

# **Companhia de Saneamento de Minas Gerais (COPASA MG)**

Individual and consolidated  
financial statements as of  
Quarterly Information - 03/31/2023  
and independent auditors' report  
**(Free-Translation)**

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**Company's data / Capital Breakdown**

<b>Number of Shares (Thousands)</b>	<b>Current Quarter 03/31/2023</b>
<b>From the Paid-in Capital</b>	
Common Shares	380,253
Preferred Shares	0
<b>Total</b>	<b>380,253</b>
<b>Treasury</b>	
Common Shares	1,072
Preferred Shares	0
<b>Total</b>	<b>1,072</b>

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

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 03/31/2023</b>	<b>Previous Year 12/31/2022</b>
1	Total Assets	13,541,775	13,175,980
1.01	Current Assets	2,632,412	2,407,557
1.01.01	Cash and Cash Equivalents	1,044,323	1,091,080
1.01.03	Trade Receivables	1,213,073	1,040,394
1.01.03.01	Customers	1,213,073	1,040,394
1.01.04	Inventories	122,311	112,118
1.01.06	Recoverable Taxes	186,297	90,325
1.01.06.01	Recoverable Current Taxes	186,297	90,325
1.01.06.01.01	Taxes recoverable	186,297	90,325
1.01.08	Other Current Assets	66,408	73,640
1.01.08.03	Others	66,408	73,640
1.01.08.03.01	Advances to employees	11,483	15,506
1.01.08.03.02	Miscellaneous	12,195	16,173
1.01.08.03.03	Technical Cooperation Agreement	38,903	30,170
1.01.08.03.04	Banks and Agreement Applications	3,827	11,791
1.02	Non-current assets	10,909,363	10,768,423
1.02.01	Long term assets	3,679,468	3,558,252
1.02.01.03	Financial Investments at Amortized Cost	70,066	71,706
1.02.01.04	Trade Receivables	154,079	146,183
1.02.01.04.01	Customers	37,775	34,678
1.02.01.04.03	Security in Loan Guarantees, Borrowings and Bonds	61,458	61,033
1.02.01.04.05	Advances and Others	54,846	50,472
1.02.01.07	Deferred taxes	316,181	312,483
1.02.01.07.01	Deferred Income Tax and Social Security Contribution	316,181	312,483
1.02.01.10	Other Non-current Assets	3,139,142	3,027,880
1.02.01.10.03	Financial Assets - Concession Agreements	876,420	872,921
1.02.01.10.04	Financial Assets Measured at Fair Value through Other Comprehensive Income	620	620
1.02.01.10.05	Lease right of use	103,774	94,275
1.02.01.10.06	Contract Assets	2,155,711	2,057,435
1.02.01.10.07	Technical Cooperation Agreement	2,617	2,629
1.02.02	Investments	256,014	245,457
1.02.02.01	Equity interest	256,014	245,457
1.02.02.01.02	Interests in Subsidiaries	255,754	245,197
1.02.02.01.04	Other Investments	260	260
1.02.03	Property, plant and equipment	1,443,686	1,467,396
1.02.03.01	Operating property, plant and equipment	1,443,686	1,467,396
1.02.04	Intangible assets	5,530,195	5,497,318
1.02.04.01	Intangible assets	5,530,195	5,497,318
1.02.04.01.01	Concession Agreement	5,530,195	5,497,318

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

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 03/31/2023</b>	<b>Previous Year 12/31/2022</b>
2	Total Liabilities	13,541,775	13,175,980
2.01	Current Liabilities	2,056,889	1,924,251
2.01.01	Social and labor obligations	148,289	135,235
2.01.01.02	Labor obligations	148,289	135,235
2.01.02	Suppliers	289,113	289,620
2.01.02.01	Domestic suppliers	289,113	289,620
2.01.03	Tax Liabilities	197,049	98,125
2.01.03.01	Federal Tax Liabilities	194,422	95,374
2.01.03.01.01	Payable Income Tax and Social Security Contribution	102,519	0
2.01.03.01.02	Other Federal Obligations	91,903	95,374
2.01.03.03	Municipal Tax Obligations	2,627	2,751
2.01.04	Loans and Borrowings	827,135	940,871
2.01.04.01	Loans and Borrowings	140,586	150,328
2.01.04.01.01	In Local Currency	75,278	88,511
2.01.04.01.02	In Foreign Currency	65,308	61,817
2.01.04.02	Bonds	686,549	790,543
2.01.04.02.01	Non-Convertible	686,549	790,543
2.01.05	Other Obligations	519,202	405,163
2.01.05.02	Others	519,202	405,163
2.01.05.02.01	Dividends and on capital payable	352,717	231,653
2.01.05.02.04	Retirement Benefit Obligations	9,604	9,627
2.01.05.02.06	Technical Cooperation Agreement	7,080	7,978
2.01.05.02.07	Public-Private Partnerships	38,266	36,792
2.01.05.02.08	Miscellaneous Obligations	71,549	84,001
2.01.05.02.09	Obligations - Lease	39,986	35,112
2.01.06	Provisions	76,101	55,237
2.01.06.01	Provision for Tax-Labor Related and Social Security Contribution	76,101	55,237
2.01.06.01.07	Employees profit sharing	76,101	55,237
2.02	Non-current liabilities	4,024,248	3,997,215
2.02.01	Loans and Borrowings	3,235,921	3,199,049
2.02.01.01	Loans and Borrowings	1,014,973	826,609
2.02.01.01.01	In Local Currency	691,856	691,766
2.02.01.01.02	In Foreign Currency	323,117	134,843
2.02.01.02	Bonds	2,220,948	2,372,440
2.02.01.02.01	Non-Convertible	2,220,948	2,372,440
2.02.02	Other Obligations	386,689	401,418
2.02.02.02	Others	386,689	401,418
2.02.02.02.03	Retirement Benefit Obligations	31,059	44,296
2.02.02.02.05	Deposits for Works	53,269	55,429
2.02.02.02.06	Public-Private Partnerships	202,773	206,811
2.02.02.02.07	Miscellaneous	24,563	24,085
2.02.02.02.08	Obligations - Lease	75,025	70,797
2.02.04	Provisions	401,638	396,748
2.02.04.01	Provision for Tax-Labor Related and Social Security Contribution	401,638	396,748
2.02.04.01.06	Provision for Lawsuits	401,638	396,748
2.03	Equity	7,460,638	7,254,514
2.03.01	Realized Share 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	Earnings reserve	3,856,580	3,856,580
2.03.04.01	Legal reserve	457,608	457,608
2.03.04.05	Retained Earnings Reserve	3,317,250	3,317,250
2.03.04.07	Tax Incentive Reserve	81,722	81,722
2.03.05	Accrued Profit/Loss	206,131	0
2.03.06	Equity Valuation Adjustments	4,118	4,125

**Individual Financial Statements / Statement of Profit or Loss****(Thousands of Reais)**

<b>Account Code</b>	<b>Account Description</b>	<b>Accumulated in the Current Year 01/01/2023 to 03/31/2023</b>	<b>Accumulated from the Previous Year 01/01/2022 to 03/31/2022</b>
3.01	Revenues from Sales of Goods and/or Services	1,712,486	1,420,351
3.01.01	Water Services	1,042,113	838,035
3.01.02	Sewage Services	531,514	430,225
3.01.03	Construction Revenues	137,949	151,498
3.01.04	Solid Waste Revenues	910	593
3.02	Costs of Goods and/or Services Sold	-931,450	-900,493
3.02.01	Costs of Goods and/or Services Sold	-793,501	-748,995
3.02.02	Construction Cost	-137,949	-151,498
3.03	Gross Income	781,036	519,858
3.04	Operating Expenses/Revenues	-295,440	-258,219
3.04.01	Selling expenses	-120,564	-138,452
3.04.01.01	Selling expenses	-69,095	-79,896
3.04.01.02	Estimated Losses with Doubtful Accounts	-51,469	-58,556
3.04.02	General and Administrative Expenses	-139,968	-123,792
3.04.04	Other Operating Revenues	16,439	35,937
3.04.05	Other Operating Expenses	-38,109	-29,565
3.04.05.01	Other Operating Expenses	-38,109	-29,565
3.04.06	Equity Accounting method	-13,238	-2,347
3.05	Profit or loss before Financial Income and Taxes	485,596	261,639
3.06	Financial Income	-49,069	-22,355
3.06.01	Financial Revenues	78,687	91,953
3.06.02	Financial Expenses	-127,756	-114,308
3.07	Profit or loss before Income Taxes	436,527	239,284
3.08	Income Tax and Social Contribution on Net Income	-98,821	-71,762
3.08.01	Current	-102,519	0
3.08.02	Deferred	3,698	-71,762
3.09	Net Income from Continued Operations	337,706	167,522
3.11	Profit/Loss for the Period	337,706	167,522

**Individual Financial Statements / Statement of Comprehensive Income****(Thousands of Reais)**

<b>Account Code</b>	<b>Account Description</b>	<b>Accumulated in the Current Year 01/01/2023 to 03/31/2023</b>	<b>Accumulated from the Previous Year 01/01/2022 to 03/31/2022</b>
4.01	Net Income for the Period	337,706	167,522
4.03	Comprehensive Income for the Period	337,706	167,522

