 83% of the Company's water and sewage revenues came from concessions whose maturity dates occur after December 2031. Concessions relating to 28 municipalities were expired and the contracts of two (2) municipalities, which together account for approximately 4.1% of water and sewage revenues, were legally considered null and void.

Taking into account the principle of continuity in the provision of essential public services, services continue to be provided and billed normally by the Company both in municipalities with expired concessions and in municipalities where contractual nullity was decreed.

Performance comment

Operating data

Below are the main operating data and the evolution in the comparative periods. Considering COPASA MG and COPANOR jointly in the last 12 months, the number of consumer units for the provision of water supply and sanitary sewage services increased 1.2% and 2.1%, respectively.

Specification-CONSOLIDATED (COPASA+COPANOR)	3Q23	3Q22	Change (Amount)	Change (%)
Water				
Connections (1,000 units)	4,677	4,619	58	1.3%
Households (1,000 units)	5,638	5,569	69	1.2%
Population Served (1,000 inhabitants)	11,833	11,825	8	0.1%
Distributed volume (1,000 m ³)	279,606	271,711	7,895	2.9%
Measured volume (1,000 m ³)	169,592	163,949	5,643	3.4%
Network Extension (km)	65,694	64,690	1,003	1.6%
Sewage				
Connections (1,000 units)	3,175	3,110	65	2.1%
Households (1,000 units)	4,028	3,947	81	2.1%
Population Served (1,000 inhabitants)	8,588	8,513	75	0.9%
Measured volume (1,000 m ³)	116,363	112,059	4,304	3.8%
Network Extension (km)	33,532	32,735	797	2.4%

Number of employees

The numbers of employees in the comparative periods are presented below, and the observed drop of 3.4% in the number of employees in the last 12 months is mainly related to the Voluntary Dismissal Program (PDVI), whose information is detailed in Note 13.

Number of employees			Change (Amount)	Change (%)
COPASA	9,796	10,149	(353)	-3.5%
COPANOR	468	471	(3)	-0.6%
Total	10,264	10,620	(356)	-3.35%

2. Financial performance

In view of the immateriality of the subsidiary COPANOR, the financial information provided by the Company in the Performance Comment, except where otherwise indicated, refers to the individual financial statements.

Net revenue

Net revenue from water, sewage and solid waste reached R\$ 1.6 billion in 3Q23, as presented in the following table:

Net revenue (R\$'000)	3Q23	3Q22	Change (Amount)	Change (%)
Net revenue - Water	1,064,283	917,073	147,210	16.1%
Net revenue - Sewage	554,590	458,624	95,966	20.9%
Net revenue - Solid waste	1,163	506	657	129.8%
Net revenue - Water, sewage and solid waste	1,620,036	1,376,203	243,833	17.7%

Performance comment

Below, the Company presents its comments on the main factors that influenced the net revenue from water and sewage in the comparative periods:

- impacts of the tariff adjustment applied on January 1, 2023, with an average tariff effect of 15.7%, as authorized by Arsae-MG; and
- 3.4% increase in water volume measured and 3.9% in sewage volume measured, compared to 3Q22.

Costs and expenses

Costs and expenses totaled R\$ 1.1 billion in 3Q23, against R\$ 1.0 billion in 3Q22, accounting for an increase of 12.6%.

Costs and expenses (R\$'000)	3Q23	3Q22	Change (Amount)	Change (%)
Manageable costs	749,128	679,095	70,033	10.3%
Personnel	408,895	357,590	51,305	14.3%
Outsourced services	182,244	163,877	18,367	11.2%
Rio Manso PPP	23,415	23,967	(552)	-2.3%
Material	19,532	23,910	(4,378)	-18.3%
Impairment loss on accounts receivable	33,660	51,113	(17,453)	-34.1%
Tariff transfer to municipalities	68,689	51,241	17,448	34.1%
Sundry operating costs	12,693	7,397	5,296	71.6%
Non-manageable costs	181,288	148,908	32,380	21.7%
Electric power	156,625	122,488	34,137	27.9%
Telecom	5,029	4,215	814	19.3%
Treatment and laboratory material	28,817	28,713	104	0.4%
Fuels and lubricants	7,395	10,920	(3,525)	-32.3%
Tax credits	(16,578)	(17,428)	850	-4.9%
Depreciation and amortization	193,007	178,805	14,202	7.9%
Charging for the use of water resources	18,112	7,421	10,691	144.1%
Total costs and expenses	1,141,535	1,014,229	127,306	12.6%

Below, the Company presents the comments on the items that comprise the costs of sales and services provided, cost of sales and administrative expenses (excluding construction costs) that showed the most significant variations:

Personnel: the increase verified in this account was 14.3%, which can be explained, above all, by the following factors:

- impacts on salaries, vacations, 13th salary, among other benefits, arising from the 2022 Collective Agreement, whose base date is November and which was based on the Brazilian National Consumer Price Index -INPC (6.46%);
- increase in provision for Profit Sharing in 3Q23, compared to 3Q22;
- increase of R\$ 3.6 million in expenses with the health care program, due to greater use of medical services and readjustment of plans;
- effects of the increase in the variable remuneration base and position commission, due to the improvement in the EBITDA Margin, which is the benchmark indicator for calculating such remunerations; and
- decrease of R\$ 2.2 million in capitalizable expenses related to employees working in the Company's expansion areas and which are allocated to intangible assets.

Performance comment

Outsourced services: the increase verified in this account was 11.2%. The items that recorded the most significant change in the reported period were as follows:

- expenses of R\$ 3.8 million incurred in the 3Q23 with reading and bill delivery outsourcing services;
- increase of R\$ 3.2 million in expenditure on professional technical services in 3Q23, mainly due to occupational safety advisory services and studies related to environmental control, among others, in a dispersed manner;
- increase of R\$ 2.6 million in maintenance, disconnection and reconnection services; and
- increase of R\$ 2.8 million in expenses with IT services verified in 3Q23, due to the contracting of new software licenses and technical support services.

Material: this item recorded a decrease of 18.3%, mainly due to the reduction in expenses related to conservation/maintenance material for operating system assets and parts, accessories and components for vehicles.

Impairment loss on accounts receivable: the amount of this item is 34.1% lower in 3Q23, mainly due to the following factors:

- change in the way in which amounts recovered from written off accounts are recorded, which, as of 1Q23, started being recorded as a credit under this caption. As a result, this account started being presented at its net value; and
- increase of 97.7% in the amounts recovered from written-off accounts in 3Q23, compared to 3Q22, as a result, above all, of the adoption of more restrictive debt collection policies, including the inclusion of debtor clients in black lists and debt protests, among other actions.

Tariff onlending to Municipalities: the 34.1% increase in this item was mainly due to the increase in the amounts related to tariff transfer, given the 15.70% adjustment defined by Arsae-MG and the increase in the number of municipal sanitation funds authorized to receive such a transfer.

According to GRT 01/2022 Technical Note of Arsae-MG, within the scope of the authorized tariff readjustment applied in January 2023, 75 new municipal sanitation funds with the right to transfers were included, totaling 294 qualified municipalities.

Sundry operating costs: The 71.6% increase in sundry operating costs, comparing 3Q23 with 3Q22, was due to the increase in spending on self-consumption of water and exhibitions and conferences, as well as other items in a dispersed manner.

Electric power: The 27.9% increase recorded in electricity expenses, taking 3Q23 compared to 3Q22, is mainly due to the net effect of the following factors:

- 3.8% increase in the Company's electric power consumption;
- adjustment of 13.27% applied by CEMIG to energy tariffs, applicable in the captive market, effective as of June 2023;
- 3% reduction in the subsidy applicable to electric power tariffs from public water and sewage service concessionaires, applicable to the captive market, from June 2023;
- exclusion of ICMS from the calculation basis for PIS/COFINS tax credits, from May 2023;

Performance comment

- recurrence of ICMS on the Tariff for Use of the Electric Power Transmission System - TUST and the Tariff for Use of the Electric Power Distribution System - TUSD, from February 2023 and;
- 19.9% reduction in expenses related to electric power in units that migrated to the Free Market. It is worth highlighting that such units represent around 43% of the Company's total energy consumption and that the migration occurred in 1Q23.

Fuels and lubricants: The 32.3% drop recorded in this item in 3Q23 is mainly due to the reduction in fuel prices recorded in the period compared to 3Q22, especially diesel and ethanol.

Other operating revenues (expenses)

Other Operating Revenues (Expenses) recorded a positive result of R\$ 18.5 million in 3Q23, versus a negative result of R\$ 26,7 million in 3Q22.

This result was mainly due to the developments in labor claim 10210074.2008.5.03.0024, related to the termination of employment contracts due to the application of the extinct dismissal policy. As detailed in Note 15, in 2023 some agreements were reached in individual executions, as well as, in July 2023, a final agreement was formalized with Sindágua-MG and the Public Ministry of Labor in the Class Action records. As a result of the agreement signed in this Labor Collective Action, payments were made between the months of July and September 2023, in the amount of R\$ 93.3 million, as well as a reversal of R\$ 49.9 million (Other Operating Expenses) and R\$ 105, 2 million (Financial Expenses).

Other operating revenues (expenses) (R\$'000)	3Q23	3Q22	Change (Amount)	Change (%)
Other operating revenues	23,526	32,229	(8,703)	-27.0%
Revenue from technical services	14	77	(63)	-81.8%
Reversal of non-deductible provision	5,827	13,836	(8,009)	-57.9%
Recovery of written-off accounts	-	12,002	(12,002)	n.m.
Other revenues	17,685	6,314	11,371	180.1%
Other operating expenses	(5,025)	(58,884)	53,859	-91.5%
Reversal of (provision for) legal disputes, net	28,283	(22,429)	50,712	n.m.
Arsae-MG fee	(14,203)	(13,265)	(938)	7.1%
Expenses with Environment Preservation	(11,470)	(6,287)	(5,183)	82.4%
Taxes and duties	(3,739)	(1,976)	(1,763)	89.2%
Actuarial liabilities	(1,656)	(4,688)	3,032	-64.7%
Other expenses	(2,240)	(10,239)	7,999	-78.1%
Other operating revenues (expenses)	18,501	(26,655)	45,156	n.m.

Equity in net income of subsidiaries

The equity in net income of subsidiaries in 3Q23 refers to the subsidiary COPANOR and was negative by R\$ 2.6 million, while in 3Q22 the result was positive by R\$ 107,000, as the table below:

Copanor income (loss) (R\$'000)	3Q23	3Q22	Change (Amount)	Change (%)
Net income (loss)	(2,603)	107	(2,710)	n.m.

Financial income (loss)

According to the following table, the net financial result was positive by R\$ 90.8 million in 3Q23, against a negative result of R\$ 31.8 million in 3Q22, having been impacted by the reversal made as a result of the agreement signed in a Labor Collective Action, whose impacts were R\$ 105.2 million in financial expenses and R\$ 49.9 million in other operating expenses, as highlighted in Note 15:

Performance comment

Financial revenues (expenses) (RS'000)	3Q23	3Q22	Change (Amount)	Change (%)
Financial revenues	77,770	57,665	20,105	34.9%
Inflation adjustments	10,098	2,585	7,513	290.6%
Exchange rate changes	5,822	9,544	(3,722)	-39.0%
Interest	13,499	12,117	1,382	11.4%
Actual gain in interest earning bank deposits	18,491	18,342	149	0.8%
Capitalization of financial assets/other	29,860	15,077	14,783	98.1%
Financial expenses	12,984	(89,445)	102,429	n.m.
Inflation adjustments	(15,196)	(15,876)	680	-4.3%
Exchange rate changes	(8,542)	(2,963)	(5,579)	188.3%
Charges on financing and legal provision	36,905	(70,529)	107,434	n.m.
Sundry	(183)	(77)	(106)	137.7%
Financial income (loss)	90,754	(31,780)	122,534	n.m.

EBITDA and Net Income (Consolidated)

EBITDA is a non-accounting measurement adopted by COPASA MG, calculated in accordance with CVM Resolution 156/2022, consisting of net income plus income taxes, financial income (loss), depreciation/amortization.

Adjusted EBITDA, which disregards the reversal made in other operating expenses as a result of the agreement reached in the Labor Collective Action, reached R\$ 638.9 million in 3Q23, with a margin of 38.5%.

The net income recorded was R\$ 437.1 million in 3Q23, impacted by the reversals made in other operating expenses and financial expenses. The table below presents the values in the comparative periods:

Net income and EBITDA (RS'000)	3Q23	3Q22	Change (Amount)	Change
Net income for the period	437,114	227,168	209,946	92.4%
(+) Income taxes	148,039	76,478	71,561	93.6%
(+) Net financial revenue	(92,279)	30,243	(122,522)	n.m.
(+) Depreciation and amortization	195,881	181,111	14,770	8.2%
(=) EBITDA	688,755	515,000	173,755	33.7%
(=) EBITDA margin	41.5%	36.3%	-	-
Adjustment – Non-recurring item				
(-) Reversal of Provision for Labor Claims	(49,872)	-	-	-
(=) Adjusted EBITDA	638,883	515,000	123,883	24.1%
EBITDA Margin (Adjusted)	38.5%	36.3%	-	-

Notes to the financial statements

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. 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.

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, of April 17, 2007, engaged in: planning, designing, performing, expanding, remodeling, exploring, and providing water supply and sewage treatment 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, Itanhém and Jucuruçu rivers.

02.Preparation basis and presentation of individual and consolidated interim financial information

The individual and consolidated interim financial information is presented in thousands of reais (R\$ 1,000), unless otherwise indicated.