**Individual Financial Statements / Statement of Cash Flows (Indirect Method)****(Thousands of Reais)**

Account Code	Account Description	Accumulated in the Current Year 01/01/2023 to 03/31/2023	Accumulated from the Previous Year 01/01/2022 to 03/31/2022
6.01	Net Cash - Operating Activities	330,272	-17,456
6.01.01	Cash from Operations	688,814	514,273
6.01.01.01	Net Income for the Period	337,706	167,522
6.01.01.02	Allowance for Doubtful Accounts	51,469	58,556
6.01.01.04	Charges and Net Adjustments for Inflation and Foreign Exchange Variations	27,412	-14,971
6.01.01.05	Interest Income and Expenses	86,119	67,245
6.01.01.06	Deferred Income Tax and Social Security Contribution	-3,698	71,762
6.01.01.07	Equity accounting method	13,238	2,347
6.01.01.08	Gain / Loss on Write-off - Intangible and Property, Plant and Equipment	9,427	-399
6.01.01.09	Depreciation and Amortization	184,191	182,346
6.01.01.10	Constitution (reversal) of Provisions	-4,501	-21,369
6.01.01.11	Provision for Retirement Benefits	13,265	16,050
6.01.01.12	Financial Assets	-28,317	-13,306
6.01.01.13	Others	2,402	-1,245
6.01.01.16	Provision for Inventories Losses	101	-265
6.01.02	Variations in Assets and Liabilities	-133,275	-407,902
6.01.02.01	Trade receivables	-215,241	-60,362
6.01.02.02	Inventories	-10,241	-10,539
6.01.02.03	Taxes recoverable	-95,972	-37,508
6.01.02.07	Prepayment Rate Pass-through	1,454	1,739
6.01.02.09	Others	6,841	-1,132
6.01.02.10	Suppliers	-507	-48,392
6.01.02.11	Taxes, Fees, Contributions and Social Obligations	191,945	74,050
6.01.02.12	Provision for vacations and 13th salary	13,054	18,691
6.01.02.13	Employees profit sharing	20,864	-78,820
6.01.02.14	Technical Cooperation Agreement	-9,619	4,436
6.01.02.15	Contingencies	626	774
6.01.02.16	Retirement Benefit Obligations	-26,525	1,047
6.01.02.17	Electric Power and Others (Payment of Tax Installments)	-9,954	-15,269
6.01.02.18	Grievance - Collective Agreement 2019/2022	0	-171,116
6.01.02.19	Payment of Actuarial Liabilities	0	-13,399
6.01.02.20	Incentivized Voluntary Dismissal Program - PDVI	0	-72,102
6.01.03	Others	-225,267	-123,827
6.01.03.01	Interest paid	-116,855	-87,459
6.01.03.02	Interest Paid to Public-Private Partnerships	-4,873	-1,037
6.01.03.03	Payment of Income Tax (IR)/ Social Contribution on Net Income (CSLL)	-103,539	-35,331
6.02	Net cash provided by (used in) investment activities	-275,585	-249,866
6.02.08	Payment to PPP	-4,325	-12,119
6.02.09	Capital Increase in Subsidiaries	-23,795	-27,090
6.02.10	Acquisition of Contract Assets	-203,010	-181,588
6.02.11	Acquisition of Intangible Assets	-46,633	-33,761
6.02.12	Acquisition of Property, Plant and Equipment	-7,778	-2,369
6.02.13	Amount received for the Sales of Property, Plant and Equipment	909	1,035
6.02.14	Security in Guarantee of Borrowings	1,083	7,598
6.02.15	Banks and Agreement Application	7,964	-1,572
6.03	Net Cash - Borrowings Activities	-101,444	-229,142
6.03.01	Entry of Loans, Borrowings and Bonds	200,662	15,066
6.03.02	Amortization from loans, Borrowings and Bonds	-289,109	-235,322
6.03.04	Interest on Equity Paid	0	-3
6.03.12	Funding costs	-301	0



6.03.13	Payment of lease	-12,696	-8,883
6.05	Increase (Decrease) in Cash and Cash Equivalents	-46,757	-496,464
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	1,044,323	783,005

**Individual Financial Statements / Statement of Changes in Equity / SCE - 01/01/2023 to 03/31/2023****(Thousands of Reais)**

Account Code	Account Description	Paid-in Share Capital	Capital Reserves, Options Granted and Treasury Shares	Retained Earnings	Accumulated Profit or Loss	Other Comprehensive Income	Equity
5.01	Opening Balances	3,402,385	-8,576	3,856,580	0	4,125	7,254,514
5.03	Adjusted Opening Balances	3,402,385	-8,576	3,856,580	0	4,125	7,254,514
5.05	Total Comprehensive Income	0	0	0	337,706	0	337,706
5.05.01	Net Income for the Period	0	0	0	337,706	0	337,706
5.06	Internal Changes in Equity	0	0	0	-131,575	-7	-131,582
5.06.07	Interest on equity	0	0	0	-131,582	0	-131,582
5.06.10	Amortization of Adjustment for Inflation on Adjusted Assets	0	0	0	11	-11	0
5.06.11	Deferred IR and CS on Adjusted Assets	0	0	0	-4	4	0
5.07	Closing balances	3,402,385	-8,576	3,856,580	206,131	4,118	7,460,638

**Individual Financial Statements / Statement of Changes in Equity / SCE - 01/01/2022 to 03/31/2022****(Thousands of Reais)**

Account Code	Account Description	Paid-in Share Capital	Capital Reserves, Options Granted and Treasury Shares	Retained Earnings	Accumulated Profit or Loss	Other Comprehensive Income	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	167,522	0	167,522
5.05.01	Net Income for the Period	0	0	0	167,522	0	167,522
5.06	Internal Changes in Equity	0	0	0	-33,859	-12	-33,871
5.06.04	Interest on equity	0	0	0	-33,871	0	-33,871
5.06.05	Amortization of Adjustment for Inflation on Adjusted Assets	0	0	0	18	-18	0
5.06.06	Deferred IR and CS on Adjusted Assets	0	0	0	-6	6	0
5.07	Closing balances	3,402,385	-8,576	3,402,583	133,663	-36,446	6,893,609

**Individual Financial Statements / Statement of Value Added****(Thousands of Reais)**

<b>Account Code</b>	<b>Account Description</b>	<b>Accumulated in the Current Year 01/01/2023 to 03/31/2023</b>	<b>Accumulated from the Previous Year 01/01/2022 to 03/31/2022</b>
7.01	Revenues	1,838,021	1,527,398
7.01.01	Sales of Goods, Products and Services	1,735,102	1,398,519
7.01.02	Other Revenues	16,439	35,937
7.01.02.01	Other Operating Revenues	16,439	26,332
7.01.02.02	Recovery of Accounts Written off	0	9,605
7.01.03	Revenues referring to Construction of Own Assets	137,949	151,498
7.01.04	Provision/Reversal for Doubtful Accounts	-51,469	-58,556
7.02	Inputs Acquired from Third Parties	-605,007	-559,893
7.02.01	Costs of Products, Goods, and Services Sold	-525,823	-502,395
7.02.02	Third-party's Materials, Energy, Services and Others	-58,760	-44,276
7.02.04	Others	-20,424	-13,222
7.03	Gross Value Added	1,233,014	967,505
7.04	Retention	-184,191	-182,346
7.04.01	Depreciation, Amortization and Exhaustion	-184,191	-182,346
7.05	Value Added Received as Transfer	1,048,823	785,159
7.06	Value Added Received as Transfer	67,828	91,491
7.06.01	Equity Accounting method	-13,238	-2,347
7.06.02	Financial Revenues	81,066	93,838
7.07	Total Value Added to Distribute	1,116,651	876,650
7.08	Distribution of Value Added	1,116,651	876,650
7.08.01	Personnel	324,642	336,888
7.08.01.01	Direct Compensation	194,309	228,702
7.08.01.02	Benefits	92,756	88,755
7.08.01.03	Government Severance Indemnity Fund for Employees (FGTS)	16,711	16,859
7.08.01.04	Others	20,866	2,572
7.08.01.04.04	Employees profit sharing	20,866	2,572
7.08.02	Taxes, Tariffs and Contributions	296,682	237,835
7.08.02.01	Federal	279,508	221,713
7.08.02.02	State	15,577	14,616
7.08.02.03	Municipalities	1,597	1,506
7.08.03	Compensation of third parties' capital	157,621	134,405
7.08.03.01	Interest	156,616	132,299
7.08.03.02	Rentals	1,005	2,106
7.08.04	Remuneration on Capital	337,706	167,522
7.08.04.01	Interest on equity	131,582	33,871
7.08.04.03	Retained Earnings/Accumulated Losses for the Period	206,124	133,651

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

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 03/31/2023</b>	<b>Previous Year 12/31/2022</b>
1	Total Assets	13,552,425	13,189,607
1.01	Current Assets	2,677,756	2,449,939
1.01.01	Cash and Cash Equivalents	1,074,674	1,122,299
1.01.03	Trade Receivables	1,227,108	1,051,607
1.01.03.01	Customers	1,227,108	1,051,607
1.01.04	Inventories	127,677	116,395
1.01.06	Recoverable Taxes	187,178	90,989
1.01.06.01	Recoverable Current Taxes	187,178	90,989
1.01.06.01.01	Taxes recoverable	187,178	90,989
1.01.08	Other Current Assets	61,119	68,649
1.01.08.03	Others	61,119	68,649
1.01.08.03.01	Advances to employees	11,774	15,791
1.01.08.03.02	Miscellaneous	6,496	10,831
1.01.08.03.03	Technical Cooperation Agreement	38,916	30,185
1.01.08.03.04	Banks and Agreement Applications	3,933	11,842
1.02	Non-current assets	10,874,669	10,739,668
1.02.01	Long term assets	3,781,170	3,641,958
1.02.01.03	Financial Investments at Amortized Cost	70,066	71,706
1.02.01.04	Trade Receivables	154,482	146,518
1.02.01.04.01	Customers	38,127	34,963
1.02.01.04.03	Security in Loan Guarantees, Borrowings and Bonds	61,458	61,033
1.02.01.04.05	Advances and Others	54,897	50,522
1.02.01.07	Deferred taxes	316,181	312,483
1.02.01.07.01	Deferred Income Tax and Social Security Contribution	316,181	312,483
1.02.01.10	Other Non-current Assets	3,240,441	3,111,251
1.02.01.10.03	Financial Assets - Concession Agreements	892,702	889,897
1.02.01.10.04	Financial Assets Measured at Fair Value through Other Comprehensive Income	620	620
1.02.01.10.05	Lease right of use	103,776	94,284
1.02.01.10.06	Contract Assets	2,240,726	2,123,821
1.02.01.10.07	Technical Cooperation Agreement	2,617	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	1,451,324	1,473,823
1.02.03.01	Operating property, plant and equipment	1,451,324	1,473,823
1.02.04	Intangible assets	5,641,915	5,623,627
1.02.04.01	Intangible assets	5,641,915	5,623,627
1.02.04.01.01	Concession Agreement	5,641,915	5,623,627

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

Account Code	Account Description	Current Quarter 03/31/2023	Previous Year 12/31/2022
2	Total Liabilities	13,552,425	13,189,607
2.01	Current Liabilities	2,067,092	1,937,386
2.01.01	Social and labor obligations	149,936	136,614
2.01.01.02	Labor obligations	149,936	136,614
2.01.02	Suppliers	294,684	298,595
2.01.02.01	Domestic suppliers	294,684	298,595
2.01.03	Tax Liabilities	198,080	98,976
2.01.03.01	Federal Tax Liabilities	195,453	96,225
2.01.03.01.01	Payable Income Tax and Social Security Contribution	102,519	0
2.01.03.01.02	Other Federal Obligations	92,934	96,225
2.01.03.03	Municipal Tax Obligations	2,627	2,751
2.01.04	Loans and Borrowings	827,135	940,871
2.01.04.01	Loans and Borrowings	140,586	150,328
2.01.04.01.01	In Local Currency	75,278	88,511
2.01.04.01.02	In Foreign Currency	65,308	61,817
2.01.04.02	Bonds	686,549	790,543
2.01.04.02.01	Non-Convertible	686,549	790,543
2.01.05	Other Obligations	519,580	405,517
2.01.05.02	Others	519,580	405,517
2.01.05.02.01	Dividends and on capital payable	352,717	231,653
2.01.05.02.04	Retirement Benefit Obligations	9,604	9,627
2.01.05.02.06	Technical Cooperation Agreement	7,080	7,978
2.01.05.02.07	Public-Private Partnerships	38,266	36,792
2.01.05.02.08	Miscellaneous Obligations	71,927	84,348
2.01.05.02.09	Obligations - Lease	39,986	35,119
2.01.06	Provisions	77,677	56,813
2.01.06.01	Provision for Tax-Labor Related and Social Security Contribution	77,677	56,813
2.01.06.01.05	Other Tax Obligations	1,576	1,576
2.01.06.01.07	Employees profit sharing	76,101	55,237
2.02	Non-current liabilities	4,024,695	3,997,707
2.02.01	Loans and Borrowings	3,235,921	3,199,049
2.02.01.01	Loans and Borrowings	1,014,973	826,609
2.02.01.01.01	In Local Currency	691,856	691,766
2.02.01.01.02	In Foreign Currency	323,117	134,843
2.02.01.02	Bonds	2,220,948	2,372,440
2.02.01.02.01	Non-Convertible	2,220,948	2,372,440
2.02.02	Other Obligations	386,689	401,418
2.02.02.02	Others	386,689	401,418
2.02.02.02.03	Retirement Benefit Obligations	31,059	44,296
2.02.02.02.05	Deposits for Works	53,269	55,429
2.02.02.02.06	Public-Private Partnerships	202,773	206,811
2.02.02.02.07	Miscellaneous	24,563	24,085
2.02.02.02.08	Obligations - Lease	75,025	70,797
2.02.04	Provisions	402,085	397,240
2.02.04.01	Provision for Tax-Labor Related and Social Security Contribution	402,085	397,240
2.02.04.01.06	Provision for Lawsuits	402,085	397,240
2.03	Consolidated Equity	7,460,638	7,254,514
2.03.01	Realized Share 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	Earnings reserve	3,856,580	3,856,580
2.03.04.01	Legal reserve	457,608	457,608
2.03.04.05	Retained Earnings Reserve	3,317,250	3,317,250
2.03.04.07	Tax Incentive Reserve	81,722	81,722
2.03.05	Accrued Profit/Loss	206,131	0
2.03.06	Equity Valuation Adjustments	4,118	4,125