The individual and consolidated Interim Financial Information, presented herein under the headings "Individual" or "Parent Company" and "Consolidated", respectively, was prepared and is being presented in accordance with CPC 21(R1) / IAS 34 - Interim Financial Reporting, in line with the rules established by the Brazilian Securities and Exchange Commission (CVM).

The Company considered the guidelines provided for in Technical Guideline OCPC 07 in the preparation of its financial statements. Management states that relevant information in interim financial information, and only them, are being evidenced and correspond to that used by Management in its administration.

This interim financial information should be read together with the Company's Financial Statements for the year ended December 31, 2022, which were prepared and presented in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and also in accordance with accounting practices adopted in Brazil, comprising those included in the Brazilian Corporate Law and Pronouncements, guidelines and Interpretations issued by the Accounting Pronouncement Committee (CPC), and approved by the Brazilian Securities and Exchange Commission (CVM).

The Company's Board of Directors authorized the issue of Interim Financial Information as of September 30, 2023 of the Parent Company and Consolidated as of October 26, 2023.

Considering that there were no relevant changes regarding the breakdown and nature of the balances presented in the Financial Statements as of December 31, 2022, the following Notes are presented concisely for the period ended September 30, 2023:

- 03. Description of significant accounting policies;
- 04. Public service concession agreements;
- 05. Cash and cash equivalents;
- 06. Trade accounts receivable;
- 14. Loans, financing and debentures; 16. Income tax and social contribution;
- 18. Obligations with retirement benefits;
- 19. Shareholders' equity and dividends; 21. Financial risk management;
- 23. Related party transactions.

Notes to the financial statements

03. Description of significant accounting policies

The significant accounting policies applied in this Interim Financial Information are consistent with the policies described in Note 3 of the Company's Financial Statements for the year ended December 31, 2022, filed with the Brazilian Securities and Exchange Commission (CVM).

04. Public service concession agreements

As of September 30, 2023 and December 31, 2022, the Company and its subsidiary COPANOR were parties to 640 Concession Contracts or Program Agreements for the provision of water supply utility services and 309 Concession Contracts or Program Agreements for the provision of sewage treatment utility services).

As of September 30, 2023, the Company presented the amount of R\$ 936,483 in the parent company (R\$ 872,921 as of December 31, 2022) and R\$ 953,288 in the Consolidated (R\$ 889,897 as of December 31, 2022) as accounts receivable from the concession grantor (municipalities), related to the amount expected to be received at the end of the concessions for non-active assets depreciated over the concession period.

Financial assets - Public service concession agreements

	Parent Company		Consolidated	
	Nine-month period ended September 30,		Nine-month period ended September 30,	
	2023	2022	2023	2022
Opening balance	872,921	733,328	889,897	752,253
Transfer from (to) intangible assets and property, plant and equipment	4,023	83,661	3,421	81,301
Capitalization	59,877	56,624	60,307	57,035
Write-offs	(336)	(700)	(336)	(700)
Other	(2)	8	(1)	8
Closing balance	936,483	872,921	953,288	889,897

On July 12, 2023, the federal executive branch issued Decrees 11.598/23 and 11.599/23, revoking Decrees 11.466/23 and 11.467/23 where, in short, (i) aspects regarding methodology and deadlines for proving the economic and financial capacity of the service providers, and (ii) the possibility, provided for in previous decrees, of a public company or state mixed-capital company providing sanitation services, without a prior bidding process, to the municipalities that comprise a metropolitan region, urban agglomeration or micro-region. The Company stresses that the legislative changes do not interfere with the current legal status of its concession and program contracts and the corresponding provision of water supply and sanitary sewage services, and that continues monitoring all initiatives that may change the rules in force on the sector.

05. Cash and cash equivalents

(a) Cash and cash equivalents

	Parent Company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Cash and banks	27,078	19,679	27,952	19,949
Short-term bank deposit certificates and debentures subject to repurchase and resale agreements	1,176,448	1,071,401	1,222,898	1,102,350
Total	1,203,526	1,091,080	1,250,850	1,122,299

The funds available are invested in Bank Deposit Certificates - CDBs and Debentures subject to repurchase agreements, which consist of fixed-income securities, whose yield is substantially based on the variance of the Interbank Deposit Certificate (CDI) rate. Such interest earning bank deposits were remunerated at the average rate of 103.63% of CDI in the period ended September 30, 2023 (104.65% of CDI for the year ended December 31, 2022).

Notes to the financial statements

06.Trade accounts receivable

Amounts of trade accounts receivable are broken down by maturity:

	Parent Company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Overdue (days):				
≤30	221,201	204,338	224,299	206,949
31-60	99,040	88,975	100,498	90,340
61-90	51,364	48,403	52,055	49,196
91-180	101,238	87,408	102,439	88,723
181-360	137,315	131,990	137,387	132,032
>360	13,417	11,562	13,430	11,572
Total	623,575	572,676	630,108	578,812
Falling due	422,882	312,557	427,810	316,015
Billed	1,046,457	885,233	1,057,918	894,827
To be billed	463,018	408,253	467,801	411,899
Trade accounts receivable (1)	1,509,475	1,293,486	1,525,719	1,306,726
(-) Provision for expected credit losses on trade accounts receivable	(232,510)	(218,414)	(234,072)	(220,156)
Trade accounts receivable, net	1,276,965	1,075,072	1,291,647	1,086,570
Trade accounts receivable - Current	1,233,234	1,040,394	1,247,500	1,051,607
Trade accounts receivable - Non-current	43,731	34,678	44,147	34,963

(1) This includes accounts receivable from State of Minas Gerais, as detailed below.

Amounts	Parent Company / Consolidated	
	09/30/2023	12/31/2022
Billed	30,899	19,870
To be billed	12,687	11,192
Accounts receivable from the State of Minas Gerais (*)	43,586	31,062

(*) Amounts also presented in Note 23 (a) on Related Parties.

The changes in the provision for expected credit losses on trade accounts receivable of the Company were as follows:

	Parent Company		Consolidated	
	Nine-month period ended September 30,		Nine-month period ended September 30,	
	2023	2022	2023	2022
Opening balance	218,414	239,177	220,156	241,146
Addition to provision for expected credit losses on trade accounts receivable	136,349	201,935	137,587	206,215
Trade accounts receivable written-off in the period as non-collectible	(122,253)	(222,698)	(123,671)	(227,205)
Closing balance	232,510	218,414	234,072	220,156

The provision for impairment of accounts receivable was recorded in income (loss) for the period as sales expenses. The amounts charged to the allowance account are written off when there is no longer an expectation of recovery.

The Company adopts the provision matrix as a methodology for recording the provision for expected credit losses, annually reviewed, considering a retrospective and prospective evaluation, aiming to verify the need for additional provision.

The Company does not recognize a provision for losses on debts related to the State of Minas Gerais, the controlling shareholder, in view of the recent history of renegotiations, payments received, the signing of an agreement to settle debt, as well as the terms of remuneration with dividends and interest on own capital, in addition to the observed history of default. The Company's management evaluates this matter depending on the facts and circumstances at each reporting date.

Notes to the financial statements

For credits with the Belo Horizonte Municipal Government, the transfer of the 4% of the net value collected for the Municipal Sanitation Fund, is conditioned to the settlement of the bills by the municipal government, the revenue of which is also allocated to this fund.

07. Collaterals as guarantees of loans, financing and debentures and Restricted interest earning bank deposit

	Parent Company / Consolidated	
	09/30/2023	12/31/2022
Collaterals as guarantees of loans, financing and debentures - non-current	61,926	61,033
Restricted interest earning bank deposit - non-current (i)	74,616	71,706

⁽ⁱ⁾ Refers to ANA's (Agência Nacional de Águas e Saneamento Básico) funds related to the Hydrographic Basins Depollution Program (PRODES), as described in the Note 8 to the individual and consolidated financial statements as of December 31, 2022. In the nine-month period ended September 30, 2023, the fund related to contracts of the following municipalities was released: Ibirité, in the amount of R\$ 1,711, with the remaining balance of R\$ 8,014, and Carmo do Paranaíba, in the amount of R\$ 389, with the remaining balance of R\$ 2,773.

08. Investments

The following table shows the changes in investments in the subsidiary:

	Opening balances	Profit sharing in the subsidiary	Capital increase⁽ⁱ⁾	Closing balances
Nine-month period ended September 30, 2023				
COPANOR	245,197	(18,595)	47,590	274,192
Other	260	-	-	260
Total	245,457	(18,595)	47,590	274,452
Nine-month period ended September 30, 2022				
COPANOR	202,181	(6,627)	54,179	249,733
Other	260	-	-	260
Total	202,441	(6,627)	54,179	249,993

⁽ⁱ⁾ The Parent Company paid up the amount of R\$ 47,590 in the nine-month period ended September 30, 2023, of which R\$ 23,795 was paid in the 1st quarter and R\$ 23,795 in the 3rd quarter (R\$ 54,179 in 2022, of which R\$ 27,089 was paid in the 1st quarter and R\$ 27,090 in the 3rd quarter) for COPANOR, whose funds will enable investments in the implementation, expansion and maintenance works in water supply and sewage treatment systems.

Summarized financial information

COPANOR	Interest (%)	Current assets	Non- current assets	Current liabilities	Non-current liabilities	Shareholde rs' equity	Net loss for the period/year
09/30/2023	100%	68,605	226,940	20,782	571	274,192	(18,595)
12/31/2022	100%	47,723	216,393	18,476	443	245,197	(11,163)

Notes to the financial statements

09.Contract asset

Change in the nine-month period ended September 30, 2023 may be shown as follows:

	Systems of			Inventories for works	Total
	Water	Sewage treatment	Common use		
Parent Company:					
Balances at December 31, 2022	701,177	778,910	410,116	167,232	2,057,435
Additions	226,679	351,110	208,627	-	786,416
Reversal of provision for construction material	-	-	-	4,550	4,550
Write-offs	(21,383)	(37,021)	(10,881)	-	(69,285)
Compound interest	35,071	27,962	29,274	-	92,307
Transfers to intangible assets	(107,746)	(93,193)	(54,793)	-	(255,732)
Transfers to property, plant and equipment	-	-	(5,833)	-	(5,833)
Balances at September 30, 2023	833,798	1,027,768	576,510	171,782	2,609,858
Consolidated:					
Balances at December 31, 2022	716,824	802,395	422,146	182,456	2,123,821
Additions	227,635	357,980	211,301	-368	796,548
Reversal of provision for construction material	-	-	-	4,142	4,142
Write-offs	(21,383)	(37,024)	(10,881)	-	(69,288)
Compound interest	35,071	27,962	29,274	-	92,307
Transfers to intangible assets	(108,603)	(77,983)	(55,272)	-	(241,858)
Transfers to property, plant and equipment	-	-	(6,236)	-	(6,236)
Balances at September 30, 2023	849,544	1,073,330	590,332	186,230	2,699,436

For the year 2022, changes were as follows:

	Systems of			Inventories for works	Total
	Water	Sewage treatment	Common use		
Parent Company:					
Balances at December 31, 2021	505,033	518,097	282,748	118,992	1,424,870
Additions	319,996	381,534	199,946	47,860	949,336
Reversal of provision for construction material	-	-	-	380	380
Write-offs	(4,820)	(8,910)	(5)	-	(13,735)
Compound interest	28,582	26,610	22,435	-	77,627
Transfers to intangible assets	(147,614)	(138,421)	(46,537)	-	(332,572)
Transfers to property, plant and equipment	-	-	(48,471)	-	(48,471)
Balances at December 31, 2022	701,177	778,910	410,116	167,232	2,057,435
Consolidated:					
Balances at December 31, 2021	521,446	549,058	288,427	130,064	1,488,995
Additions	324,801	392,818	207,300	52,001	976,920
Reversal of provision for construction material	-	-	-	391	391
Write-offs	(4,820)	(8,910)	(40)	-	(13,770)
Compound interest	28,582	26,610	22,435	-	77,627
Transfers to intangible assets	(153,185)	(157,181)	(47,415)	-	(357,781)
Transfers to property, plant and equipment	-	-	(48,561)	-	(48,561)
Balances at December 31, 2022	716,824	802,395	422,146	182,456	2,123,821

In the nine-month period ended September 30, 2023, the additions, in the amount of R\$ 786,416 in the parent company (R\$ 949,336 in 2022) and R\$ 796,548 in the consolidated (R\$ 976,920 in 2022) refer mainly to works to implement the water supply systems in the cities of Montes Claros and Ribeirão das Neves, as well as the

Notes to the financial statements

implementation of sewage systems in the cities of Belo Horizonte, Inhapim, Juatuba, Sabará, Santana do Paraíso, São João Nepomuceno, Sarzedo, Ubá and Vespasiano.

Notes to the financial statements

10.Intangible assets

The breakdown of balances is as follows:

	09/30/2023			12/31/2022		
	Cost	Accumulated amortization	Intangible assets, net	Cost	Accumulated amortization	Intangible assets, net
Parent Company:						
In operation						
Water systems	4,318,610	(2,760,124)	1,558,486	4,142,742	(2,661,099)	1,481,643
Sewage treatment	6,518,058	(3,200,607)	3,317,451	6,347,712	(2,977,932)	3,369,780
Common use systems	1,212,543	(973,372)	239,171	1,126,596	(917,516)	209,080
Usage rights	672,197	(342,576)	329,621	649,105	(317,097)	332,008
Other intangible assets	128,374	(33,303)	95,071	136,580	(31,773)	104,807
Total intangible assets	12,849,782	(7,309,982)	5,539,800	12,402,735	(6,905,417)	5,497,318
Consolidated:						
In operation						
Water systems	4,376,360	(2,768,418)	1,607,942	4,196,048	(2,667,334)	1,528,714
Sewage treatment	6,581,464	(3,211,110)	3,370,354	6,423,565	(2,986,089)	3,437,476
Common use systems	1,231,719	(983,163)	248,556	1,144,469	(924,699)	219,770
Usage rights	672,358	(342,728)	329,630	649,266	(317,232)	332,034
Other intangible assets	129,332	(33,430)	95,902	137,497	(31,864)	105,633
Total intangible assets	12,991,233	(7,338,849)	5,652,384	12,550,845	(6,927,218)	5,623,627

Change in the nine-month period ended September 30, 2023 may be shown as follows:

	Systems of					
	Water	Sewage treatment	Common use ⁽¹⁾	Rights-of-use	Other	Total
Parent Company:						
Balances at December 31, 2022	1,481,643	3,369,780	209,080	332,008	104,807	5,497,318
Additions	73,688	114,814	65,959	22,891	215	277,567
Write-offs	(1,625)	(76)	(162)	-	-	(1,863)
Amortization	(117,577)	(239,421)	(57,129)	(25,479)	(5,079)	(444,685)
Transfers of (to) financial asset	(1,434)	(3,290)	(1,886)	-	1,731	(4,879)
Transfer among intangible asset and property, plant and equipment	(2,974)	(25,945)	(200)	-	(10,271)	(39,390)
Transfers of contract assets	126,765	101,589	23,510	200	3,668	255,732
Other	-	-	(1)	1	-	-
Balances at September 30, 2023	1,558,486	3,317,451	239,171	329,621	95,071	5,539,800
Consolidated:						
Balances at December 31, 2022	1,528,714	3,437,476	219,770	332,034	105,633	5,623,627
Additions	77,585	116,405	67,002	22,891	281	284,164
Write-offs	(1,625)	(76)	(162)	-	-	(1,863)
Amortization	(119,636)	(241,768)	(59,727)	(25,496)	(5,115)	(451,742)
Transfers of (to) financial asset	(1,761)	(2,452)	(1,775)	-	1,711	(4,277)
Transfers among intangible asset and property, plant and equipment	(2,974)	(25,945)	(192)	-	(10,271)	(39,382)
Transfer of contract assets	127,639	86,712	23,642	200	3,665	241,858
Other	-	2	(2)	1	(2)	(1)
Balances at September 30, 2023	1,607,942	3,370,354	248,556	329,630	95,902	5,652,384

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

Notes to the financial statements

Amortization was allocated to income (loss) as follows:

Nine-month period ended September 30	Parent Company		Consolidated	
	2023	2022	2023	2022
Cost of services rendered	439,451	400,660	446,492	406,565
Sales expenses	191	394	192	394
Administrative expenses	5,043	2,872	5,058	2,896
Total	444,685	403,926	451,742	409,855

Changes in the year 2022 were as follows:

	Systems of			Rights-of-use	Other	Total
	Water	Sewage treatment	Common use ⁽¹⁾			
Parent Company:						
Balances at December 31, 2021	1,529,115	3,490,649	175,271	322,437	75,290	5,592,762
Additions	35,088	60,798	68,666	37,571	933	203,056
Write-offs	(2,588)	-	(45)	-	-	(2,633)
Amortization	(151,191)	(290,808)	(65,092)	(29,337)	(5,747)	(542,175)
Transfers of (to) financial asset	(39,803)	(28,201)	(13,925)	65	(1,921)	(83,785)
Transfer among intangible asset and property, plant and equipment	(1,363)	(473)	353	11	(932)	(2,404)
Transfers of contract assets	112,383	137,817	43,921	1,261	37,190	332,572
Other	2	(2)	(69)	-	(6)	(75)
Balances at December 31, 2022	1,481,643	3,369,780	209,080	332,008	104,807	5,497,318
Consolidated:						
Balances at December 31, 2021	1,568,591	3,539,354	185,018	322,481	75,823	5,691,267
Additions	38,360	62,739	71,335	37,583	1,376	211,393
Write-offs	(2,588)	-	(45)	-	-	(2,633)
Amortization	(153,422)	(293,606)	(68,071)	(29,367)	(5,793)	(550,259)
Transfers of (to) financial asset	(38,820)	(27,112)	(13,530)	65	(2,028)	(81,425)
Transfers among intangible asset and property, plant and equipment	(1,363)	(473)	337	11	(932)	(2,420)
Transfer of contract assets	117,954	156,577	44,796	1,261	37,193	357,781
Other	2	(3)	(70)	-	(6)	(77)
Balances at December 31, 2022	1,528,714	3,437,476	219,770	332,034	105,633	5,623,627

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

Average amortization rate calculated for Parent Company and Consolidated:

	Parent Company		Consolidated	
	Nine-month period ended September 30, 2023	2022	Nine-month period ended September 30, 2023	2022
Water systems	4.90%	4.97%	4.90%	5.17%
Sewage treatment	5.02%	5.08%	5.01%	5.21%
Common use systems	19.31%	19.39%	19.25%	21.62%
Usage rights	6.20%	5.79%	6.19%	5.82%
Other intangible assets	4.76%	4.98%	4.75%	5.09%

Notes to the financial statements

11. Property, plant and equipment

(a) The breakdown of balances is as follows:

	09/30/2023			12/31/2022			
	Average rate	Cost	Accumulated depreciation	Property, plant and equipment, net	Cost	Accumulated depreciation	Property, plant and equipment, net
Parent Company:							
In operation							
Machinery and equipment	15.12%	721,555	(567,056)	154,499	684,904	(541,141)	143,763
Vehicles	26.73%	82,010	(81,257)	753	82,553	(80,223)	2,330
Other	-	41,892	(231)	41,661	31,490	(231)	31,259
		845,457	(648,544)	196,913	798,947	(621,595)	177,352
Land and buildings	4.36%	3,454,599	(2,208,598)	1,246,001	3,417,153	(2,127,109)	1,290,044
Total property, plant and equipment - in operation		4,300,056	(2,857,142)	1,442,914	4,216,100	(2,748,704)	1,467,396
Consolidated:							
In operation							
Machinery and equipment	15.07%	727,697	(568,956)	158,741	689,775	(542,450)	147,325
Vehicles	23.69%	85,804	(82,043)	3,761	85,648	(80,453)	5,195
Other	-	41,892	(231)	41,661	31,490	(231)	31,259
		855,393	(651,230)	204,163	806,913	(623,134)	183,779
Land and buildings	4.36%	3,454,741	(2,208,601)	1,246,140	3,417,153	(2,127,109)	1,290,044
Total property, plant and equipment - in operation		4,310,134	(2,859,831)	1,450,303	4,224,066	(2,750,243)	1,473,823

(b) Change in the nine-month period ended September 30, 2023 may be shown as follows:

	Machinery and equipment	Vehicles	Other	Land and buildings	Total
Parent Company:					
Balances at December 31, 2022	143,763	2,330	31,259	1,290,044	1,467,396
Additions	32,723	-	-	578	33,301
Write-offs	(52)	-	-	-	(52)
Depreciation	(23,978)	(1,577)	-	(77,258)	(102,813)
Transfer of contract assets	2,314	-	132	3,387	5,833
Transfers among intangible asset and property, plant and equipment	711	-	10,271	28,408	39,390
Transfers to financial assets	13	-	-	843	856
Other	(995)	-	(1)	(1)	(997)
Balances at September 30, 2023	154,499	753	41,661	1,246,001	1,442,914
Consolidated:					
Balances at December 31, 2022	147,325	5,195	31,259	1,290,044	1,473,823
Additions	33,749	700	-	578	35,027
Write-offs	(52)	-	-	-	(52)
Depreciation	(24,577)	(2,134)	-	(77,261)	(103,972)
Transfer of contract assets	2,576	-	132	3,528	6,236
Transfers among intangible asset and property, plant and equipment	703	-	10,271	28,408	39,382
Transfers to financial assets	13	-	-	843	856
Other	(996)	-	(1)	-	(997)
Balances at September 30, 2023	158,741	3,761	41,661	1,246,140	1,450,303

Notes to the financial statements

Depreciation was allocated to income (loss) as follows:

	Parent Company		Consolidated	
	2023	2022	2023	2022
Nine-month period ended September 30,				
Cost of services rendered	86,918	85,218	87,974	85,728
Sales expenses	3,419	3,062	3,512	3,065
Administrative expenses	12,476	7,117	12,486	7,120
Total	102,813	95,397	103,972	95,913

Notes to the financial statements

For the year 2022, changes were as follows:

	Machinery and equipment	Vehicles	Other	Land and buildings	Total
Parent Company:					
Balances at December 31, 2021	77,921	6,076	31,275	1,354,852	1,470,124
Additions	75,086	45	-	-	75,131
Write-offs	(315)	(8)	-	-	(323)
Depreciation	(23,534)	(3,793)	-	(101,256)	(128,583)
Transfer of contract assets	12,107	8	5	36,351	48,471
Transfers among intangible asset and property, plant and equipment	2,346	-	-	58	2,404
Transfers to financial assets	82	-	-	42	124
Other	70	2	(21)	(3)	48
Balances at December 31, 2022	143,763	2,330	31,259	1,290,044	1,467,396
Consolidated:					
Balances at December 31, 2021	81,246	6,161	31,274	1,354,852	1,473,533
Additions	75,838	3,044	-	-	78,882
Write-offs	(315)	(8)	-	-	(323)
Depreciation	(24,155)	(4,012)	-	(101,256)	(129,423)
Transfer of contract assets	12,197	8	5	36,351	48,561
Transfers among intangible asset and property, plant and equipment	2,362	-	-	58	2,420
Transfers to financial assets	82	-	-	42	124
Other	70	2	(20)	(3)	49
Balances at December 31, 2022	147,325	5,195	31,259	1,290,044	1,473,823

12. Public-Private Partnership – PPP - Rio Manso Producing System

COPASA MG and BRK Ambiental - Manso S.A, a Special Purpose Entity (SPE), formalized a Public-Private Partnership (PPP) on December 20, 2013, in the form of an Administrative Concession, to expand the capacity of the Rio Water Producing System Manso, in the Belo Horizonte Metropolitan Region, and providing services in this system.

During the construction phase, the Company recognized the intangible asset according to the construction progress, matched against a related liability, under the PPP contract. Financial expenses were capitalized in intangible assets until the beginning of their operation.

The expenses arising from this agreement related to the maintenance of systems in the nine-month period ended September 30, 2023 were R\$ 67,574 (R\$ 96,779 in the year ended December 31, 2022).

To adjust the liability determined, the contract readjustment index is being applied annually, in April, and apportioned over the subsequent 12 months in a proportional manner. Changes in liabilities can be shown as follows:

	Parent Company / Consolidated	
	Nine-month period ended September 30,	
	2023	2022
Opening balance	243,603	260,985
Restatement	13,378	23,737
Amortization	(25,864)	(25,464)
Interest	(9,504)	(15,655)
Closing balance	221,613	243,603
Current liabilities	48,243	36,792
Non-current liabilities	173,370	206,811

Notes to the financial statements

13. Taxes, rates, contributions, social and labor charges and sundry obligations

(a) Current assets:

The recoverable taxes are shown as follows:

	Parent Company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
IRPF recoverable	1,636	2,463	2,455	3,109
IRPJ to be offset/negative balance	-	61,041	3	61,044
CSLL to be offset/negative balance	8,660	20,973	8,660	20,973
Recovery of PIS/COFINS credits	236	5,707	236	5,707
Prepayment of IRPJ	1,326	-	1,478	-
Prepayment of CSLL	-	-	61	-
Other taxes recoverable	779	141	783	156
Total	12,637	90,325	13,676	90,989

As of September 30, 2023, recoverable taxes mainly refer to the negative balance of Social Contribution on Net Income (CSLL) for 2022, which will be offset in October 2023. It is worth highlighting that the negative balance of IRPJ and CSLL on December 31, 2022 was mainly offset in August and September 2023.

(b) Current liabilities:

The taxes, fees, contributions, and social and labor charges include:

	Parent Company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
INSS	29,040	27,267	29,565	27,772
COFINS	34,343	25,548	34,572	25,634
PIS	7,422	5,505	7,470	5,522
IRRF	15,444	28,437	15,455	28,470
CSLL	288	5,513	288	5,634
FGTS	3,551	-	3,628	-
Other	7,092	5,855	7,167	5,944
Current liabilities	97,180	98,125	98,145	98,976

The sundry obligations are as follows:

	Parent Company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Sundry liabilities				
Deposit for works (i)	54,373	55,429	54,373	55,429
Salaries payable	1,777	1,629	1,786	1,639
PDVI (ii)	71,035	-	71,035	-
Return of Tariffs – ARSAE (iii)	27,529	51,567	27,529	51,567
Other	51,262	54,890	51,539	55,227
Total	205,976	163,515	206,262	163,862
Current liabilities	107,763	84,001	108,049	84,348
Non-current liabilities	98,213	79,514	98,213	79,514

(i) Refers to ANA's funds related to the Hydrographic Basins Depollution Program (PRODES) (See Note 7).

(ii) The Company instituted the Voluntary Dismissal Incentive Program – PDVI in May 2023, duly regulated and widely publicized to its employees. 736 employees joined the program, with scheduled dismissals scheduled to occur within six months at the discretion of COPASA MG, starting in July 2023. The estimated amounts with indemnities total R\$ 115,067, fully accounted for in the second quarter of 2023. Throughout the 3rd quarter of 2023, 384 employees left the company through the PDVI, resulting in the write-off of the provision in the amount of R\$ 44,032. The remaining balance recognized in liabilities for indemnity to the PDVI, is R\$ 71,035.