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

<b>Account Code</b>	<b>Account Description</b>	<b>Accumulated in the Current Year 01/01/2023 to 03/31/2023</b>	<b>Accumulated from the Previous Year 01/01/2022 to 03/31/2022</b>
3.01	Revenues from Sales of Goods and/or Services	1,731,635	1,433,278
3.01.01	Water Services	1,054,328	846,327
3.01.02	Sewage Services	535,426	432,888
3.01.03	Construction Revenues	140,971	153,470
3.01.04	Solid Waste Revenues	910	593
3.02	Costs of Goods and/or Services Sold	-948,091	-913,781
3.02.01	Costs of Goods and/or Services Sold	-807,120	-760,311
3.02.02	Construction Cost	-140,971	-153,470
3.03	Gross Income	783,544	519,497
3.04	Operating Expenses/Revenues	-292,821	-258,610
3.04.01	Selling expenses	-122,123	-140,088
3.04.01.01	Selling expenses	-69,654	-80,380
3.04.01.02	Estimated Losses with Doubtful Accounts	-52,469	-59,708
3.04.02	General and Administrative Expenses	-141,029	-125,636
3.04.04	Other Operating Revenues	16,980	37,032
3.04.05	Other Operating Expenses	-46,649	-29,918
3.04.05.01	Other Operating Expenses	-46,649	-29,918
3.05	Profit or loss before Financial Income and Taxes	490,723	260,887
3.06	Financial Income	-54,196	-21,603
3.06.01	Financial Revenues	79,803	92,707
3.06.02	Financial Expenses	-133,999	-114,310
3.07	Profit or loss before Income Taxes	436,527	239,284
3.08	Income Tax and Social Contribution on Net Income	-98,821	-71,762
3.08.01	Current	-102,519	0
3.08.02	Deferred	3,698	-71,762
3.09	Net Income from Continued Operations	337,706	167,522
3.11	Consolidated Profit/Loss in the Period	337,706	167,522
3.11.01	Attributable to Shareholders of the Parent Company	337,706	167,522
3.99	Earnings per Share - (Reais / Share)		
3.99.01	Basic Earnings per Share		
3.99.01.01	Common Shares	0.89	0.44
3.99.02	Diluted Profit per Share		
3.99.02.01	Common Shares	0.89	0.44

**Consolidated Financial Statements / Statement of Comprehensive Income****(Thousands of Reais)**

<b>Account Code</b>	<b>Account Description</b>	<b>Accumulated in the Current Year 01/01/2023 to 03/31/2023</b>	<b>Accumulated from the Previous Year 01/01/2022 to 03/31/2022</b>
4.01	Consolidated Net Income for the Period	337,706	167,522
4.03	Consolidated Comprehensive Income for the Period	337,706	167,522
4.03.01	Attributable to Shareholders of the Parent Company	337,706	167,522



**Consolidated Financial Statements / Statement of Cash Flows (Indirect Method)****(Thousands of Reais)**

<b>Account Code</b>	<b>Account Description</b>	<b>Accumulated in the Current Year 01/01/2023 to 03/31/2023</b>	<b>Accumulated from the Previous Year 01/01/2022 to 03/31/2022</b>
6.01	Net Cash - Operating Activities	312,713	-33,204
6.01.01	Cash from Operations	678,926	514,125
6.01.01.01	Net Income for the Period	337,706	167,522
6.01.01.02	Allowance for Doubtful Accounts	52,469	59,708
6.01.01.04	Charges and Net Adjustments for Inflation and Foreign Exchange Variations	27,412	-14,971
6.01.01.05	Interest Income and Expenses	85,994	67,032
6.01.01.06	Deferred Income Tax and Social Security Contribution	-3,698	71,762
6.01.01.08	Gain / Loss on Write-off - Intangible and Property, Plant and Equipment	9,427	-368
6.01.01.09	Depreciation and Amortization	186,795	184,387
6.01.01.10	Constitution (reversal) of Provisions	-4,522	-21,514
6.01.01.11	Provision for Retirement Benefits	13,265	16,050
6.01.01.12	Financial Assets	-28,440	-13,397
6.01.01.13	Others	2,408	-1,210
6.01.01.16	Provision for Inventories Losses	110	-876
6.01.02	Variations in Assets and Liabilities	-140,946	-423,501
6.01.02.01	Trade receivables	-219,005	-61,038
6.01.02.02	Inventories	-11,348	-11,173
6.01.02.03	Taxes recoverable	-96,189	-37,668
6.01.02.07	Prepayment Rate Pass-through	1,454	1,739
6.01.02.09	Others	7,206	-764
6.01.02.10	Suppliers	-3,911	-63,122
6.01.02.11	Taxes, Fees, Contributions and Social Obligations	192,126	73,827
6.01.02.12	Provision for vacations and 13th salary	13,322	18,858
6.01.02.13	Employees profit sharing	20,864	-78,820
6.01.02.14	Technical Cooperation Agreement	-9,617	4,437
6.01.02.15	Contingencies	600	759
6.01.02.16	Retirement Benefit Obligations	-26,525	1,047
6.01.02.17	Electric Power and Others (Payment of Tax Installments)	-9,923	-14,966
6.01.02.18	Grievance - Collective Agreement 2019/2022	0	-171,116
6.01.02.19	Payment of Actuarial Liabilities	0	-13,399
6.01.02.20	Incentivized Voluntary Dismissal Program - PDVI	0	-72,102
6.01.03	Others	-225,267	-123,828
6.01.03.01	Interest paid	-116,855	-87,460
6.01.03.02	Interest Paid to Public-Private Partnerships	-4,873	-1,037
6.01.03.03	Payment of Income Tax (IR)/ Social Contribution on Net Income (CSLL)	-103,539	-35,331
6.02	Net cash provided by (used in) investment activities	-258,884	-227,230
6.02.08	Payment to PPP	-4,325	-12,119
6.02.10	Acquisition of Contract Assets	-207,699	-184,618
6.02.11	Acquisition of Intangible Assets	-47,551	-34,985
6.02.12	Acquisition of Property, Plant and Equipment	-9,210	-2,568
6.02.13	Amount received for the Sales of Property, Plant and Equipment	909	1,035
6.02.14	Security in Guarantee of Borrowings	1,083	7,598
6.02.15	Banks and Agreement Application	7,909	-1,573
6.03	Net Cash - Borrowings Activities	-101,454	-229,177
6.03.01	Entry of Loans, Borrowings and Bonds	200,662	15,066
6.03.02	Amortization from loans, Borrowings and Bonds	-289,109	-235,322
6.03.04	Interest on Equity Paid	0	-3
6.03.12	Funding costs	-301	0
6.03.13	Payment of lease	-12,706	-8,918
6.05	Increase (Decrease) in Cash and Cash Equivalents	-47,625	-489,611

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	1,074,674	820,110

**Consolidated Financial Statements / Statement of changes in equity/ DMPL - 01/01/2023 to 03/31/2023****(Thousands of Reais)**

Account Code	Account Description	Paid-in Share Capital	Capital Reserves, Options Granted and Treasury Shares	Retained Earnings	Accumulated Profit or Loss	Other Comprehensive Income	Equity	Non-Controlling Shareholders Interest	Consolidated Equity
5.01	Opening Balances	3,402,385	-8,576	3,856,580	0	4,125	7,254,514	0	7,254,514
5.03	Adjusted Opening Balances	3,402,385	-8,576	3,856,580	0	4,125	7,254,514	0	7,254,514
5.05	Total Comprehensive Income	0	0	0	337,706	0	337,706	0	337,706
5.05.01	Net Income for the Period	0	0	0	337,706	0	337,706	0	337,706
5.06	Internal Changes in Equity	0	0	0	-131,575	-7	-131,582	0	-131,582
5.06.07	Interest on equity	0	0	0	-131,582	0	-131,582	0	-131,582
5.06.10	Amortization of Adjustment for Inflation on Adjusted Assets	0	0	0	11	-11	0	0	0
5.06.11	Deferred IR and CS on Adjusted Assets	0	0	0	-4	4	0	0	0
5.07	Closing balances	3,402,385	-8,576	3,856,580	206,131	4,118	7,460,638	0	7,460,638

**Consolidated Financial Statements / Statement of Changes in Equity/ DMPL - 01/01/2022 to 03/31/2022****(Thousands of Reais)**

Account Code	Account Description	Paid-in Share Capital	Capital Reserves, Options Granted and Treasury Shares	Retained Earnings	Accumulated Profit or Loss	Other Comprehensive Income	Equity	Non-Controlling Shareholders Interest	Consolidated 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	167,522	0	167,522	0	167,522
5.05.01	Net Income for the Period	0	0	0	167,522	0	167,522	0	167,522
5.06	Internal Changes in Equity	0	0	0	-33,859	-12	-33,871	0	-33,871
5.06.04	Interest on equity	0	0	0	-33,871	0	-33,871	0	-33,871
5.06.05	Amortization of Adjustment for Inflation on Adjusted Assets	0	0	0	18	-18	0	0	0
5.06.06	Deferred IR and CS on Adjusted Assets	0	0	0	-6	6	0	0	0
5.07	Closing balances	3,402,385	-8,576	3,402,583	133,663	-36,446	6,893,609	0	6,893,609

**Consolidated Financial Statements / Statement of Value Added****(Thousands of Reais)**

<b>Account Code</b>	<b>Account Description</b>	<b>Accumulated in the Current Year 01/01/2023 to 03/31/2023</b>	<b>Accumulated from the Previous Year 01/01/2022 to 03/31/2022</b>
7.01	Revenues	1,858,355	1,541,384
7.01.01	Sales of Goods, Products and Services	1,752,873	1,410,590
7.01.02	Other Revenues	16,980	37,032
7.01.02.01	Other Operating Revenues	16,519	26,967
7.01.02.02	Recovery of Accounts Written off	461	10,065
7.01.03	Revenues referring to Construction of Own Assets	140,971	153,470
7.01.04	Provision/Reversal for Doubtful Accounts	-52,469	-59,708
7.02	Inputs Acquired from Third Parties	-622,791	-568,221
7.02.01	Costs of Products, Goods, and Services Sold	-534,450	-509,709
7.02.02	Third-party's Materials, Energy, Services and Others	-59,807	-45,264
7.02.04	Others	-28,534	-13,248
7.03	Gross Value Added	1,235,564	973,163
7.04	Retention	-186,795	-184,387
7.04.01	Depreciation, Amortization and Exhaustion	-186,795	-184,387
7.05	Value Added Received as Transfer	1,048,769	788,776
7.06	Value Added Received as Transfer	82,230	94,624
7.06.02	Financial Revenues	82,230	94,624
7.07	Total Value Added to Distribute	1,130,999	883,400
7.08	Distribution of Value Added	1,130,999	883,400
7.08.01	Personnel	329,787	341,407
7.08.01.01	Direct Compensation	197,870	231,920
7.08.01.02	Benefits	94,089	89,828
7.08.01.03	Government Severance Indemnity Fund for Employees (FGTS)	16,962	17,087
7.08.01.04	Others	20,866	2,572
7.08.01.04.01	Employees profit sharing	20,866	2,572
7.08.02	Taxes, Tariffs and Contributions	299,635	240,042
7.08.02.01	Federal	282,016	223,591
7.08.02.02	State	16,022	14,945
7.08.02.03	Municipalities	1,597	1,506
7.08.03	Compensation of third parties' capital	163,871	134,429
7.08.03.01	Interest	162,848	132,301
7.08.03.02	Rentals	1,023	2,128
7.08.04	Remuneration on Capital	337,706	167,522
7.08.04.01	Interest on equity	131,582	33,871
7.08.04.03	Retained Earnings/Accumulated Losses for the Period	206,124	133,651

## Comments on Performance

The Company presents, below, a Performance Comment on the operating and financial income for the first quarter of 2023 (1Q23), compared to the first quarter of 2022 (1Q22):

### 1. Operating Performance

#### Concessions

In March 2023, COPASA MG (consolidated) had 640 concessions for the provision of water services and 309 concessions for the provision of sewage services, as shown in the table below:

Concessions <sup>(1,2)</sup>	03/2023			03/2022		
	Total	Parent Company	COPANOR	Total	Parent Company	COPANOR
<b>Water</b>						
Concessions	640	591	49	640	591	49
In Progress	632	584	48	631	583	48
<b>Sewage</b>						
Concessions <sup>(3)</sup>	309	253	56	310	254	56
In Progress	269	228	41	267	226	41

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

(2) Includes expired concessions with 23 municipalities and concessions with two municipalities whose contracts were declared invalid in court.

(3) The reduction observed is due to the termination of the sewage concession in the municipality of Datas, whose population is less than four thousand inhabitants. The concession was not made.

The ten main concessions in effect on 03/31/2023, which together represented approximately 50% of the Company's net water and sewage revenue, as well as the respective maturities, are listed below:

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

In March 2023, 83% of the Company's water and sewage revenues came from concessions whose maturities occur after December 2031. The concessions referring to 23 municipalities have expired and the contracts of two (2) municipalities are null and void, which together represent approximately 3.9% of water and sewage revenues.

In compliance with 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.

#### Operational Data

Below, the main operational data and the evolution in the comparative periods are presented. Considering COPASA MG and COPANOR, jointly, in the last 12 months, the number of economies

(consumer units) for the provision of water supply and sanitary sewage services increased by 1.0% and 2.1%, respectively.

Specification-CONSOLIDATED (COPASA+COPANOR)	1Q23	1Q22	Variation (Amount)	Variation (%)
<b>Water</b>				
Connections (1,000 units)	4,646	4,601	45	1.0%
Household (1,000 units)	5,602	5,544	58	1.0%
Population Served (1,000 habitants)	11,847	11,828	19	0.2%
Distributed Volume (1,000 m3) Measured	267,827	260,636	7,191	2.8%
Volume (1,000 m3) Network Extension (km)	162,060	153,299	8,761	5.7%
	65,072	64,357	715	1.1%
<b>Sewage</b>				
Connections (1,000 units)	3,142	3,077	65	2.1%
Household (1,000 units)	3,989	3,908	81	2.1%
Population Served (1,000 habitants) Measured	8,570	8,468	103	1.2%
Volume (1,000 m3) Network Extension (km)	111,113	105,604	5,509	5.2%
	33,089	32,499	590	1.8%

## Number of Employees

The numbers of employees in the comparative periods are presented below:

Number of Employees	03/2023	03/2022	Variation (Amount)	Variation (%)
COPASA	10,183	10,095	88	0.9%
COPANOR	476	455	21	4.6%
<b>Total</b>	<b>10,659</b>	<b>10,550</b>	<b>109</b>	<b>1.03%</b>

## 2. Financial Performance

Due to the immateriality of the subsidiary COPANOR, the financial information provided by the Company in the Performance Comment, unless otherwise indicated, refer to the individual financial statements.

### Net Revenue

Net revenue from water, sewage and solid waste was BRL1.6 billion in 1Q23, as shown in the table below:

Net Revenue (BRL thousand)	1Q23	1Q22	Variation (Amount)	Variation (%)
Net Revenue - Water	1,042,113	838,035	204,078	24.4%
Net Revenue - Sewage	531,514	430,225	101,289	23.5%
Net Revenue - Solid Waste	910	593	317	53.5%
<b>Net Revenue - Water, Sewage and Solid Waste</b>	<b>1,574,537</b>	<b>1,268,853</b>	<b>305,684</b>	<b>24.1%</b>

The main factors that influenced the net revenue from water and sewage in the analyzed periods were the impacts of the tariff adjustment applied on 01/01/2023, with an average tariff effect of 15.7%, as authorized by Arsae, State of Minas Gerais; the 4.0% increase in the measured volume of water and sewage per economy in 1Q23 compared to 1Q22; and the impacts of migrating bands and consumption categories.

### Costs and Expenses

Costs and expenses totaled BRL1.05 billion in 1Q23, against BRL1.01 billion in 1Q22, which represents an increase of 4.2%.

Costs and Expenses (BRL thousand)	1Q23	1Q22	Variation (Amount)	Variation (%)
Manageable Costs	702,441	654,472	47,969	7.3%

Personnel	386,441	374,401	12,040	3.2%
Third-parties' services	165,056	129,508	35,548	27.4%
Rio Manso PPP	21,697	23,281	(1,584)	-6.8%
Material	15,724	16,524	(800)	-4.8%
Impairment loss on trade receivables	51,469	58,556	(7,087)	-12.1%
Tariff Pass-Through to Municipalities	52,363	43,594	8,769	20.1%
Miscellaneous Operating Costs	9,691	8,608	1,083	12.6%
<b>Non-Manageable Costs</b>	<b>167,283</b>	<b>174,421</b>	<b>(7,138)</b>	<b>-4.1%</b>
Electric Power	127,390	149,236	(21,846)	-14.6%
Telecommunications	4,449	3,008	1,441	47.9%
Treatment and Laboratory Materials	40,724	30,088	10,636	35.3%
Fuels and lubricants	8,539	8,537	2	0.0%
Tax Credits	(13,819)	(16,448)	2,629	-16.0%
<b>Depreciation and Amortization</b>	<b>184,191</b>	<b>182,346</b>	<b>1,845</b>	<b>1.0%</b>
<b>Charging for the Use of Water Resources</b>	<b>118</b>	<b>-</b>	<b>118</b>	<b>n.m</b>
<b>Total costs and expenses</b>	<b>1,054,033</b>	<b>1,011,239</b>	<b>42,794</b>	<b>4.2%</b>

(1) Includes social security obligations.

Below, the Company presents the comments on the items that make up the cost of sales and services rendered, selling and administrative expenses (excluding construction costs) that presented the most significant variations:

**Personnel:** expenses with this item rose 3.2% in 1Q23, when compared to the same period last year, mainly due to the 2022 Collective Agreement, whose base date is November and was based on the INPC (6.46%), as well as an increase in provisions for share of profit in 1Q23. It should also be noted that, in February 2022, the Collective Agreement (ACT) for the period between 2019 and 2021 was closed. On that occasion, the change of the "base date" from May to November was approved. Thus, the adjustment of salaries and food and meal vouchers was retroactive to November 1, 2021, in the percentage of 5.0%, with the differences for the months of November and December 2021, in the amount of BRL20.2 million, were accounted for in the 1st quarter of 2022.

**Third-Parties Services:** the 27.4% increase in this line item is mainly due to the BRL24.2 million increase in expenses with conservation and maintenance services for assets and systems, a BRL3.7 million increase in meter readings and delivery of bills and increase in maintenance-cutting and reconnection costs by BRL2.5 million.

**Tariff Pass-Through to Municipalities:** the 20.1% increase in this item, comparing 1Q23 with 1Q22, was mainly due to the application of the 15.7% tariff adjustment by Arsae-MG, associated with the inclusion of 66 new municipal sanitation funds entitled to pass-through, as of January 2023, as provided for and authorized by the Regulatory Agency.

**Electric Power:** the 14.6% reduction observed in electric power expenses was due, above all, to tax relief, with the reduction of ICMS on electric power services to the ceiling of 18%, effective as of June 23, 2022, as well as the differences in flags applied in the comparative periods: in 1Q23, only the green tariff flag was applied, while in 1Q22 the water scarcity tariff flag was applied.

#### Other Operating Revenues (Expenses)

As shown in the table below, Other Operating Income (Expenses) showed a negative result of BRL21.7 million in 1Q23, versus a positive result of BRL6.4 million in 1Q22, as shown in the table below:

Other Operating Revenues (Expenses) (BRL thousand)	1Q23	1Q22	Variation (Amount)	Variation (%)
<b>Other Operating Revenues</b>	<b>16,439</b>	<b>35,937</b>	<b>(19,498)</b>	<b>-54.3%</b>
Technical Services Revenue	38	72	(34)	n.m



Reversal of Non-Deductible Provision	10,667	19,832	(9,165)	n.m
Recovery of Accounts Written off	-	9,605	(9,605)	-100.0%
Other Revenues	5,734	6,428	(694)	-10.8%
<b>Other Operating Expenses</b>	<b>(38,109)</b>	<b>(29,565)</b>	<b>(8,544)</b>	<b>28.9%</b>
Reversal (Provision) of Lawsuits, Net	(7,832)	3,784	(11,616)	-307.0%
ARSAE fee	(14,203)	(13,265)	(938)	7.1%
Expenses from Environmental Preservation	(5,356)	(2,959)	(2,397)	81.0%
Taxes and Duties	(3,440)	(3,123)	(317)	10.2%
Actuarial liabilities	(1,656)	(4,687)	3,031	-64.7%
Other Expenses	(5,622)	(9,315)	3,693	n.m
<b>Total</b>	<b>(21,670)</b>	<b>6,372</b>	<b>(28,042)</b>	<b>-440.1%</b>

### Equity accounting method

Equity accounting method in 1Q23 refers to the subsidiary COPANOR and was negative by BRL13.2 million, whereas in 1Q22 the result was negative by BRL2.3 million, as shown in the table below:

Income's Copanor (BRL Thousand)	1Q23	1Q22	Variation (Amount)	Variation (%)
<b>Net Income (Loss)</b>	<b>(13,238)</b>	<b>(2,347)</b>	<b>(10,891)</b>	<b>-464.0%</b>

### Financial Income

As shown in the table below, the net financial income was a negative BRL49.1 million in 1Q23, against a negative BRL22.4 million in 1Q22.