Notes to the financial statements

(iii) Minas Gerais State Regulatory Agency for Water Supply and Sewage Services – ARSAE-MG determined the return of amounts to clients through the following administrative proceedings, assessed by Management as having a probable likelihood of loss, and, thus, provisioned.

The Company identified all clients involved in the aforementioned proceedings and recorded the exact amount to be returned to each one, through a credit (discount) on invoices, and, in the period ended September 30, 2023, returns amounted to R\$ 24,040. Changes in the amounts involved in the proceedings were as follows:

Proceedings	Parent Company / Consolidated					
	Opening balance to be reimbursed	Increase in provision	Principal value	Interest and inflation adjustment	Total returned	Closing balance to be reimbursed
Period ended September 30, 2023						
005/2019	43,814	-	6,455	15,518	21,973	21,841
028/2021	3,432	-	89	-	89	3,343
041/2021	4,321	-	1,961	15	1,976	2,345
	<u>51,567</u>	<u>-</u>	<u>8,505</u>	<u>15,533</u>	<u>24,038</u>	<u>27,529</u>
						Current liabilities
						21,915
						Non-current liabilities
						5,614
Year ended December 31, 2022						
005/2019	94,073	7,886	34,380	23,765	58,145	43,814
028/2021	5,485	-	1,417	636	2,053	3,432
041/2021	-	6,153	1,758	74	1,832	4,321
	<u>99,558</u>	<u>14,039</u>	<u>37,555</u>	<u>24,475</u>	<u>62,030</u>	<u>51,567</u>
						Current liabilities
						50,266
						Non-current liabilities
						1,301

14.Loans, financing and debentures

Loans, financing, and debentures, totaling R\$ 4,596,548 as of September 30, 2023 (R\$ 4,139,920 as of December 31, 2022), mature until 2043, and average coupons of 9.38% p.a. for the Parent Company and Consolidated (10.85% p.a. as of December 31, 2022 for the Parent Company and Consolidated).

(a) Loans and financing

Changes in loans and financing are as follows:

	Parent Company / Consolidated		
	Nine-month period ended September 30, 2023	2022	Nine-month period ended September 30, 2022
Opening balance	976,937	1,068,394	1,068,394
Additions of loans and financing	308,138	103,456	68,872
Provisioned charges	54,065	66,383	50,314
Inflation adjustment and exchange rate change	(2,960)	(15,706)	(30,401)
Amortization of charges	(52,394)	(66,565)	(49,836)
Amortization of principal	(102,206)	(179,282)	(118,033)
Amortization of fund raising costs	192	257	193
Closing balance	1,181,772	976,937	989,503
Current liabilities	119,066	150,328	162,604
Non-current liabilities	1,062,706	826,609	826,899

Notes to the financial statements

	Parent Company / Consolidated			
	Index + Interest (p.a.)	Year of maturity	Book value	
			09/30/2023	12/31/2022
In domestic currency:				
	Ref.rate + 7.3%, Ref. rate			
Financing - FGTS	+ 8.5%	01/16/2043	728,167	714,755
Loan	TJLP + 1.55-1.73%	05/15/2025	20,189	58,009
Finame	2.5-8.7%	01/15/2025	4,256	7,513
			752,612	780,277
In foreign currency (euro):				
Financing	Euro + 2.07%	12/20/2023	29,616	-
Financing	Euro + 1.41%	05/15/2034	164,483	143,695
Financing	Euro + Euribor + 0.55%	09/20/2033	237,621	55,717
			431,720	199,412
Funding cost			(2,560)	(2,752)
			429,160	196,660
Loans and financing			1,181,772	976,937

(b) Debentures

The breakdown of debentures is presented below:

	Parent Company / Consolidated			
	Index + Interest (p.a.)	Year of maturity	Book value	
			09/30/2023	12/31/2022
Subscription - 5th issue				
Single series	Ref.Rate+9.00%	09/01/2031	140,712	154,146
Total 5 th Issue			140,712	154,146
Subscription 8th issue				
1 st series	TJLP + 1.87%	06/15/2028	39,452	45,298
2 nd series	IPCA + 8.18%	06/15/2028	24,219	27,008
Total 8 th issue			63,671	72,306
Subscription 18th issue				
1 st series	TJLP + 2.62%	01/15/2031	104,562	114,292
2 nd series	IPCA + 8.85%	01/15/2031	59,765	63,446
Total 11 th issue			164,327	177,738
Subscription 18th issue				
1 st series	IPCA + 5.06%	01/15/2024	42,792	125,126
2 nd series	IPCA + 5.27%	01/15/2026	69,064	94,289
Total 12 th issue			111,856	219,415
Subscription 13th issue				
2 nd series	110% CDI	07/15/2023	-	287,994
3 rd series	IPCA + 6.50%	07/15/2025	60,247	88,392
Total 13 th issue			60,247	376,386
Subscription 18th issue				
1 st series	106.15% CDI	06/15/2024	14,367	28,532
2 nd series	IPCA + 4.30%	06/15/2026	138,721	154,153
Total 14 th issue			153,088	182,685
Subscription 15th issue				
Single series	CDI + 1.75%	12/16/2025	347,864	464,207
Total 15 th issue			347,864	464,207
Subscription 18th issue				
1 st series	IPCA + 5.23%	09/15/2031	276,340	269,454
2 nd series	CDI + 1.30%	09/15/2026	469,743	509,315
Total 16 th issue			746,083	778,769
Subscription 18th issue				
1 st series	CDI + 1.30%	12/16/2029	753,585	753,585
Total 17 th issue			753,585	753,585

Notes to the financial statements

	Parent Company / Consolidated			
	Index + Interest (p.a.)	Year of maturity	Book value	
			09/30/2023	12/31/2022
Subscription - 18th issue				
1 st series	CDI + 1.20%	09/16/2030	113,685	-
2 nd series	IPCA + 7.10%	09/16/2030	786,802	-
Total 18 th issue			900,487	-
Total debentures			3,441,920	3,179,014
Funding cost			(27,144)	(16,031)
Total			3,414,776	3,162,983

In September 2023, the 18th Public Issue of simple Debentures was carried out, in the amount of R\$ 900 million, in two series; (i) the first series in the amount of R\$ 113.6 million, with remuneration linked to the DI rate, plus 1.20% per annum; and (ii) the second series in the amount of R\$ 786.8 million, whose remuneration is linked to the Broad National Consumer Price Index (IPCA) plus 7.10% per annum. The maturity period for both series is seven years. Changes in debentures are as follows:

	Parent Company / Consolidated		
	Nine-month period ended September 30, 2023	2022	Nine-month period ended September 30, 2022
	Opening balance	3,162,983	2,916,950
Inflows of debentures	900,000	772,546	-
Provisioned charges	244,453	267,756	199,362
Inflation adjustment	30,017	54,182	47,973
Amortization of charges	(271,422)	(265,542)	(215,731)
Amortization of principal	(640,142)	(583,268)	(505,502)
Funding cost	(14,381)	(3,443)	-
Amortization of fund raising costs	3,268	3,802	2,976
Closing balance	3,414,776	3,162,983	2,446,028
Current liabilities	565,445	790,543	729,194
Non-current liabilities	2,849,331	2,372,440	1,716,834

The Company maintains collateral in monetary amounts, as mentioned in Note 7, in addition to the guarantee of lien of its collection, according to Note 21.1 (c). Both guarantees occur within the term or grace period of the contracted debts.

(c) Covenants and guarantees

The Company has loans and financing and debentures with certain contractual conditions, which require compliance with covenants based on certain financial and non-financial ratios and different reporting periods, as established in the respective contracts. Some contracts provide that, in the event of non-compliance with these ratios and indicators, the Company will provide additional collateral to the creditor or reinstate the financial ratios provided for in the contracts within a certain period. Finally, if the temporary waiver of compliance with these rates is not obtained, the creditor may require the early maturity of the debt.

The Company has been complying with all covenants established, or obtaining from the creditors the necessary authorization to waive compliance with the restrictive clauses provided for in the contractual instruments.

Notes to the financial statements

15.Provision for legal disputes

(a) Legal disputes provisioned

Following is the breakdown of provision for legal disputes:

	09/30/2023			12/31/2022		
	Contingencies	Judicial deposits	Net balance	Contingencies	Judicial deposits	Net balance
Parent Company:						
Labor	49,619	(15,074)	34,545	297,104	(13,225)	283,879
Civil	108,666	(8,358)	100,308	120,546	(6,065)	114,481
Tax	1,956	(1,952)	4	1,848	(3,460)	(1,612)
Total	160,241	(25,384)	134,857	419,498	(22,750)	396,748
	09/30/2023			12/31/2022		
	Contingencies	Judicial deposits	Net balance	Contingencies	Judicial deposits	Net balance
Consolidated:						
Labor	49,815	(15,175)	34,640	297,219	(13,301)	283,918
Civil	109,098	(8,358)	100,740	120,999	(6,065)	114,934
Tax	1,956	(1,952)	4	1,848	(3,460)	(1,612)
Total	160,869	(25,485)	135,384	420,066	(22,826)	397,240

Change in the nine-month period ended September 30, 2023 is shown as follows:

	Parent Company	Consolidated
Balance at December 31, 2022 before offset of judicial deposits	419,498	420,067
Additions ⁽ⁱ⁾	27,864	28,148
Restatements	17,079	17,111
Reversals	(151,612)	(151,322)
Write-offs	(152,588)	(153,135)
Total provision	160,241	160,869
Offset of judicial deposits	(25,384)	(25,485)
Balance at September 30, 2023	134,857	135,384

(i) Interest and inflation adjustment on legal provision (reversals) are included, in the negative amount of R\$ 89,909 recorded in financial expenses.

The additions and reversals refer to the inclusion of new lawsuits and revaluations of loss forecasts in lawsuits against the Company and as an analysis carried out by the Legal department, based on previously adjudged cases or sentences issued by the judiciary branch and validation in the scope of the COPASA MG Contingency Board. Restatements refer to the inflation adjustment of the provision balance.

Changes in the nine-month period ended September 30, 2023 can be summarized as follows, with the main proceedings detailed below in items (i) Civil Provision and (ii) Labor Provision:

1. Additions in the amount of R\$ 27,864, referring to the recording of a provision for labor, civil and tax claims, with an increase in labor provision of R\$ 9,869, civil provision of R\$ 17,952 and tax provision of R\$ 43.
2. Updates of proceedings in the amount of R\$ 17,079, of which R\$ 11,729 refers to labor claims, R\$ 5,285 refers to civil claims and R\$ 65 refers to tax claims.
3. Reversals in the amount of R\$ 151,612, mainly referring to labor lawsuits.

Notes to the financial statements

4. Write-offs in the amount of R\$ 152,588 related to payments made, of which R\$ 107,050 were from labor claims, R\$ 44,471 from civil claims and R\$ 1,067 from tax claims.

Notes to the financial statements

Changes for the year 2022 are demonstrated as follows:

	Parent Company	Consolidated
Balance at December 31, 2021 before offset of judicial deposits	402,258	403,052
Additions ⁽ⁱ⁾	55,927	56,532
Restatements	44,740	44,843
Reversals	(37,420)	(38,103)
Write-offs	(46,007)	(46,258)
Total provision	419,498	420,066
Offset of judicial deposits	(22,750)	(22,826)
Balance at December 31, 2022	396,748	397,240

(i) Interest and inflation adjustment on legal provision are included, in the amount of R\$ 44,397 recorded in financial expenses.

The Company is a party to several lawsuits that arise in the ordinary course of its operations, with a different number and value of lawsuits. The main of which are listed below: Since there were no relevant changes in the nature and conditions of the main proceedings, except for the description below, see explanations in Note 16 (a) to the Individual and Consolidated Financial Statements as of December 31, 2022.

(i) Civil provision

Civil provision is related to indemnity claims for pain and suffering and material damages or requests for reimbursement related to overpayments or payments made in duplicate. COPASA MG estimates the provision based on the amounts billed, subject to inquiry and recent judicial decisions.

In 2005, the Prosecution Office of the State of Minas Gerais filed an indemnity claim for environmental damage caused to Lagoa Central in the municipality of Lagoa Santa. The sum provisioned on September 30, 2023 is R\$ 1,884 (R\$ 18,837 on December 31, 2022).

(ii) Labor provisions

Most of the suits in which the Company has direct responsibility are related to moral and material damages due to occupational illness or accident at work, overtime, unhealthy and hazardous hours, warning, salary differences arising from the equality of function and questions of dismissal for just cause. The Company form a provision for labor lawsuits classified as risk of probable loss. The classification of the risk of loss, the amount of contingency and the amount of the accounting provision are reviewed and changed, according to the decisions made, in each of the stages of the proceeding.

There was a collective labor action (“Collective Action”), filed in 2008 by the Labor Prosecution Office and Sindicato dos Trabalhadores nas Indústrias de Purificação e Distribuição de Água e em Serviços de Esgoto do Estado de Minas Gerais (Sindágua-MG) Sindágua, questioning the legality of the dismissal policy adopted at that time for using the age of employees as a criterion for terminating the employment contract.

Considering a court decision unfavorable to the Company in December 2021, COPASA MG decided to review the amount of the provision at the time, in compliance with the best accounting practices, even though the amount of the conviction in such lawsuit had not been settled. Such review was carried out based on preliminary calculations, under the guidelines and legal grounds laid down by the lawyers hired to conduct the process. Subsequently, the Company filed a Rescissory Action aiming to revert the decision.

In 2023, some agreements were reached in individual executions. Moreover, on July 12, 2023, a final agreement was formalized with Sindágua-MG and MPT in the class action records.