Financial Income (Expenses) (BRL thousand)	1Q23	1Q22	Variation (Amount)	Variation (%)
<b>Financial Revenues</b>	<b>78,687</b>	<b>91,953</b>	<b>(13,266)</b>	<b>-14.4%</b>
Adjustments for inflation	2,795	2,068	727	35.2%
Foreign Exchange Variation	1,610	39,971	(38,361)	-96.0%
Interest	11,449	11,357	92	0.8%
Real Gain on Financial Investments	36,109	26,316	9,793	37.2%
Capitalization of Financial/Other Assets	26,724	12,241	14,483	118.3%
<b>Financial Expenses</b>	<b>(127,756)</b>	<b>(114,308)</b>	<b>(13,448)</b>	<b>11.8%</b>
Adjustments for inflation	(36,892)	(32,959)	(3,933)	11.9%
Foreign Exchange Variation	(3,108)	-	(3,108)	n.m.
Interest on Borrowings	(87,231)	(81,193)	(6,038)	7.4%
Miscellaneous	(525)	(156)	(369)	236.5%
<b>Financial Income</b>	<b>(49,069)</b>	<b>(22,355)</b>	<b>(26,714)</b>	<b>119.5%</b>

### 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, depreciation/amortization.

EBITDA reached BRL677.5 million in 1Q23, with a margin of 42.1%. Already registered net income was BRL337.7 million in 1Q23. Below is a table with the values in the comparative periods:

Net Income and EBITDA (BRL thousand)	1Q23	1Q22	Variation (Amount)	Variation (%)
<b>Net Income for the Period</b>	<b>337,706</b>	<b>167,522</b>	<b>170,184</b>	<b>101.6%</b>
(+) Income Taxes	98,821	71,762	27,059	37.7%
(+) Net financial income	54,196	21,603	32,593	150.9%
(+) Depreciation and amortization	186,795	184,387	2,408	1.3%
<b>(=) EBITDA</b>	<b>677,518</b>	<b>445,274</b>	<b>232,244</b>	<b>52.2%</b>
<b>(=) EBITDA Margin</b>	<b>42.1%</b>	<b>33.8%</b>	<b>+8.3 p.p.</b>	

## Notes

### 01. Operating Context

Companhia de Saneamento de Minas Gerais, known as “COPASA MG”, “COPASA”, “Parent” or “Company”, headquartered in the city of Belo Horizonte, at Rua Mar de Espanha, 525, Bairro Santo Antônio, is a government controlled (private) and publicly traded company, controlled by the Government of the State of Minas Gerais (EMG). Its purpose is to plan, design, execute, expand, remodel, manage and operate public water supply and sewage services, being able to operate in Brazil and abroad.

COPASA MG holds a 100% interest in the subsidiary COPASA Serviços de Saneamento Integrado do Norte e Nordeste de Minas Gerais S/A (“COPANOR”, “Subsidiary”, “Subsidiary”), created by State Law No. 16.698 April 2007, aiming to: plan, design, execute, expand, remodel, explore and provide water supply and sanitary sewage services; collect, recycle, treat and finally dispose urban, domestic and industrial waste; drain and manage urban rainwater in locations in the planning region of Norte de Minas and in the Hydrographic Basins of the Jequitinhonha, Mucuri, São Mateus, Buranhém, Itanhém and Jucuruçu Rivers.

### 2. Basis of Preparation and Presentation of Individual and Consolidated Interim Financial Information

The individual and consolidated interim financial information is presented in thousands of Reais (BRL1,000), unless otherwise indicated.

The individual and consolidated Interim Financial Information, presented herein under the headings of “Individual” or “Parent” and “Consolidated”, respectively, were prepared and are being presented in accordance with CPC 21(R1), Interim Statements, and IAS 34 -Interim Financial Reporting, in accordance 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 declares that the relevant information specific to the interim financial information, and only these, are being evidenced and correspond to the information used by Management in its management. 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 International Accounting Standards Board (IASB), and also in accordance with the accounting practices adopted in Brazil, which include those included in the Brazilian corporate law and the Pronouncements, Guidelines and Interpretations issued by the Accounting Pronouncements Committee (CPC) and approved by the CVM.

The Board of Directors authorized the issuance of the Interim Financial Information of March 31, 2023, of the Parent and Consolidated, on April 27, 2023.

Considering that there were no material changes in relation to the composition and nature of the balances presented in the Financial Statements of December 31, 2022, the Notes below are presented concisely in the period ended March 31, 2023:

3. Summary of Significant Accounting Policies;
4. Public Services Concession Agreements;
5. Cash and Cash Equivalents;

- 06. Trade receivables;
- 14. Loans, Borrowings and Bonds;
- 16. Income Tax and Social Security Contribution;
- 18. Retirement Benefit Obligations
- 19. Equity and Dividends;
- 21. Financial Risk Management;
- 23. Related-Party Transactions.

### 03. Summary 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 CVM.

### 04. Public Services Concession Agreements

As of March 31, 2023, the Company and its subsidiary COPANOR had 640 Concession Agreements or Program Agreements for the provision of water supply services and 309 Concession Agreements or Program Agreements for the provision of sanitary sewage services (640 and 309, respectively, on December 31, 2022).

On March 31, 2023, the Company presented the amount of BRL876,420 in the parent (BRL872,921 on December 31, 2022) and BRL892,702 on the Consolidated (BRL889,897 on December 31, 2022) as trade receivables from the government (municipalities), referring to the receipt expected at the end of the concessions for assets not depreciated during the concession period.

#### Financial assets - public service concession agreements

	Parent Company		Consolidated	
	1Q2023	2022	1Q2023	2022
<b>Opening balance</b>	<b>872,921</b>	<b>733,328</b>	<b>889,897</b>	<b>752,253</b>
Transfer from (to) intangible and property, plant and equipment	(24,818)	83,661	(25,636)	81,301
Capitalization	28,319	56,624	28,442	57,035
Write-offs	(2)	(700)	(2)	(700)
Others	-	8	1	8
<b>Closing balance</b>	<b>876,420</b>	<b>872,921</b>	<b>892,702</b>	<b>889,897</b>

As described in Note 32 - Subsequent Events, on April 5, 2023, executive orders 11,466/23 and 11,467/23 were issued, regulating and modifying aspects of Law 11,445/2007, amended by Law 14,026/2020 - the New Framework Sanitation Law.

### 05. Cash and Cash Equivalents

(a) Cash and cash equivalents

	Parent Company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Cash and bank funds	14,569	19,679	15,776	19,949
Bank deposit certificates and short-term committed bonds	1,029,754	1,071,401	1,058,898	1,102,350
<b>Total</b>	<b>1,044,323</b>	<b>1,091,080</b>	<b>1,074,674</b>	<b>1,122,299</b>

The Company's own resources from its activity are invested in Bank Deposit Certificates (CDBs) and committed bonds, fixed-income securities whose remuneration is based, substantially, on the variation of the Interbank Deposit Certificate (CDI). Such financial investments were remunerated at the average rate of 103.74% of the CDI in the period ended March 31, 2023 (104.65% of the CDI on December 31, 2022).

## 06. Trade receivables

Amounts receivable from customers break down by maturity as follows:

	Parent Company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Overdue up to 30 days	269,873	204,338	273,321	206,949
Overdue from 31 to 60 days	95,981	88,975	97,336	90,340
Overdue from 61 to 90 days	53,271	48,403	54,047	49,196
Overdue from 91 to 180 days	88,519	87,408	89,659	88,723
Overdue from 181 to 360 days	121,749	131,990	121,812	132,032
Overdue above 360 days	12,055	11,562	12,064	11,572
Overdue - total	641,448	572,676	648,239	578,812
To become due	354,635	312,557	358,846	316,015
Invoiced	996,083	885,233	1,007,085	894,827
To be invoiced	481,844	408,253	487,078	411,899
<b>Trade receivables <sup>(1)</sup></b>	<b>1,477,927</b>	<b>1,293,486</b>	<b>1,494,163</b>	<b>1,306,726</b>
(-) Provision for expected credit losses on trade receivables	(227,079)	(218,414)	(228,928)	(220,156)
<b>Trade receivables, net</b>	<b>1,250,848</b>	<b>1,075,072</b>	<b>1,265,235</b>	<b>1,086,570</b>
<b>Trade receivables, current</b>	<b>1,213,073</b>	<b>1,040,394</b>	<b>1,227,108</b>	<b>1,051,607</b>
<b>Trade receivables, non-current</b>	<b>37,775</b>	<b>34,678</b>	<b>38,127</b>	<b>34,963</b>

(1) Includes trade receivables from the State of Minas Gerais, as detailed below:

Amounts	Parent Company/Consolidated	
	03/31/2023	12/31/2022
Invoiced	25,388	19,870
To be invoiced	15,323	11,192
<b>Trade receivables from the State of Minas Gerais <sup>(1)</sup></b>	<b>40,711</b>	<b>31,062</b>

(1) Amounts also shown in Note 23 (a) which deals with Related Parties.

The activity in the provision for the Company's expected credit losses on trade receivables was as follows:

	Parent Company		Consolidated	
	1Q2023	2022	1Q2023	2022
<b>Opening balance</b>	<b>218,414</b>	<b>239,177</b>	<b>220,156</b>	<b>241,146</b>
Addition of the provision for expected credit losses on trade receivables	51,469	201,935	52,469	206,215
Trade receivables written off during the year as uncollectible	(42,804)	(222,698)	(43,697)	(227,205)
<b>Closing balance</b>	<b>227,079</b>	<b>218,414</b>	<b>228,928</b>	<b>220,156</b>

The provision for expected credit losses on the recoverable amount of trade receivables was recorded in the profit or loss for the year as selling expenses. The amounts charged to the provision account are written-off when there is no expectation of recovery of resources.

The Company adopts as a methodology for accounting the provision for expected credit losses, the allowance matrix, reviewed annually, including a retrospective and prospective assessment, to verify the need for additional provisions.

The Company does not recognize a provision for losses on debts related to the State of Minas Gerais (EMG), the controlling shareholder, in view of the recent history of renegotiations, payments received, execution of an Agreement for debt settlement, as well as terms of offsetting with dividends and interest on equity, in addition to the performance history observed. Company's Management assesses this matter depending on the facts and circumstances at each reporting date.