As a result of the final agreement, payments were made between July and September 2023, in the amount of R\$ 93,338, with a provision for labor lawsuits of R\$ 49,873 in Other Operating Expenses and R\$ 105,173, referring to interest and inflation adjustment, in Financial Expenses.

Notes to the financial statements

The aforementioned final agreement, duly approved by the Labor Court, closes the possibility of including potential interested parties in the aforementioned Collective Action. New executions are suspended due to the Motion for New Trial filed, and the Company obtained provisional relief in the same. However, conservatively - and based on the position of its legal advisors - the Company maintained a provision in the amount of R\$ 15,396 on September 30, 2023 relating to potential beneficiaries who did not join the Collective Action, considering possible future individual actions.

(b) Legal disputes not provisioned

COPASA MG is challenging other lawsuits for which the likelihood of loss is considered possible. For these suits, no provision was set up for losses considered possible, considering that the Company believes that it has a solid legal basis that justifies the procedures adopted for defense in the judicial sphere. The proceedings in progress at administrative and judicial levels, with different courts, in which the Company is figures as defendant, are as follows:

Nature	Parent Company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Civil (i)	562,068	483,090	569,368	491,494
Labor (ii)	66,819	58,462	67,050	58,896
Tax (iii)	101,954	91,371	101,979	91,395
Environmental	44,437	2,490	44,437	2,490
Total	775,278	635,413	782,834	644,275

(i) Civil

They refer to lawsuits filed by clients, the State and Federal Prosecutors' Office, Municipalities, associations, etc., which claim jurisdictional protection with respect to various matters, except for tax and labor claims, being distributed in several instances, courts and special courts and can be divided into individual and collective lawsuits, whose explanations, as relevant changes did not take place in their type and conditions are in Note 16 (b) to the individual and consolidated financial statements as of December 31, 2022.

(ii) Labor

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, as well as subsidiary responsibility in the lawsuits related to contractors, service providers and suppliers.

(iii) Tax

These are proceedings in which the Company is assessed by the Public Treasury, whether National, State or Municipal, to collect credits of a tax nature (resulting from taxes, fees, contributions for improvement, social contributions and/or compulsory loan) and for collection of non-tax credits (such as those arising from the imposition of administrative fines).

16. Deferred income tax and social contribution

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

The amounts recorded as income tax and social contribution expenses in the financial statements are reconciled with the nominal rates provided by law, as shown below:

Notes to the financial statements

	Parent Company			
	Three-month periods ended		Nine-month period ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Income for the year before taxes and contributions	585,153	303,646	1,326,439	778,755
Nominal rate	34%	34%	34%	34%
Expected revenue (expense) at nominal rate	(198,952)	(103,240)	(450,989)	(264,777)
IRPJ and CSLL on:				
(Additions) /exclusions				
Equity in net income of subsidiaries	(885)	37	(6,322)	(2,253)
Donations and subsidies	426	-	714	539
Other (additions) / exclusions	1,187	(1,309)	(770)	(3,664)
Other reconciliation items				
Interest on own capital	43,327	19,966	131,759	49,549
Tax incentives	6,858	8,068	23,265	16,931
IRPJ and CSLL	(148,039)	(76,478)	(302,343)	(203,675)
Effective rate	25.30%	25.19%	22.79%	26.15%
Current IRPJ and CSLL	(70,959)	(87,280)	(223,867)	(145,345)
Deferred income tax and social contribution	(77,080)	10,802	(78,476)	(58,330)
IRPJ and CSLL	(148,039)	(76,478)	(302,343)	(203,675)

	Consolidated			
	Three-month periods ended		Nine-month period ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Income for the year before taxes and contributions	585,153	303,646	1,326,439	778,755
Nominal rate	34%	34%	34%	34%
Expected expense at nominal rate	(198,952)	(103,240)	(450,989)	(264,777)
IRPJ and CSLL on:				
(Additions) /exclusions				
Donations and subsidies	426	-	714	539
Other (additions) / exclusions	302	(1,272)	(7,092)	(5,917)
Other reconciliation items				
Interest on own capital	43,327	19,966	131,759	49,549
Tax incentives	6,858	8,068	23,265	16,931
IRPJ and CSLL	(148,039)	(76,478)	(302,343)	(203,675)
Effective rate	25.30%	25.19%	22.79%	26.15%
Current IRPJ and CSLL	(70,959)	(87,280)	(223,867)	(145,345)
Deferred income tax and social contribution	(77,080)	10,802	(78,476)	(58,330)
IRPJ and CSLL	(148,039)	(76,478)	(302,343)	(203,675)

Notes to the financial statements

(b) Deferred income tax and social contribution

Offset amounts are as follows:

	Parent Company / Consolidated			09/30/2023
	12/31/2022	Comprehens ive income	Recognized in income (loss)	
IRPJ and CSLL Assets (Liabilities) on:				
Nine-month period ended September 30, 2023				
Provision for expected credit losses on accounts receivable	74,261	-	4,792	79,053
Provision for legal disputes	142,629	-	(88,147)	54,482
Provision for actuarial liability gains (losses) - comprehensive income	2,753	-	-	2,753
CPC adjustment - Balance of assigned assets to depreciate	40,216	-	(2,045)	38,171
Amortization difference by the discount of financial asset	212,179	-	19,356	231,535
Exchange-rate change on loans	(652)	-	(7,320)	(7,972)
Other temporary provision	26,241	-	17,613	43,854
Deferred construction revenue margin	(27,781)	-	1,349	(26,432)
Capitalization of discounted financial asset	(146,105)	-	(20,373)	(166,478)
Funding cost due to issue of debentures	(5,451)	-	(3,778)	(9,229)
Funding cost of loans	(937)	-	65	(872)
Provision for CPC adjustments - comprehensive income	(4,870)	12	-	(4,858)
Total net assets	312,483	12	(78,488)	234,007

	Parent Company / Consolidated			12/31/2022
	12/31/2021	Comprehens ive income	Recognized in income (loss)	
Year ended December 31, 2022				
Provision for expected credit losses on accounts receivable	81,320	-	(7,059)	74,261
Provision for legal disputes	136,767	-	5,862	142,629
Provision for actuarial liability gains (losses) - comprehensive income	25,150	(22,397)	-	2,753
CPC adjustment - Balance of assigned assets to depreciate	42,943	-	(2,727)	40,216
Amortization difference by the discount of financial asset	187,373	-	24,806	212,179
Exchange-rate change on loans	15,354	-	(16,006)	(652)
Other temporary provision	89,518	-	(63,277)	26,241
Income tax and social contribution				
Deferred construction revenue margin	(29,583)	-	1,802	(27,781)
Capitalization of discounted financial asset	(126,834)	-	(19,271)	(146,105)
Funding cost due to issue of debentures	(5,573)	-	122	(5,451)
Funding cost of loans	(1,023)	-	86	(937)
Provision for CPC adjustments - comprehensive income	(6,373)	1,503	-	(4,870)
Total net assets	409,039	(20,894)	(75,662)	312,483

There were no changes in the nature and conditions of income tax and social contribution as of September 30, 2023 in relation to that described in Note 17 of the Company's Financial Statements for the year ended December 31, 2022. Therefore, Management decided not to repeat them in this Interim Financial Information.

17. Technical cooperation agreement

The balance of covenants in assets is as follows:

	Parent Company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Current assets	55,496	30,170	55,505	30,185
Non-current assets	-	2,629	-	2,629
	55,496	32,799	55,505	32,814

	Parent Company			Consolidated		
	Receivable	Advance	Net	Receivable	Advance	Net
September 30, 2023						
State funds	4,653	(4,287)	366	555,579	(555,204)	375
Federal funds	240,253	(185,123)	55,130	240,253	(185,123)	55,130
Total	244,906	(189,410)	55,496	795,832	(740,327)	55,505

Notes to the financial statements

	Parent Company			Consolidated		
	Receivable	Advance	Net	Receivable	Advance	Net
December 31, 2022						
State funds	4,653	(4,287)	366	563,417	(563,035)	381
Federal funds	174,148	(141,715)	32,433	174,148	(141,715)	32,433
Total	178,801	(146,002)	32,799	737,565	(704,750)	32,814

The balance of agreements in liabilities is as follows:

	Parent Company / Consolidated	
	09/30/2023	12/31/2022
Current liabilities	2,370	7,978
Non-current liabilities	-	-
	2,370	7,978

	Parent Company / Consolidated		
	Advance	Receivable	Net
September 30, 2023			
State funds	5,366	(2,996)	2,370
Total	5,366	(2,996)	2,370
December 31, 2022			
State funds	5,122	-	5,122
Federal funds	42,519	(39,663)	2,856
Total	47,641	(39,663)	7,978

18.Obligations with retirement benefits

The amounts and information of the retirement benefit obligations are presented below:

	Parent Company / Consolidated	
	09/30/2023	12/31/2022
Normal contributions - current	9,828	9,627
Long-term obligations - non-current	34,370	44,296
Total liabilities recorded in the balance sheet	44,198	53,923

Changes in net liabilities are as follows:

	Parent Company / Consolidated	
	Nine-month period ended	
	September 30,	
	2023	2022
Opening balance	53,923	129,378
Amounts recognized in the statement of income	4,008	663
Provision for employer contributions	38,003	41,681
Provision of contributions from participants	49,852	55,722
Amortization of contributions (employer and participants)	(101,588)	(104,828)
Closing balance	44,198	122,616
Current liabilities	9,828	9,190
Non-current liabilities	34,370	113,426

a) Segregated values per benefit plan⁽¹⁾

1) Benefit plan RP1-BD

	12/31/2022
Present value of the obligations financed	(56,881)
Fair value of the plan assets	69,823
Asset ceiling effect	(12,942)
Plan's net liabilities	-

Notes to the financial statements

2) COPASA Settled-BD Plan

	12/31/2022
Present value of the obligations financed	(1,167,165)
Fair value of the plan assets	1,123,827
Plan's net liabilities	(43,338)

3) COPASA New Plan-DC

	12/31/2022
Present value of the obligations financed	(9,563)
Fair value of the plan assets	57,598
Asset ceiling effect	(48,035)
Plan's assets/liabilities, net	-

⁽¹⁾ The Company performs an actuarial assessment of the Commitments of the three retirement benefit plans annually.

On September 30, 2023, there were no changes in the nature and conditions of the retirement benefit plans in relation to that described in Note 19 of the Company's Financial Statements for the year ended December 31, 2022. Therefore, Management decided not to repeat them in this Interim Financial Information.

19.Shareholders' equity and dividends

(a) Capital

The Company is part of B3 – Brasil, Bolsa, Balcão's New Market of Corporate Governance, and its capital is exclusively comprised of common shares. Subscribed and paid-up capital, on September 30, 2023 and December 31, 2022 totals R\$ 3,402,385, represented by 380,253,069 common shares, all nominative and with no par value.

(b) Profit reserves

There were no relevant changes in reserves in relation to what is described in Note 20 (b) of the Company's Financial Statements for the year ended December 31, 2022. Therefore, Management decided not to repeat them in this Interim Financial Information.

(c) Equity valuation adjustments

There were no relevant changes in the balances of equity valuation adjustments in this quarter.

(d) Remuneration to shareholders

By-laws

Shareholders are entitled to receive a mandatory minimum dividend of 25% of net income for the year, adjusted by the decrease or increase in the amounts provided for in items I, II and III, article 202 of Law 6404/76.

Dividend Policy

The Company's Dividend Policy, implemented in April 2009, was revised in April 2023 by the Extraordinary General Meeting.

The main points of the current Policy are as follows:

- Regular Dividends will be in the form of Dividends or Interest on Own Capital.
- Declared Interest on Own Capital will be considered as mandatory legal minimum dividend.

Notes to the financial statements

• The percentage of Adjusted Net Income (net income after decreasing or increasing the amounts specified in items I, II and III of Article 202 of Federal Law 6404/1976) to be distributed in the form of Regular Dividends will be defined upon approval, by the Board of Directors, of the business budget for the year, always observing the following parameters:

- the mandatory legal minimum;
- the maximum limit of 50%.

• The declaration of Regular Dividends, for which the Board of Directors is responsible, must occur quarterly, and the payment will be made within sixty (60) days, counting as of the date of declaration, except for the amounts referring to the fourth quarter, which will be defined at the Annual General Meeting (AGM) that approves the Financial Statements for the year.

For Extraordinary Dividends, there may be distributions according to the analysis of the Board of Directors, and observing the following:

• The general guidelines comprising (i) compliance with the public interest that justified the creation of COPASA MG; and (ii) the guarantee of resources, in its Investment Plan, to comply with the provisions of Federal Law 11445/2007 and Federal Law 14026/2020, concerning the universalization of basic sanitation services and the other established qualitative and quantitative targets.

• Legal, regulatory, statutory, financial restrictions, as well as covenants.

Declaration of dividends/Interest on own capital (JCP) for the period.

• Regular dividends

The remuneration to shareholders for the period ended September 30, 2023, as approved by the Board of Directors, is detailed below:

Reference	Corporate event	Date of right	Amounts	Payment date
JCP 1Q23	RCA 03/17/2023	03/22/2023	131,582	05/16/2023
JCP 2Q23	RCA 06/16/2023	06/21/2023	128,511	08/14/2023
JCP 3Q23	RCA 09/15/2023	09/21/2023	127,432	11/14/2023
January to September 2023			387,525	

Changes in balance of “dividends and interest on own capital payable” account are as follows:

	Parent Company / Consolidated	
	Nine-month period	
	ended September	
	30, 2023	2022
Dividends and interest on own capital payable at the end of the period / year	231,653	265
Interest on own capital, proposed	387,525	391,105
Withholding income tax on interest on own capital	(26,925)	(23,576)
Interest on own capital paid in the year	(472,725)	(136,141)
Dividends and interest on own capital payable at the end of the period / year	119,528	231,653

(e) Earnings per share

• Basic

Basic earnings per share are calculated by dividing the income attributable to Company's shareholders by the weighted average number of common shares issued by the Company throughout the year, less common shares bought by the Company and held as treasury shares (letter “a” of this Note).