For credits before the Municipal Government of Belo Horizonte, the pass-through of 4% of the net collection to the Municipal Sanitation Fund is conditional on the settlement of invoices by the municipality, whose resources are also destined to this fund.

## 07. Security in Loan Guarantees, Borrowings and Bonds and Related Financial Investment

	Parent Company / Consolidated	
	03/31/2023	12/31/2022
Security in loan guarantees, borrowings and bonds - non-current	61,458	61,033
Related financial investment - non-current	70,066	71,706

There were no changes in the nature and conditions of these assets in relation to that described in Note 8 to the individual and consolidated Financial Statements on December 31, 2022. Accordingly, Management decided not to repeat them in this Interim Financial Information.

## 08. Investments

Below is the table with the activity of investments in the subsidiary:

	Opening balances	Subsidiary profit sharing	Capital increase <sup>(i)</sup>	Closing balances
<b>Quarter ended March 31, 2023</b>				
COPANOR	245,197	(13,238)	23,795	255,754
Others	260	-	-	260
<b>Total</b>	<b>245,457</b>	<b>(13,238)</b>	<b>23,795</b>	<b>256,014</b>
<b>Year ended December 31, 2022</b>				
COPANOR	202,181	(11,163)	54,179	245,197
Others	260	-	-	260
<b>Total</b>	<b>202,441</b>	<b>(11,163)</b>	<b>54,179</b>	<b>245,457</b>

- (i) The Parent paid in the amount of BRL23,795 in the 1st quarter of 2023 (BRL27,089 in the 1st quarter and 2022), at COPANOR, whose funds will allow it to invest in works for the implementation, expansion and maintenance of the water supply systems and sanitary sewage.

## Financial information summary

	Interest (%)	Current assets	Non- current assets	Current liabilities	Non- current liabilities	Equity	Net loss
<b>COPANOR</b>							
<b>1Q2023</b>	100%	51,043	221,009	15,902	396	255,754	(13,238)
<b>2022</b>	100%	47,723	216,393	18,476	443	245,197	(11,163)

## 09. Contract Assets

The activity in the 1st quarter of 2023 can be demonstrated as follows:

Parent Company:	Systems of			Stock for works	Total
	Water	Sewerage	Common use		

<b>Balances as of January 1, 2023</b>	<b>701,177</b>	<b>778,910</b>	<b>410,116</b>	<b>167,232</b>	<b>2,057,435</b>
Additions	50,079	85,663	66,451	-	202,193
Reversal of provision for work material	-	-	-	764	764
Write-offs	-	(10,325)	-	-	(10,325)
Capitalized interest	2,499	2,839	4,913	-	10,251
Transfers to intangible assets	(26,783)	(61,142)	(14,704)	-	(102,629)
Transfers to property, plant and equipment	-	-	(1,978)	-	(1,978)
<b>Balances as of March 31, 2023</b>	<b>726,972</b>	<b>795,945</b>	<b>464,798</b>	<b>167,996</b>	<b>2,155,711</b>

	<b>Water</b>	<b>Systems of Sewerage</b>	<b>Common use</b>	<b>Stock for works</b>	<b>Total</b>
<b>Consolidated:</b>					
<b>Balances as of January 1, 2023</b>	<b>716,824</b>	<b>802,395</b>	<b>422,146</b>	<b>182,456</b>	<b>2,123,821</b>
Additions	50,102	88,487	67,419	-	206,008
Reversal of provision for work material	-	-	-	1,629	1,629
Write-offs	-	(10,325)	-	-	(10,325)
Capitalized interest	2,499	2,839	4,913	-	10,251
Transfers to intangible assets	(27,639)	(45,932)	(14,968)	-	(88,539)
Transfers to property, plant and equipment	-	-	(2,119)	-	(2,119)
<b>Balances as of March 31, 2023</b>	<b>741,786</b>	<b>837,464</b>	<b>477,391</b>	<b>184,085</b>	<b>2,240,726</b>

In the year ended December 31, 2022, the activity was as follows:

	<b>Water</b>	<b>Systems of Sewerage</b>	<b>Common use</b>	<b>Stock for works</b>	<b>Total</b>
<b>Parent Company:</b>					
<b>Balances as of January 1, 2022</b>	<b>505,033</b>	<b>518,097</b>	<b>282,748</b>	<b>118,992</b>	<b>1,424,870</b>
Additions	319,996	381,534	199,946	47,860	949,336
Reversal of provision for work material	-	-	-	380	380
Write-offs	(4,820)	(8,910)	(5)	-	(13,735)
Capitalized 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)
<b>Balances as of December 31, 2022</b>	<b>701,177</b>	<b>778,910</b>	<b>410,116</b>	<b>167,232</b>	<b>2,057,435</b>
<b>Consolidated:</b>					
<b>Balances as of January 1, 2022</b>	<b>521,446</b>	<b>549,058</b>	<b>288,427</b>	<b>130,064</b>	<b>1,488,995</b>
Additions	324,801	392,818	207,300	52,001	976,920
Reversal of provision for work material	-	-	-	391	391
Write-offs	(4,820)	(8,910)	(40)	-	(13,770)
Capitalized 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)
<b>Balances as of December 31, 2022</b>	<b>716,824</b>	<b>802,395</b>	<b>422,146</b>	<b>182,456</b>	<b>2,123,821</b>

In the 1st quarter of 2023, the additions, in the amount of BRL202,193 in the parent (BRL949,336 in 2022) and BRL206,008 in the consolidated (BRL976,920 in 2022) refer mainly to works for the implementation of water supply systems in the cities of Fronteira, Montes Claros and Paracatu, and implementation of sewage systems in the cities of Além Paraíba, Guaxupé, Nova Lima, Pedro Leopoldo, Ribeirão das Neves, Sabará, Santana do Paraíso, São João Nepomuceno, São Joaquim de Bicas, Sarzedo and Ubá.

## 10. Intangible assets

The breakdown of balances is as follows:

	03/31/2023			12/31/2022		
	Cost	Accumulated amortization	Net intangible assets	Cost	Accumulated amortization	Net intangible assets
<b>Parent Company:</b>						
<b>In progress</b>						
Water systems	4,189,220	(2,684,753)	1,504,467	4,142,742	(2,661,099)	1,481,643
Sewerage	6,407,614	(3,039,193)	3,368,421	6,347,712	(2,977,932)	3,369,780
Common use systems	1,145,828	(934,326)	211,502	1,126,596	(917,516)	209,080
Rights of use	655,487	(325,343)	330,144	649,105	(317,097)	332,008
Other intangible assets	146,255	(30,594)	115,661	136,580	(31,773)	104,807
<b>Total intangible assets</b>	<b>12,544,404</b>	<b>(7,014,209)</b>	<b>5,530,195</b>	<b>12,402,735</b>	<b>(6,905,417)</b>	<b>5,497,318</b>
<b>Consolidated:</b>						
<b>In progress</b>						
Water systems	4,243,769	(2,691,614)	1,552,155	4,196,048	(2,667,334)	1,528,714
Sewerage	6,469,902	(3,048,096)	3,421,806	6,423,565	(2,986,089)	3,437,476
Common use systems	1,163,669	(942,352)	221,317	1,144,469	(924,699)	219,770
Rights of use	655,648	(325,486)	330,162	649,266	(317,232)	332,034
Other intangible assets	147,171	(30,696)	116,475	137,497	(31,864)	105,633
<b>Total intangible assets</b>	<b>12,680,159</b>	<b>(7,038,244)</b>	<b>5,641,915</b>	<b>12,550,845</b>	<b>(6,927,218)</b>	<b>5,623,627</b>

The activity in the 1st quarter of 2023 can be demonstrated as follows:

	Systems of					
	Water	Sewerage	Common use <sup>(1)</sup>	Rights of use	Others	Total
<b>Parent Company:</b>						
<b>Balances as of December 31, 2022</b>	<b>1,481,643</b>	<b>3,369,780</b>	<b>209,080</b>	<b>332,008</b>	<b>104,807</b>	<b>5,497,318</b>
Additions	8,037	15,384	16,797	6,381	34	46,633
Write-offs	(3)	-	(7)	-	-	(10)
Amortization	(38,823)	(73,202)	(17,983)	(8,245)	(2,257)	(140,510)
Transfers from (to) financial assets	21,656	(4,527)	915	-	6,793	24,837
Transfer between intangible and property, plant and equipment	2	-	(675)	-	-	(673)
Contract asset transfers	31,955	60,986	3,403	-	6,285	102,629
Others	-	-	(28)	-	(1)	(29)
<b>Balances as of March 31, 2023</b>	<b>1,504,467</b>	<b>3,368,421</b>	<b>211,502</b>	<b>330,144</b>	<b>115,661</b>	<b>5,530,195</b>
<b>Consolidated:</b>						
<b>Balances as of December 31, 2022</b>	<b>1,528,714</b>	<b>3,437,476</b>	<b>219,770</b>	<b>332,034</b>	<b>105,633</b>	<b>5,623,627</b>
Additions	8,592	15,691	16,849	6,381	38	47,551
Write-offs	(3)	-	(7)	-	-	(10)
Amortization	(39,449)	(73,948)	(18,826)	(8,253)	(2,269)	(142,745)
Transfers from (to) financial assets	21,469	(3,523)	915	-	6,793	25,654
Transfers between intangible and property, plant and equipment	2	-	(675)	-	-	(673)
Transfer of contract assets	32,829	46,109	3,319	-	6,282	88,539
Others	1	1	(28)	-	(2)	(28)
<b>Balances as of March 31, 2023</b>	<b>1,552,155</b>	<b>3,421,806</b>	<b>221,317</b>	<b>330,162</b>	<b>116,475</b>	<b>5,641,915</b>

- (1) Considering that common use systems have specific economic useful life rates, these assets are now controlled in a specific group called "common use systems".

Amortization was appropriated to income as follows:

	Parent Company		Consolidated	
	1Q2023	1Q2022	1Q2023	1Q2022
Cost of services provided	138,830	134,123	141,057	136,004
Selling expenses	77	137	77	138
Administrative expenses	1,603	953	1,611	961
<b>Total</b>	<b>140,510</b>	<b>135,213</b>	<b>142,745</b>	<b>137,103</b>

Activity in the year ended December 31, 2022 were as follows:

	Systems of			Rights of use	Others	Total
	Water	Sewerage	Common use <sup>(1)</sup>			
<b>Parent Company:</b>						
<b>Balances as of December 31, 2021</b>	<b>1,529,115</b>	<b>3,490,649</b>	<b>175,271</b>	<b>322,437</b>	<b>75,290</b>	<b>5,592,762</b>
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 from (to) financial assets	(39,803)	(28,201)	(13,925)	65	(1,921)	(83,785)
Transfer between intangible and property, plant and equipment	(1,363)	(473)	353	11	(932)	(2,404)
Contract asset transfers	112,383	137,817	43,921	1,261	37,190	332,572
Others	2	(2)	(69)	-	(6)	(75)
<b>Balances as of December 31, 2022</b>	<b>1,481,643</b>	<b>3,369,780</b>	<b>209,080</b>	<b>332,008</b>	<b>104,807</b>	<b>5,497,318</b>
<b>Consolidated:</b>						
<b>Balances as of December 31, 2021</b>	<b>1,568,591</b>	<b>3,539,354</b>	<b>185,018</b>	<b>322,481</b>	<b>75,823</b>	<b>5,691,267</b>
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 from (to) financial assets	(38,820)	(27,112)	(13,530)	65	(2,028)	(81,425)
Transfers between intangible 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
Others	2	(3)	(70)	-	(6)	(77)
<b>Balances as of December 31, 2022</b>	<b>1,528,714</b>	<b>3,437,476</b>	<b>219,770</b>	<b>332,034</b>	<b>105,633</b>	<b>5,623,627</b>

- (1) Considering that common use systems have specific economic useful life rates, these assets are now controlled in a specific group called "common use systems".