Notes to the financial statements

	Parent Company / Consolidated			
	Three-month period ended September 30,		Nine-month period ended September 30,	
	2023	2022	2023	2022
Earnings attributable to Company's shareholders	437,114	227,168	1,024,096	575,080
Weighted average number of common shares issued - thousands	379,181	379,181	379,181	379,181
Basic earnings per share (in R\$)	1.15	0.60	2.70	1.52

- Diluted

As of September 30, 2023 and 2022, the diluted earnings per share is the same as the basic earnings since there are no dilutive instruments.

20. Information per business segment

The Company's management defined the operating segments used to make strategic decisions, such as water services, sewage services and solid waste services. The Company does not have inter-segment revenues, having only external clients.

(i) Income (loss)

	Consolidated				Balances as per financial statements
	Water services	Sewage services	Solid waste	Reconciliation to financial statements	
Three-month period ended September 30, 2023					
Gross operating revenue	1,208,789	624,498	1,325	241,785	2,076,397
Deductions from gross revenue	(132,551)	(66,109)	(162)	-	(198,822)
Net operating revenue	1,076,238	558,389	1,163	241,785	1,877,575
Costs, sales and administrative expenses	(764,457)	(396,707)	-	(241,785)	(1,402,949)
Other income before other net operating expenses	311,781	161,682	1,163	-	474,626
Other operating revenues (expenses), net	-	5,827	-	12,421	18,248
Net financial income (loss)					92,279
Operating income before taxes					585,153

The amortization and depreciation of the asset are allocated as follows:

Three-month period ended September 30, 2023	Consolidated		
	Amortization	Depreciation	Total
Water services	39,642	17,329	56,971
Sewage services	75,415	7,279	82,694
Other fixed assets	45,443	10,773	56,216
Total	160,500	35,381	195,881

Notes to the financial statements

	Consolidated				
	Water services	Sewage services	Solid waste	Reconciliation to financial statements	Balances as per financial statements
Nine-month period ended September 30, 2023					
Gross operating revenue	3,562,645	1,825,009	4,119	594,627	5,986,400
Deductions from gross revenue	(385,206)	(191,692)	(492)	-	(577,390)
Net operating revenue	3,177,439	1,633,317	3,627	594,627	5,409,010
Costs, sales and administrative expenses	(2,289,324)	(1,176,795)	-	(594,627)	(4,060,746)
Other income before other net operating expenses	888,115	456,522	3,627	-	1,348,264
Other operating revenues (expenses), net	-	24,038	-	(63,405)	(39,367)
Net financial income (loss)					17,542
Operating income before taxes					1,326,439

The amortization and depreciation of the asset are allocated as follows:

	Consolidated		
	Amortization	Depreciation	Total
Nine-month period ended September 30, 2023:			
Water services	118,987	51,995	170,982
Sewage services	239,582	21,200	260,782
Other fixed assets	127,574	30,777	158,351
Total	486,143	103,972	590,115

	Consolidated				
	Water services	Sewage services	Solid waste	Reconciliation to financial statements	Balances as per financial statements
Three-month period ended September 30, 2022					
Gross operating revenue	1,038,774	515,947	577	233,285	1,788,583
Deductions from gross revenue	(112,360)	(54,394)	(71)	-	(166,825)
Net operating revenue	926,414	461,553	506	233,285	1,621,758
Costs, sales and administrative expenses	(685,986)	(341,530)	-	(233,285)	(1,260,801)
Other income before other net operating expenses	240,428	120,023	506	-	360,957
Other operating revenues/(expenses), net	-	14,648	-	(41,716)	(27,068)
Net financial income (loss)					(30,243)
Operating income before taxes					303,646

The amortization and depreciation of the asset are allocated as follows:

	Consolidated		
	Amortization	Depreciation	Total
Three-month period ended September 30, 2022:			
Water services	38,368	17,031	55,399
Sewage services	72,254	6,957	79,211
Other fixed assets	38,533	7,969	46,502
Total	149,155	31,957	181,112

Notes to the financial statements

	Consolidated				
	Water services	Sewage services	Solid waste	Reconciliation to financial statements	Balances as per financial statements
Nine-month period ended September 30, 2022					
Gross operating revenue	2,993,627	1,506,666	1,659	570,951	5,072,903
Deductions from gross revenue	(324,955)	(159,049)	(216)	-	(484,220)
Net operating revenue	2,668,672	1,347,617	1,443	570,951	4,588,683
Costs, sales and administrative expenses	(2,042,180)	(1,031,253)	-	(570,951)	(3,644,384)
Other income before other net operating expenses	626,492	316,364	1,443	-	944,299
Other operating revenues (expenses), net	-	50,108	-	(85,127)	(35,019)
Net financial income (loss)					(130,525)
Operating income before taxes					778,755

The amortization and depreciation of the asset are allocated as follows:

	Consolidated		
	Amortization	Depreciation	Total
Nine-month period ended September 30, 2022			
Water services	115,162	52,636	167,798
Sewage services	217,821	20,871	238,692
Other fixed assets	114,339	22,406	136,745
Total	447,322	95,913	543,235

The impacts on gross operating revenue and costs arising from the reconciliation to the Financial Statements are presented below:

	Nine-month period ended September 30,	
	2023	2022
Gross construction revenue referring to ICPC 1 (R1)	594,627	570,951
Construction cost referring to ICPC 1 (R1)	(594,627)	(570,951)
Construction margin	-	-

The assets corresponding to the reported segments are reconciled with the total assets, as shown below:

	Consolidated	
	09/30/2023	09/30/2022
Intangible assets:		
Water services	1,607,942	1,504,916
Sewage services	3,370,354	3,421,535
Other intangible assets	674,088	598,461
Total intangible assets	5,652,384	5,524,912
Property, plant and equipment:		
Water services	878,549	914,487
Sewage services	258,046	258,445
Other fixed assets	313,708	245,405
Total Property, plant and equipment	1,450,303	1,418,337

There is no liability allocated to the reported segments.

Notes to the financial statements

21. Financial risk management

In the period ended September 30, 2023, there were no changes and management of financial risks in relation to those disclosed in Note 22 of the Company's Financial Statements for the year ended December 31, 2022. Thus, information related to: (a) liabilities linked to exchange-rate changes; (b) financial assets credit quality; (c) cash flow from financial instruments also did not undergo material changes in relation to that disclosed in the aforementioned Note. Thus, Management decided not to repeat them in the Interim Financial Information as of September 30, 2023.

21.1. Sensitivity analysis

(a) Interest rate sensitivity

The Company prepared a sensitivity analysis of the effects of a possible change in market variables on its loans, financing, and debentures. In such analysis, keeping all other variables constant, the Company's income (loss) before taxation would be affected according to the scenarios presented below:

Indicators	Exposure (i)	Scenario I	Scenario II	Scenario III	Scenario IV	Scenario V
		Probable (ii)	+25%	-25%	+50%	-50%
TJLP	163,659	6.55%	8.19%	4.91%	9.83%	3.28%
Changes in principal (R\$)	-	10,720	13,399	8,040	16,080	5,360
IPCA	1,452,982	4.86%	6.08%	3.65%	7.29%	2.43%
Changes in principal (R\$)	-	70,615	88,269	52,961	105,922	35,307
CDI	1,691,330	11.75%	14.69%	8.81%	17.63%	5.88%
Changes in principal (R\$)	-	198,731	248,414	149,048	298,097	99,366
Ref. rate	865,627	2.49%	3.11%	1.87%	3.73%	1.24%
Changes in principal (R\$)	-	21,549	26,936	16,162	32,323	10,774
Fixed spread - Euribor	237,279	4.13%	5.16%	3.09%	6.19%	2.06%
Changes in principal (R\$)	-	9,788	12,235	7,341	14,682	4,894
Fixed spread	197,223	-	-	-	-	-
No impact	-	-	-	-	-	-
Total (R\$)	4,608,100	311,403	389,253	233,552	467,104	155,701

(i) Principal on September 30, 2023.

(ii) Sources of indexes:

Long-Term Interest Rate (TJLP) projected according to BNDES release - September 2023.

IPCA and CDI projected according to the Focus Bulletin of the Central Bank of Brazil – September 30, 2023.

Accumulated TR of the last 12 months according to the Central Bank of Brazil.

For exchange rate change, see item "Exchange rate sensitivity" below.

(b) Sensitivity to foreign exchange rate

The sensitivity analysis, prepared by the Company, is determined by the estimated changes in the € exchange rates, of $\pm 25\%$ and $\pm 50\%$, in the debt balance in foreign currency of loans and financing. Keeping all other variables constant, the result of exchange rate sensitivity before taxation is shown below:

Financial instrument on 09/30/2023

Principal Balance (€ thousand)

Principal Balance

Financing

€81,180

430,256

Gain/(loss)

Scenarios regarding the debt balance

Likely (Projection)

25% decrease in € FX

50% decrease in € FX

25% increase in € FX

50% increase in € FX

Financing

(7,306)

107,564

215,128

(107,564)

(215,128)

Source of projected indexes: Euro Projection by Santander as of September 30, 2023 (<https://www.santander.com.br/analise-economica>).

Notes to the financial statements

(c) Liquidity risk

The table below shows the collateral for the receivables provided by the Company in loans, financing and debentures agreements, in addition to the Rio Manso PPP. It is worth highlighting that these agreements also have a collateral for financing (Note 7).

Restricted revenues as of September 30, 2023				
	Contract	Collateral (committed revenue)	Amount	Agreement end date
Financing and Debentures	2007/2008 financing	Committed revenue amounting to three times the monthly debt service of the 2007 and 2008 agreements.	R\$ 5,691	Sep 2031
	PAC 2009	Committed revenue amounting to three times the monthly debt service of the agreements.	R\$ 2,032	Nov 2032
	5 th Issue of Debentures (R\$ 288 million)	Committed revenue amounting to at least 4.5% of the debentures' outstanding balance in the last business day of each year.	R\$ 6,937	Sep 2031
	2011 financing (Normative Instructions 33, 25 and 24)	Committed revenue amounting to three times the monthly debt service of the agreements.	R\$ 4,318	June 2035
	2012 Financing (Normative Instruction 24)	Committed revenue amounting to three times the monthly debt service of the agreements.	R\$ 565	May 2036
	2013 Financing (Normative Instruction 27)	Committed revenue amounting to three times the monthly debt service of the agreements.	R\$ 3,879	Oct 2037
	2014 Financing (Normative Instruction 02)	Committed revenue amounting to three times the monthly debt service of the agreements.	R\$ 2,722	Feb 2038
	2015 Financing (Normative Instruction 02)	Committed revenue amounting to three times the monthly debt service of the agreements.	R\$ 1,610	Mar 2039
	CAIXA - 2017/2018 financing (Normative Instruction 29/22)	Committed revenue amounting to three times the monthly debt service of the agreements.	R\$ 4,131	Jan 2043
	Financing (R\$ 181 million)	Committed revenue of R\$ 7.0 million, annually adjusted by the IPCA, since April 2010.	R\$ 15,023	May 2025
	8 th Issue of Debentures (R\$ 140 million)	Committed revenue of R\$ 16.9 million, annually adjusted by the IPCA, since September 2015.	R\$ 24,939	June 2028
	11 st Issue of Debentures (R\$ 226 million)	Pledging of revenue of R\$ 5.5 million, annually restated by the IPCA excess change above 12%, since April 2017.	R\$ 6,589	Jan 2031
	Financings	€ 100 million	Committed revenue amounting to one (1) time the monthly debt service of the agreement.	R\$ 29,803
Public-Private Partnership	Rio Manso PPP	1/12 of the annual installment of the Consideration payable for each effective year.	R\$ 11,100	Dec 2028
Financings	Finame BB	Binding of 130% of the PMT of the contracts.	R\$ 432	Jan 2025
Total committed revenue			R\$ 119,771	

21.2. Fair value estimate

Fair value of loans, financing and debentures

The book values compared to their respective estimated fair values are as follows:

	Parent Company / Consolidated			
	Book value	Fair value	Book value	Fair value
	09/30/2023	09/30/2023	12/31/2022	12/31/2022
Loans and financing	1,181,772	1,145,901	976,937	953,664
Simple debentures	3,414,776	3,315,443	3,162,983	3,159,675
Total	4,596,548	4,461,344	4,139,920	4,113,339

Notes to the financial statements

The market liability values are calculated through the projection of the debt balance, updated by the contractual rate for the number of months remaining for payment. The value found goes back to the current period using the market rates below:

Notes to the financial statements

Parent Company / Consolidated				
Lines	Contractual rate	Periods (in months)	Market rate	Observations
Financing	7.77%	132	9.00%	Rate quote in September 2023
Financing	7.55%	20	11.49%	Rate quote in September 2023
FINAME	5.86%	11	11.55%	FINAME rate quote in September 2023
Simple debentures	10.51%	56	12.62%	Debenture rate quotes in September 2023
Financing	1.51%	66	1.41%	Rate quote in September 2023
Financing	4.62%	121	4.68%	Rate quote in September 2023

On October 6, 2023, the rating agency Moody's Brasil issued an updated Credit Report maintaining the Company's credit rating (corporate rating) at AAA.br, with a Stable outlook.

22. Financial instruments by category

(a) Assets

	09/30/2023			12/31/2022		
	Financial assets at amortized cost	Fair value in other comprehensive income	Total	Financial assets at amortized cost	Fair value in other comprehensive income	Total
Parent Company:						
Cash and cash equivalents	1,203,526	-	1,203,526	1,091,080	-	1,091,080
Trade accounts receivable	1,276,965	-	1,276,965	1,075,072	-	1,075,072
Banks and arrangements	345	-	345	11,791	-	11,791
Restricted interest earning bank deposits	74,616	-	74,616	71,706	-	71,706
Concession financial assets	936,483	-	936,483	872,921	-	872,921
Financial assets at fair value through other comprehensive income	-	620	620	-	620	620
Other accounts receivable	131,547	-	131,547	136,153	-	136,153
Total	3,623,482	620	3,624,102	3,258,723	620	3,259,343
Consolidated:						
Cash and cash equivalents	1,250,850	-	1,250,850	1,122,299	-	1,122,299
Trade accounts receivable	1,291,647	-	1,291,647	1,086,570	-	1,086,570
Banks and arrangements	467	-	467	11,842	-	11,842
Restricted interest earning bank deposits	74,616	-	74,616	71,706	-	71,706
Concession financial assets	953,288	-	953,288	889,897	-	889,897
Financial assets at fair value through other comprehensive income	-	620	620	-	620	620
Other accounts receivable	125,581	-	125,581	131,096	-	131,096
Total	3,696,449	620	3,697,069	3,313,410	620	3,314,030

(b) Liabilities

	Financial liabilities at amortized cost and total	
	09/30/2023	12/31/2022
Parent Company:		
Loans, financing and debentures	4,596,548	4,139,920
Suppliers	326,247	289,620
Leases	97,289	105,909
Public-Private Partnership	221,613	243,603
Total	5,241,697	4,779,052

Notes to the financial statements

	Financial liabilities at amortized cost and total	
	09/30/2023	12/31/2022
Consolidated:		
Loans, financing and debentures	4,596,548	4,139,920
Suppliers	335,161	298,595
Lease (1)	97,373	105,916
Public-Private Partnership	221,613	243,603
Total	5,250,695	4,788,034

(1) Regarding the consolidated lease, in the three-month period ended September 30, 2023, amortization and interest were R\$ 13,046 and R\$ 1,668, respectively (R\$ 10,455 and R\$ 2,627, respectively, in the three-month period ended September 30, 2022). In the nine-month period ended September 30, 2023, amortization and interest totaled R\$ 34,401 and R\$ 5,088, respectively (R\$ 28,411 and R\$ 7,655 respectively, in the nine-month period ended September 30, 2022).

23. Related party transactions

(a) Assets, liabilities and income (loss)

The Company recognizes as a related party, in addition to the business relationships maintained with its wholly-owned subsidiary COPANOR, Copass Saúde and Fundação Libertas de Seguridade Social, as well as the financial transactions maintained with key management personnel, with its Majority Shareholder and with the Companies or Bodies directly or indirectly related to it, provided that there are formalized contractual relations with these Companies or Bodies that generate financial transactions.

Balances and transactions with related parties are as follows:

	Parent Company			
	09/30/2023			
	Subsidiary COPANOR	STATE OF MG	Other	
COPASS			LIBERTAS	
Assets				
Current assets				
Trade accounts receivable:				
Amounts billed	-	30,899	1	23
Amounts to be billed	-	12,687	1	12
Agreements	-	366	-	-
Advance and other:				
Credit with subsidiary	6,375	-	-	-
Total assets	6,375	43,952	2	35
Liabilities				
Current liabilities				
Agreements	-	2,370	-	-
Obligations with retirement benefits	-	-	-	9,828
Health program	-	-	11,464	-
Non-current liabilities				
Obligations with retirement benefits	-	-	-	34,370
Total liabilities	-	2,370	11,464	44,198

Notes to the financial statements

	Parent Company			
	09/30/2023			
	Subsidiary COPANOR	STATE OF MG	Other	
COPASS			LIBERTAS	
Income (loss) for three-month period ended September 30, 2023				
Income (loss)				
Revenues from water and sewage treatment services	-	46,369	3	63
Security program	-	-	-	(12,747)
Health program	-	-	(28,858)	-
Income (loss) for nine-month period ended September 30, 2023				
Income (loss)				
Revenues from water and sewage treatment services	-	133,777	7	146
Security program	-	-	-	(38,003)
Health program	-	-	(80,371)	-
Parent Company				
12/31/2022				
	Subsidiary COPANOR	STATE OF MG	Other	
			COPASS	LIBERTAS
Assets				
Current assets				
Trade accounts receivable:				
Amounts billed	-	19,870	1	12
Amounts to be billed	-	11,192	1	6
Agreements	-	366	-	-
Advance and other:				
Credit with subsidiary	5,342	-	-	-
Total assets	5,342	31,428	2	18
Liabilities				
Current liabilities				
Agreements	-	5,122	-	-
Obligations with retirement benefits	-	-	-	9,627
Health program	-	-	11,049	-
Non-current liabilities				
Obligations with retirement benefits	-	-	-	44,296
Total liabilities	-	5,122	11,049	53,923
Income (loss) for three-month period ended September 30, 2022				
Income (loss)				
Revenues from water and sewage treatment services	-	40,457	2	37
Security program	-	-	-	(11,704)
Health program	-	-	(25,291)	-
Income (loss) for nine-month period ended September 30, 2022				
Income (loss)				
Revenues from water and sewage treatment services	-	114,493	6	162
Security program	-	-	-	(34,773)
Health program	-	-	(75,902)	-

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

Notes to the financial statements

(b) Remuneration of key management personnel

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2023	2022	2023	2022
Remuneration	1,718	970	5,207	4,735
Benefits:				
Food	23	18	68	70
Health	46	17	96	65
Post-employment benefit	99	60	248	220
Total	1,886	1,065	5,619	5,090

(c) Onlending of value for execution of works - water resilience

On February 28, 2023, pursuant to the Material Fact disclosed, and in continuity with the Material Fact disclosed on July 14, 2021, the Company communicated that it received on said date, from its controlling shareholder, the State of Minas Gerais, through the Secretary of State of Economic Development, a letter informing that, regarding the works planned for carrying out interventions and works that will enhance the water resilience of the Paraopeba and Rio das Velhas Basins, contained in State Law 23830 of July 28, 2021, the controlling shareholder decided that the transfer of the amounts intended for the execution of the works will be carried out in a non-onerous way and, consequently, no capital contribution will be made to the Company.

24. Commitments

The Company is a party to contracts for the construction of new projects, under which obligations are recognized as the services are performed. The main amounts payable to contractors and suppliers outstanding as at September 30, 2023 are listed below:

	Amount	Average contract term in months
Obligations of the major 10 contracts - Investments in construction works and organic growth in several concessions, which corresponds to the expected disbursement	379,909	12
Contractual obligations - Lease agreements within the scope of IFRS 16, which corresponds to the expected disbursement	7,268	07

25. Transactions that do not involve cash or cash equivalents

In the nine-month period of 2023 and 2022, the Company and its subsidiary carried out the following investment and financing activities not involving cash, so these are not reflected in the statement of cash flows:

	Parent Company		Consolidated	
	Nine-month period ended September 30,		Nine-month period ended September 30,	
	2023	2022	2023	2022
Capitalized interest (Note 9)	92,307	59,149	92,307	59,149
Leases additions	24,238	6,506	24,491	6,622

Notes to the financial statements

26.Revenues

The reconciliation of gross revenue to net revenue is as follows:

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2023	2022	2023	2022
Parent Company:				
Revenue from rendering of water services	1,172,825	1,010,591	3,462,675	2,911,656
Revenue from rendering of sewage services	611,125	505,384	1,787,489	1,475,854
Solid waste	1,325	577	4,119	1,659
Construction revenue	239,081	225,910	586,581	560,397
Total gross revenue	2,024,356	1,742,462	5,840,864	4,949,566
Sales taxes	(165,239)	(140,349)	(486,276)	(406,439)
Net revenue	1,859,117	1,602,113	5,354,588	4,543,127
Consolidated:				
Revenue from rendering of water services	1,185,999	1,020,885	3,501,450	2,940,954
Revenue from rendering of sewage services	615,311	508,611	1,799,817	1,485,126
Solid waste	1,325	577	4,119	1,659
Construction revenue	241,785	233,285	594,627	570,951
Total gross revenue	2,044,420	1,763,358	5,900,013	4,998,690
Sales taxes	(166,845)	(141,600)	(491,003)	(410,007)
Net revenue	1,877,575	1,621,758	5,409,010	4,588,683

Breakdown of net revenue:

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2023	2022	2023	2022
Parent Company:				
Direct revenue from water	1,050,449	895,083	3,079,386	2,577,236
Direct revenue from sewage	551,273	456,890	1,613,426	1,333,411
Solid waste	1,163	506	3,627	1,443
Total direct revenue	1,602,885	1,352,479	4,696,439	3,912,090
Indirect revenue from water	13,834	21,990	62,865	64,848
Indirect revenue from sewage	3,317	1,734	8,703	5,792
Total indirect revenue	17,151	23,724	71,568	70,640
Construction revenue	239,081	225,910	586,581	560,397
Total net revenue	1,859,117	1,602,113	5,354,588	4,543,127
Consolidated:				
Direct revenue from water	1,062,250	904,171	3,113,855	2,603,095
Direct revenue from sewage	555,072	459,819	1,624,613	1,341,824
Solid waste	1,163	506	3,627	1,443
Total direct revenue	1,618,485	1,364,496	4,742,095	3,946,362
Indirect revenue from water	13,988	22,243	63,584	65,577
Indirect revenue from sewage	3,317	1,734	8,704	5,793
Total indirect revenue	17,305	23,977	72,288	71,370
Construction revenue	241,785	233,285	594,627	570,951
Total net revenue	1,877,575	1,621,758	5,409,010	4,588,683

Notes to the financial statements

27.Costs and expenses by nature

	Three-month period ended		Nine-month period ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Parent Company:				
Operating costs				
Personnel	209,674	192,144	694,379	576,388
Social security costs	43,036	39,602	131,860	123,062
Construction costs	239,081	225,910	586,581	560,397
General material	26,805	33,688	79,532	86,717
Treatment materials	26,894	26,708	97,603	79,356
Outsourced services	158,179	145,382	453,025	404,338
Electric power	155,193	121,492	415,444	402,299
General expenses	76,439	57,645	206,423	161,208
Depreciation and amortization	173,096	163,275	528,407	487,797
(-) Tax credits	(16,578)	(17,428)	(47,855)	(51,088)
Losses of obsolete materials	324	-	324	-
	1,092,143	988,418	3,145,723	2,830,474
Sales expenses				
Personnel	45,214	40,323	154,121	139,186
Social security costs	7,962	7,371	23,902	25,958
General material	1,068	1,324	3,039	3,888
Treatment materials	9	13	34	26
Outsourced services	15,733	8,155	37,418	20,675
Electric power	578	417	1,759	1,712
General expenses	264	199	686	516
Depreciation and amortization	1,944	1,737	5,419	5,142
	72,772	59,539	226,378	197,103
Provision for expected credit losses on trade accounts receivable	33,660	51,113	136,349	147,955
Administrative expenses				
Personnel	89,857	66,992	269,269	204,416
Social security costs	13,152	11,158	36,676	31,792
General material	967	1,805	2,644	4,623
Treatment materials	1	5	4	28
Outsourced services	36,776	38,522	103,670	108,247
Electric power	854	579	2,345	2,366
General expenses	22,393	8,215	29,233	15,904
Depreciation and amortization	17,967	13,793	48,018	43,793
Provision for losses of obsolete materials	74	-	-	1,328
	182,041	141,069	491,859	412,497
Costs and expenses				
Personnel (Note 28)	344,745	299,459	1,117,769	919,990
Social security costs (Note 28)	64,150	58,131	192,438	180,812
Construction costs	239,081	225,910	586,581	560,397
General material	28,840	36,817	85,215	95,228
Treatment materials	26,904	26,726	97,641	79,410
Outsourced services	210,688	192,059	594,113	533,260
Electric power	156,625	122,488	419,548	406,377
General expenses	99,096	66,059	236,342	177,628
Depreciation and amortization	193,007	178,805	581,844	536,732
(-) Tax credits	(16,578)	(17,428)	(47,855)	(51,088)
Provision for losses of obsolete materials	398	-	324	1,328
Provision for expected credit losses on trade accounts receivable	33,660	51,113	136,349	147,955
Total	1,380,616	1,240,139	4,000,309	3,588,029