Average amortization rate determined in the Parent and Consolidated:

	Parent Company		Consolidated	
	1Q2023	2022	1Q2023	2022
Water systems	4.93%	4.97%	4.91%	5.17%
Sewerage	4.99%	5.08%	4.98%	5.21%
Common use systems	19.31%	19.39%	19.27%	21.62%
Rights of use	6.02%	5.79%	6.02%	5.82%
Other intangible assets	4.17%	4.98%	4.17%	5.09%

## 11. Property, plant and equipment



The breakdown of balances is as follows:

	03/31/2023				12/31/2022		
	Average rate	Cost	Accumulated depreciation	Net property, plant and equipment	Cost	Accumulated depreciation	Net property, plant and equipment
<b>Parent Company:</b>							
<b>In progress</b>							
Machinery and equipment	15.08%	693,970	(550,048)	143,922	684,904	(541,141)	143,763
Vehicles	33.40%	82,553	(81,025)	1,528	82,553	(80,223)	2,330
Others	-	31,490	(231)	31,259	31,490	(231)	31,259
		<b>808,013</b>	<b>(631,304)</b>	<b>176,709</b>	<b>798,947</b>	<b>(621,595)</b>	<b>177,352</b>
Land and buildings	4.54%	3,419,588	(2,152,611)	1,266,977	3,417,153	(2,127,109)	1,290,044
<b>Total of property, plant and equipment - in progress</b>		<b>4,227,601</b>	<b>(2,783,915)</b>	<b>1,443,686</b>	<b>4,216,100</b>	<b>(2,748,704)</b>	<b>1,467,396</b>
<b>Consolidated:</b>							
<b>In progress</b>							
Machinery and equipment	15.02%	699,574	(551,541)	148,033	689,775	(542,450)	147,325
Vehicles	29.26%	86,347	(81,433)	4,914	85,648	(80,453)	5,195
Others	-	31,490	(231)	31,259	31,490	(231)	31,259
		<b>817,411</b>	<b>(633,205)</b>	<b>184,206</b>	<b>806,913</b>	<b>(623,134)</b>	<b>183,779</b>
Land and buildings	4.54%	3,419,730	(2,152,612)	1,267,118	3,417,153	(2,127,109)	1,290,044
<b>Total of property, plant and equipment - in progress</b>		<b>4,237,141</b>	<b>(2,785,817)</b>	<b>1,451,324</b>	<b>4,224,066</b>	<b>(2,750,243)</b>	<b>1,473,823</b>

The activity in the 1st quarter of 2023 can be demonstrated as follows:

	Machinery and equipment	Vehicles	Others	Land and buildings	Total
<b>Parent Company:</b>					
<b>Balances as of December 31, 2022</b>	<b>143,763</b>	<b>2,330</b>	<b>31,259</b>	<b>1,290,044</b>	<b>1,467,396</b>
Additions	7,778	-	-	-	7,778
Write-offs	(1)	-	-	-	(1)
Depreciation	(7,480)	(802)	-	(25,502)	(33,784)
Transfer of contract assets	(457)	-	-	2,435	1,978
Transfers between intangible and property, plant and equipment	673	-	-	-	673
Transfers to Financial Asset	(19)	-	-	-	(19)
Others	(335)	-	-	-	(335)
<b>Balances as of March 31, 2023</b>	<b>143,922</b>	<b>1,528</b>	<b>31,259</b>	<b>1,266,977</b>	<b>1,443,686</b>
<b>Consolidated:</b>					
<b>Balances as of December 31, 2022</b>	<b>147,325</b>	<b>5,195</b>	<b>31,259</b>	<b>1,290,044</b>	<b>1,473,823</b>
Additions	8,510	700	-	-	9,210
Write-offs	(1)	-	-	-	(1)
Depreciation	(7,664)	(980)	-	(25,502)	(34,146)
Transfer of contract assets	(457)	-	-	2,576	2,119
Transfers between intangible and property, plant and equipment	673	-	-	-	673
Transfers to Financial Asset	(19)	-	-	-	(19)
Others	(334)	(1)	-	-	(335)
<b>Balances as of March 31, 2023</b>	<b>148,033</b>	<b>4,914</b>	<b>31,259</b>	<b>1,267,118</b>	<b>1,451,324</b>

Depreciation was appropriated to income as follows:

	Parent Company		Consolidated	
	1Q2023	1Q2022	1Q2023	1Q2022
Cost of services provided	28,829	28,550	29,172	28,698
Selling expenses	1,004	1,090	1,020	1,090
Administrative expenses	3,951	2,278	3,954	2,279

<b>Total</b>	<b>33,784</b>	<b>31,918</b>	<b>34,146</b>	<b>32,067</b>
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In the year ended December 31, 2022, the activity was as follows:

	<b>Machinery and equipment</b>	<b>Vehicles</b>	<b>Others</b>	<b>Land and buildings</b>	<b>Total</b>
<b>Parent Company:</b>					
<b>Balances as of December 31, 2021</b>	<b>77,921</b>	<b>6,076</b>	<b>31,275</b>	<b>1,354,852</b>	<b>1,470,124</b>
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 between intangible and property, plant and equipment	2,346	-	-	58	2,404
Transfers to Financial Asset	82	-	-	42	124
Others	70	2	(21)	(3)	48
<b>Balances as of December 31, 2022</b>	<b>143,763</b>	<b>2,330</b>	<b>31,259</b>	<b>1,290,044</b>	<b>1,467,396</b>
<b>Consolidated:</b>					
<b>Balances as of December 31, 2021</b>	<b>81,246</b>	<b>6,161</b>	<b>31,274</b>	<b>1,354,852</b>	<b>1,473,533</b>
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 between intangible and property, plant and equipment	2,362	-	-	58	2,420
Transfers to Financial Asset	82	-	-	42	124
Others	70	2	(20)	(3)	49
<b>Balances as of December 31, 2022</b>	<b>147,325</b>	<b>5,195</b>	<b>31,259</b>	<b>1,290,044</b>	<b>1,473,823</b>

## 12. Public-Private Partnership - PPP - Rio Manso Production System

COPASA MG and BRK Ambiental - Manso S.A, a Specific Purpose Company (SPE), formalized a Public-Private Partnership (PPP) in the form of an Administrative Concession to expand the capacity of the Rio Manso Water Production System, in the Greater Belo Horizonte, and service provision in this system.

During the execution phase of works, the Company recognized the intangible assets, according to the progress of its construction and in corresponding entry a liability related to it, due to the PPP contract. Expenses with adjustment for inflation were capitalized in intangible assets until the start of operations.

The expenses arising from this contract related to the maintenance of systems in the 1st quarter of 2023 were BRL21,697 (BRL96,779 in the year ended December 31, 2022).

To update the liability constituted, the contract readjustment index is being applied annually in April and appropriated proportionally over the subsequent 12 months. The activity of liabilities can be demonstrated as follows:

	<b>Parent Company / Consolidated</b>	
	<b>1Q2023</b>	<b>2022</b>
<b>Opening balance</b>	<b>243,603</b>	<b>260,985</b>
Adjustment	6,634	23,737
Amortization	(4,325)	(25,464)
Interest paid	(4,873)	(15,655)
<b>Closing balance</b>	<b>241,039</b>	<b>243,603</b>
<b>Current liabilities</b>	<b>38,266</b>	<b>36,792</b>
<b>Non-current liabilities</b>	<b>202,773</b>	<b>206,811</b>

## 13. Taxes, fees, contributions, social and labor obligations and miscellaneous obligations

## (a) Current assets:

The recoverable taxes are as follows:

	Parent Company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
IRPJ to be offset	4,097	2,463	4,758	3,109
IRPJ to be offset/negative balance	60,697	61,041	60,700	61,044
CSLL to be offset/negative balance	20,973	20,973	20,973	20,973
Recovery of PIS/COFINS credits	236	5,707	236	5,707
Prepayment of income tax	72,721	-	72,866	-
Prepayment of CSLL	27,432	-	27,489	-
Other Recoverable Taxes	141	141	156	156
<b>Total</b>	<b>186,297</b>	<b>90,325</b>	<b>187,178</b>	<b>90,989</b>

Recoverable taxes refer mainly to the negative balance of Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL) for 2022, which will be offset in 2023; and the increase in the prepayment balance of IRPJ and CSLL in 1Q23 caused by the distribution of Interest on Equity (JCP) in the percentage of 50%. In 1Q22, the JCP distribution percentage was 25%.

## (b) Current liabilities:

Taxes, fees, contributions and social and labor obligations are made up of:

	Parent Company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
National Institute of Social Security (INSS)	27,108	27,267	27,592	27,772
Social Security Financing Contribution (COFINS)	34,391	25,548	34,700	25,634
Social Integration Program (PIS)	7,423	5,505	7,489	5,522
Corporate Income Tax (IRPJ)	88,915	28,437	88,929	28,470
Social Contribution on Net Income (CSLL)	29,799	5,513	29,799	5,634
Government Severance Indemnity Fund for Employees (FGTS)	3,503	-	3,583	-
Others	5,910	5,855	5,988	5,944
<b>Current liabilities</b>	<b>197,049</b>	<b>98,125</b>	<b>198,080</b>	<b>98,976</b>

The miscellaneous obligations are as follows:

	Parent Company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Miscellaneous obligations Deposit for works (i) Salaries payable	53,269	55,429	53,269	55,429
Refunds determined by Arsae (ii)	1,696	1,629	1,706	1,639
Others	40,901	51,567	40,901	51,567
<b>Total</b>	<b>149,381</b>	<b>163,515</b>	<b>149,759</b>	<b>163,862</b>
<b>Current liabilities</b>	<b>71,549</b>	<b>84,001</b>	<b>71,927</b>	<b>84,348</b>
<b>Non-current liabilities</b>	<b>77,832</b>	<b>79,514</b>	<b>77,832</b>	<b>79,514</b>

- (i) Refers to financial resources from ANA, within the scope of the Program for the Depollution of Hydrographic Basins - PRODES (see Note 7).
- (ii) The Regulatory Agency for Water Supply and Sanitary Sewage Services of the State of Minas Gerais - ARSAE MG, determined the refund of amounts to customers through the following administrative processes, understood by Management as a probable probability of loss, and, therefore, provisioned.