Notes to the financial statements

	Three-month period ended		Nine-month period ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Consolidated:				
Operating costs				
Personnel	214,424	196,398	708,644	587,661
Social security obligations	43,978	40,463	134,706	125,632
Construction costs	241,785	233,285	594,627	570,951
General material	28,597	34,909	83,492	90,275
Treatment materials	27,931	27,459	100,354	81,738
Outsourced services	159,651	146,599	456,461	407,133
Electric power	158,862	124,110	424,807	410,660
General expenses	76,921	56,953	207,862	161,229
Depreciation and amortization	175,928	165,571	536,559	494,269
(-) Tax credits	(16,807)	(17,654)	(48,471)	(51,706)
Losses of obsolete materials	977	(1,497)	776	45
	1,112,247	1,006,596	3,199,817	2,877,887
Sales expenses				
Personnel	45,300	40,408	154,403	139,447
Social security obligations	7,977	7,387	23,952	26,008
General material	1,075	1,330	3,049	3,898
Treatment materials	9	13	34	26
Outsourced services	16,207	8,525	38,801	21,797
Electric power	578	417	1,759	1,712
General expenses	269	205	697	533
Depreciation and amortization	1,983	1,738	5,513	5,145
	73,398	60,023	228,208	198,566
Impairment loss on accounts receivable	34,139	52,283	137,587	151,410
Administrative expenses				
Personnel	90,257	67,195	270,474	206,490
Social security obligations	13,225	11,199	36,900	31,923
General material	1,044	1,866	2,851	4,808
Treatment materials	1	5	4	28
Outsourced services	37,247	38,977	104,950	109,519
Electric power	910	632	2,508	2,542
General expenses	22,437	8,216	29,404	16,056
Depreciation and amortization	17,970	13,803	48,043	43,821
Provision for losses of obsolete materials	74	6	-	1,334
	183,165	141,899	495,134	416,521
Costs and expenses				
Personnel (Note 28)	349,981	304,001	1,133,521	933,598
Social security obligations (Note 28)	65,180	59,049	195,558	183,563
Construction costs	241,785	233,285	594,627	570,951
General material	30,716	38,105	89,392	98,981
Treatment materials	27,941	27,477	100,392	81,792
Outsourced services	213,105	194,101	600,212	538,449
Electric power	160,350	125,159	429,074	414,914
General expenses	99,627	65,374	237,963	177,818
Depreciation and amortization	195,881	181,112	590,115	543,235
(-) Tax credits	(16,807)	(17,654)	(48,471)	(51,706)
Provision for losses of obsolete materials	1,051	(1,491)	776	1,379
Impairment loss on accounts receivable	34,139	52,283	137,587	151,410
Total	1,402,949	1,260,801	4,060,746	3,644,384

Notes to the financial statements

Details of construction costs:

	Three-month period ended		Nine-month period ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Parent Company:				
Salaries and payroll charges	11,244	7,842	32,165	30,748
Material	14,922	15,972	38,140	38,886
Equipment	7,876	7,428	21,739	17,424
Outsourced services	183,243	179,053	431,279	428,967
Financing costs	21,796	14,965	63,036	42,644
Other	-	650	222	1,728
Total construction costs	239,081	225,910	586,581	560,397
Consolidated:				
Salaries and payroll charges	11,244	7,842	32,165	30,748
Material	15,439	16,441	39,161	39,488
Equipment	8,030	9,160	22,329	19,589
Outsourced services	185,276	184,227	437,714	436,754
Financing costs	21,796	14,965	63,036	42,644
Other	-	650	222	1,728
Total construction costs	241,785	233,285	594,627	570,951

28. Personnel expenditures

	Three-month period ended		Nine-month period ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Parent Company:				
Salaries	199,502	179,856	599,519	571,738
Indemnities (*)	4,731	1,716	120,860	7,616
Social security costs	64,150	58,131	192,438	180,812
FGTS	17,176	15,720	51,686	48,877
Contribution to pension plan	12,747	11,704	38,003	34,773
Meal program	49,018	44,719	147,526	135,669
Health program	28,858	25,291	80,371	75,903
Employee gain sharing	27,291	13,978	63,544	27,466
Other benefits	5,422	6,475	16,260	17,948
Total	408,895	357,590	1,310,207	1,100,802
Personnel (Note 27)	344,745	299,459	1,117,769	919,990
Social security obligations (Note 27)	64,150	58,131	192,438	180,812
Consolidated:				
Salaries	203,081	183,028	610,388	581,296
Indemnities (*)	4,755	1,725	120,908	7,686
Social security costs	65,180	59,049	195,558	183,562
FGTS	17,426	15,949	52,451	49,562
Contribution to pension plan	12,747	11,704	38,003	34,773
Meal program	50,050	45,624	150,595	138,260
Health program	29,111	25,487	81,089	76,513
Employee gain sharing	27,291	13,978	63,544	27,467
Other benefits	5,520	6,506	16,543	18,042
Total	415,161	363,050	1,329,078	1,117,161
Personnel (Note 27)	349,981	304,001	1,133,521	933,598
Social security obligations (Note 27)	65,180	59,049	195,558	183,563

(*) For the nine-month period ended September 30, 2023, the amount is mainly related to PDVI.

Notes to the financial statements

29. Other operating revenues and expenses

Other operating revenues accrued by the Company are presented as follows:

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2023	2022	2023	2022
Parent Company:				
Reversal of non-deductible provision	5,827	13,836	24,038	50,108
Recovery of written-off accounts	-	12,002	-	33,469
Disposal of property, plant and equipment	599	727	2,720	3,476
Other revenues	17,100	5,664	28,703	14,845
Total other operating revenues	23,526	32,229	55,461	101,898
Consolidated:				
Reversal of non-deductible provision	5,827	13,218	24,038	50,108
Recovery of written-off accounts	-	12,444	-	34,905
Disposal of property, plant and equipment	599	727	2,720	3,476
Other revenues	17,629	5,671	29,304	14,881
Total other operating revenues	24,055	32,060	56,062	103,370

The Company's other operating expenses are presented below:

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2023	2022	2023	2022
Parent Company:				
Reversal of (provision for) lawsuits, net	28,283	(22,429)	16,760	(27,822)
ARSAE fee	(14,203)	(13,265)	(42,610)	(39,795)
Expenses with environment preservation	(11,470)	(6,287)	(28,176)	(14,315)
Taxes and duties	(3,739)	(1,976)	(10,886)	(8,686)
Actuarial liability	(1,656)	(4,688)	(4,967)	(14,062)
Other	(2,240)	(10,239)	(14,772)	(32,773)
Total	(5,025)	(58,884)	(84,651)	(137,453)
Consolidated:				
Reversal of (provision for) lawsuits, net	28,002	(22,296)	16,186	(27,605)
ARSAE fee	(14,461)	(13,505)	(43,383)	(40,515)
Expenses with environment preservation	(11,470)	(6,287)	(28,176)	(14,315)
Taxes and duties	(3,800)	(1,985)	(11,166)	(8,789)
Actuarial liability	(1,656)	(4,688)	(4,967)	(14,062)
Other	(2,422)	(10,367)	(23,923)	(33,103)
Total	(5,807)	(59,128)	(95,429)	(138,389)

Notes to the financial statements

30. Financial revenues and expenses

Financial revenues and expenses are summarized as follows:

	Three-month period ended		Nine-month period ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Parent Company:				
Asset interest	13,499	12,117	36,589	35,839
Yields from interest earning bank deposits	18,491	18,342	88,678	68,814
Revenue from inflation adjustment and exchange rate change	15,920	12,129	41,735	63,274
Revenues from financial assets/other	32,599	16,695	83,386	45,977
Taxes on financial revenue	(2,739)	(1,618)	(7,678)	(5,375)
Total revenue	77,770	57,665	242,710	208,529
Charges on financing and legal provision	36,905	(70,529)	(132,291)	(224,491)
Inflation adjustment and exchange rate change expense	(23,738)	(18,839)	(89,288)	(117,938)
Other expenses	(183)	(77)	(1,186)	(261)
Total expense	12,984	(89,445)	(222,765)	(342,690)
Financial income (loss)	90,754	(31,780)	19,945	(134,161)
Consolidated:				
Asset interest	13,620	12,249	36,931	36,386
Yields from interest earning bank deposits	19,575	19,660	91,568	71,688
Revenue from inflation adjustment and exchange rate change	15,937	12,147	41,803	63,315
Revenues from financial assets/other	32,993	16,855	84,140	46,339
Taxes on financial revenue	(2,807)	(1,689)	(7,847)	(5,539)
Total revenue	79,318	59,222	246,595	212,189
Charges on financing and legal provision	36,893	(70,530)	(132,349)	(224,495)
Inflation adjustment and exchange rate change expense	(23,738)	(18,839)	(95,495)	(117,938)
Other expenses	(194)	(96)	(1,209)	(281)
Total expense	12,961	(89,465)	(229,053)	(342,714)
Financial income (loss)	92,279	(30,243)	17,542	(130,525)

31. Notes presented in the Annual Financial Statements that are not presented in this Interim Accounting Information

Pursuant to CVM/SNC/SEP Circular Letter 003/2011, the Company opened the notes considered relevant in the context of the “Basic Conceptual Pronouncement - Conceptual Framework for the Preparation and Presentation of Financial Statements”. All information whose omission or misstatement could influence the economic decisions of users were duly disclosed in this Interim Financial Information which should be read in conjunction with the Financial Statements as of December 31, 2022.

We indicate below the exact location of the Notes whose information has not been repeated in this Interim Financial Information, either due to redundancy or relevance:

Note 04 - Estimates and Critical Accounting Judgments;

Note 26 - Insurance;

Note 33 - Operational and Financial Data of Activities Related to Achievement of Collective Interest Purposes.

Comments on the Behavior of the Business Projections

Comments on the Behavior of the Business Projections

1. Projections

Aiming to monitor the dynamics of the sanitation sector and the performance of the Brazilian economy, the Company periodically reviews its planning and goals, including investment plans.

1.1. Investment Program

1.1.1. 2023 Investment Program

For 2023, the investments foreseen by COPASA in water, sewage and business and operational development total R\$ 1,597 million. Also, there are also plans to capitalize R\$ 160 million. Referring to the subsidiary COPANOR, in the estimated amount of R\$ 49.3 million for the year.

In the period from January to September 2023 (9M23), R\$ 1,189.6 million were invested within the Parent Company and R\$ 18.4 million within the scope of COPANOR, as presented in the table below:

Investments (R\$ million)	9M23
Water	473.5
Sewage	484.2
Business and operational development	39.6
Capitalizations	192.3
Total - Parent company	1,189.6
COPANOR	18.4
Total – COPASA MG and COPANOR	1,208.0

1.1.2. Investment Program, 2024–2027

The values of the Multiannual Investment Program projected by COPASA MG for the period from 2024 to 2027 are as follows:

Projected value (R\$ million)	2024	2025	2026	2027
Water, Sewage, and Corporate Development	1,650	1,628	1,628	1,628
Capitalizations	185	294	371	382
Total	1,835	1,922	1,999	2,010

Opinions and Statements / Special Review Report - Unqualified

Report on the review of quarterly information - ITR

To the Board Members and Shareholders of
Companhia de Saneamento de Minas Gerais – COPASA MG
Belo Horizonte – Minas Gerais

Introduction

We have reviewed the interim, individual and consolidated financial information of Companhia de Saneamento de Minas Gerais - COPASA MG ("Company"), contained in the Quarterly Information Form - ITR for the quarter ended September 30, 2023, which comprise the balance sheet as of September 30, 2023 and related statements of income, of comprehensive income for the three- and nine-month periods then ended, of changes in shareholders' equity and of cash flows for the nine-month period then ended, including the explanatory notes.

Company's Management is responsible for the preparation of the individual interim financial information in accordance with CPC 21(R1) and the consolidated interim financial information in accordance with CPC 21 (R1) and with international standard IAS 34- Interim Financial Reporting, issued by the International Accounting Standards Board - (IASB), as well as for the presentation of this information in a manner consistent with the standards issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on these interim financial information based on our review.

Scope of the review

Our review was carried out in accordance with the Brazilian and international review standards for 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 in asking questions, chiefly to the persons in charge of financial and accounting affairs, and in applying analytical procedures and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, we are not aware of any facts that would lead us to believe that the individual and consolidated interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, applicable to the preparation of Quarterly Information - ITR, and presented in a manner consistent with the standards issued by the Securities Commission.

Other matters

Statements of added value

The aforementioned quarterly information includes the individual and consolidated statements of added value for the nine-month period ended September 30, 2023, prepared under responsibility of Company's Management, and presented as supplementary information for IAS 34 purposes. These statements have been subject to review procedures performed in conjunction with the review of the quarterly information, in order to determine whether they are reconciled with the interim financial information and book records, as applicable, and whether their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 – Statement of Added Value. Based on our review, we are not aware of any facts that may lead us to believe that those statements of added value have not been prepared, in all material respects, in accordance with the criteria set forth in this Standard and consistently with respect to the individual and consolidated interim financial information taken as a whole.

Belo Horizonte, October 26, 2023

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

Original report in Portuguese signed by

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

Opinions and Statements / Statement of the Executive Officers on the Financial Statements

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

In compliance with items V and VI of paragraph one of article 27 and item II of the paragraph one of article 31 of CVM Resolution 80, dated March 29, 2022, the Chief Executive Officer and the other Officers of Companhia de Saneamento de Minas Gerais - COPASA MG, a publicly-held mixed capital company headquartered at Rua Mar de Espanha, 525, Belo Horizonte - MG, EIN 17.281.106/0001- 03, hereby declare that:

1. They have reviewed, discussed and agreed with the opinions expressed in the opinion of KPMG Auditores Independentes related to the Interim Financial Information of the Parent Company and Consolidated, in compliance with the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) for the period ended September 30, 2023; and
2. They have reviewed, discussed and agreed with the Interim Financial Information of the Parent Company and Consolidated, in compliance with the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) for the period ended September 30, 2023.

Belo Horizonte-MG, October 26, 2023

Guilherme Augusto Duarte de Faria
CEO
Chief Technological Development, Environment and Project Officer

Carlos Augusto Botrel Berto
Chief Financial and Investor Relations Officer

Cleyson Jacomini de Sousa
Chief Customer Relationship and Regulation Officer

Guilherme Frasson Neto
Chief Operating Officer

Opinions and Statements / Statement of the Executive Officers on Independent Auditor's Report

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2. They have reviewed, discussed and agreed with the Interim Financial Information of the Parent Company and Consolidated, in compliance with the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) for the period ended September 30, 2023.

Belo Horizonte-MG, October 26, 2023

Guilherme Augusto Duarte de Faria
CEO
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