The Company identified all customers affected by the aforementioned processes and recorded the exact amount to be refunded to each one, through credit (discount) on invoices, and in the 1st quarter of 2023, returns amounted to BRL10,666. The activity of the amounts involved in the proceedings were as follows:

Parent Company / Consolidated						
Proceedings	Initial balance to be returned	Provision differential	Returns made			Final balance to be returned
			Principal amount	Income tax / adjustment for inflation	Total returned	
Period ended March 31, 2023						
005/2019	43,814	-	2,846	6,802	9,648	34,166
028/2021	3,432	-	40	-	40	3,392
041/2021	4,321	-	936	42	978	3,343
	51,567	-	3,822	6,844	10,666	40,901
Current liabilities						39,600
Non-current liabilities					1,301	
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
	99,558	14,039	37,555	24,475	62,030	51,567
			Current liabilities			50,266
			Non-current liabilities			1,301

#### 14. Loans, Borrowings and Bonds

The loans, borrowings and bonds, whose balance is BRL4,063,056 on March 31, 2023 (BRL4,139,920 on December 31, 2022), overdue in 2043 and average coupons of 10.44% per year for the Parent and Consolidated (10.85% p.a. as of December 31, 2022 for Parent and Consolidated).

##### (a) Loans and Borrowings

The activity in loans and borrowings is shown below:

Parent Company / Consolidated			
	1Q2023	2022	1Q2022
<b>Opening balance</b>	<b>976,937</b>	<b>1,068,394</b>	<b>1,068,394</b>
Loan and financing receipts	200,662	103,456	15,066
Provisioned charges	18,493	66,383	17,202
Adjustment for inflation and exchange variation	5,357	(15,706)	(39,203)
Amortization of charges	(16,823)	(66,565)	(16,528)
Amortization of principal	(29,131)	(179,282)	(29,196)
Amortization of funding cost	64	257	64
<b>Closing balance</b>	<b>1,155,559</b>	<b>976,937</b>	<b>1,015,799</b>
<b>Current liabilities</b>	<b>140,586</b>	<b>150,328</b>	<b>178,133</b>
<b>Non-current liabilities</b>	<b>1,014,973</b>	<b>826,609</b>	<b>837,666</b>

Parent Company / Consolidated				
	Index + Interest (p.a.)	Year of maturity	Carrying amount 03/31/2023	Carrying amount 12/31/2022
<b>In domestic currency:</b>				
Borrowings - FGTS	TR + 8.50%	01/16/2043	720,365	714,755
Loan	TJLP + 1.55% to 1.73%	05/15/2025	40,646	58,009
Finame (Machinery and Equipment Financing)	2.5% to 8.7%	01/15/2025	6,123	7,513
			<b>767,134</b>	<b>780,277</b>
<b>In foreign currency (euro):</b>				
Borrowings	2.07%	12/20/2023	61,740	-

Borrowings	1.41%	05/15/2034	81,738	143,695
Borrowings	Euribor + 0.55%	09/20/2033	247,635	55,717
			<b>391,113</b>	<b>199,412</b>
Funding costs			(2,688)	(2,752)
			<b>388,425</b>	<b>196,660</b>
<b>Loans and borrowings</b>			<b>1,155,559</b>	<b>976,937</b>

## (b) Bonds

The breakdown of bonds is shown below:

Parent Company / Consolidated				
	Index + Interest (p.a.)	Year of maturity	Carrying amount 03/31/2023	Carrying amount 12/31/2022
<b>Subscription 5th issue</b>				
Single series	TR + 9.00%	09/01/2031	149,768	154,146
Total 5th issue			<b>149,768</b>	<b>154,146</b>
<b>Subscription 8th issue</b>				
1 <sup>st</sup>	TJLP + 1.87%	06/15/2028	43,378	45,298
2 <sup>nd</sup>	IPCA + 8.18%	06/15/2028	26,305	27,008
Total 8th issue			<b>69,683</b>	<b>72,306</b>
<b>Subscription 11th issue</b>				
1 <sup>st</sup>	TJLP + 2.62%	01/15/2031	111,113	114,292
2 <sup>nd</sup>	IPCA + 8.85%	01/15/2031	62,737	63,446
Total 11th issue			<b>173,850</b>	<b>177,738</b>
<b>Subscription 12th issue</b>				
1 <sup>st</sup>	IPCA + 5.06%	01/15/2024	84,028	125,126
2 <sup>nd</sup>	IPCA + 5.27%	01/15/2026	81,369	94,289
Total 12th issue			<b>165,397</b>	<b>219,415</b>
<b>Subscription 13th issue</b>				
2 <sup>nd</sup>	110% of CDI	07/15/2023	138,978	287,994
3 <sup>rd</sup>	IPCA + 6.50%	07/15/2025	73,940	88,392
Total 13th issue			<b>212,918</b>	<b>376,386</b>
<b>Subscription 14th issue</b>				
1 <sup>st</sup>	106.15% of CDI	06/15/2024	23,827	28,532
2 <sup>nd</sup>	IPCA + 4.30%	06/15/2026	158,904	154,153
Total 14th issue			<b>182,731</b>	<b>182,685</b>
<b>Subscription 15th issue</b>				
Single series	CDI + 1.75%	12/16/2025	425,769	464,207
Total 15th issue			<b>425,769</b>	<b>464,207</b>
<b>Subscription 16th issue</b>				
1 <sup>st</sup>	IPCA + 5.23%	09/15/2031	278,376	269,454
2 <sup>nd</sup>	CDI + 1.30%	09/15/2026	509,600	509,315
Total 16th issue			<b>787,976</b>	<b>778,769</b>
<b>Subscription 17th issue</b>				
1 <sup>st</sup>	CDI + 1.30%	12/16/2029	754,626	753,362
Total 17th issue			<b>754,626</b>	<b>753,362</b>
<b>Total bonds</b>			<b>2,922,718</b>	<b>3,179,014</b>
Funding costs			(15,221)	(16,031)
<b>Total</b>			<b>2,907,497</b>	<b>3,162,983</b>

The activity of bonds is shown below:

Parent Company / Consolidated			
	1Q2023	12/31/2022	1Q2022
<b>Opening balance</b>	<b>3,162,983</b>	<b>2,916,950</b>	<b>2,916,950</b>
Debtenture receipts	-	772,546	-
Provisioned charges	86,231	267,756	61,262
Adjustment for inflation	15,754	54,182	20,804
Amortization of charges	(98,303)	(265,542)	(67,678)
Amortization of principal	(259,978)	(583,268)	(206,125)
Funding costs Amortization	(301)	(3,443)	-
of funding cost <b>Closing</b>	<b>1,111</b>	<b>3,802</b>	<b>992</b>
<b>balance</b>	<b>2,907,497</b>	<b>3,162,983</b>	<b>2,726,205</b>
<b>Current liabilities</b>	<b>686,549</b>	<b>790,543</b>	<b>657,010</b>
<b>Non-current liabilities</b>	<b>2,220,948</b>	<b>2,372,440</b>	<b>2,069,195</b>

The Company maintains monetary values secured, as mentioned in Note 7, in addition to guarantee of fiduciary assignment of its collection, as per Note 21.1 (c). Both guarantees occur during the term of effectiveness or the grace period of the contracted debts.

## (c) Covenants and guarantees

The Company has loans and borrowings and bonds with certain contractual conditions, which require compliance with covenants based on certain financial indexes and non-financial indicators, with different periodicity of calculation of the result, as established in the respective contracts. Some contracts provide that, in the event of non-compliance with these indices and indicators, the Company presents additional real guarantees to the creditor or reestablishes the financial indices provided for in the contracts within a certain period. Finally, if the temporary waiver of compliance with these indexes is not obtained, the creditor may decree the early maturity of the debt.

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

**15. Provision for Lawsuits**

## (a) Accrued lawsuits

The breakdown of provisions for lawsuits is as follows:

	03/31/2023			12/31/2022		
	Contingencies	Legal deposits	Net balance	Contingencies	Legal deposits	Net balance
<b>Parent Company:</b>						
Civil	115,695	(4,194)	111,501	120,546	(6,065)	114,481
Labor	306,182	(11,742)	294,440	297,104	(13,225)	283,879
Tax	1,884	(6,187)	(4,303)	1,848	(3,460)	(1,612)
<b>Total</b>	<b>423,761</b>	<b>(22,123)</b>	<b>401,638</b>	<b>419,498</b>	<b>(22,750)</b>	<b>396,748</b>
<b>Consolidated:</b>						
Civil	116,058	(4,194)	111,864	120,999	(6,065)	114,934
Labor	306,367	(11,843)	294,524	297,219	(13,301)	283,918
Tax	1,884	(6,187)	(4,303)	1,848	(3,460)	(1,612)
<b>Total</b>	<b>424,309</b>	<b>(22,224)</b>	<b>402,085</b>	<b>420,066</b>	<b>(22,826)</b>	<b>397,240</b>

The activity in the 1st quarter of 2023 is shown as follows:

	Parent Company	Consolidated
<b>Balance as of December 31, 2022, before offsetting legal deposits</b>	<b>419,498</b>	<b>420,066</b>
Additions <sup>(1)</sup>	9,886	10,021
Updates	8,765	8,777
Reversals	(2,055)	(2,173)
Write-offs	(12,333)	(12,382)
<b>Total provisions</b>	<b>423,761</b>	<b>424,309</b>
Offsetting of legal deposits	(22,123)	(22,224)
<b>Balance as of March 31, 2023</b>	<b>401,638</b>	<b>402,085</b>

- (1) Includes interest and adjustments for inflation on legal provisions, in the amount of BRL8,765 (Parent) and BRL8,777 (Consolidated) recorded in financial expenses.

The additions and reversals refer to the inclusion of new lawsuits and reassessments of loss forecasts in legal proceedings against the Company and according to the analysis made by the legal area, based on precedents or judgments issued by the judiciary and validation within the scope of the Contingencies Forum of the COPASA MG. The updates refer to the adjustment for inflation of the accrued balance.

The activity can be summarized as follows:

1. Additions in the amount of BRL9,886, referring to the creation of a provision for labor, civil and tax claims, with an increase in labor provisions of BRL4,373 and civil provisions of BRL5,513, detailing the main proceedings in items (i) Civil Provisions and (ii) Labor Provisions, below.
2. Process updates in the amount of BRL8,765, of which BRL6,228 are labor, BRL2,501 civil and BRL36 tax.
3. Write-offs in the amount of BRL12,333, of which BRL2,253 are labor claims and BRL9,578 are civil claims.

The activity for the year 2022 is shown as follows:

	Parent Company	Consolidated
<b>Balance as of December 31, 2021, before offsetting legal deposits</b>	<b>402,258</b>	<b>403,052</b>
Additions <sup>(i)</sup>	55,927	56,532
Updates	44,740	44,843
Reversals	(37,420)	(38,103)
Write-offs	(46,007)	(46,258)
<b>Total provisions</b>	<b>419,498</b>	<b>420,066</b>
Offsetting of legal deposits	(22,750)	(22,826)
<b>Balance as of December 31, 2022</b>	<b>396,748</b>	<b>397,240</b>

- (1) Includes interest and adjustments for inflation on judicial provisions, in the amount of BRL44,397 recorded in financial expenses.

The Company is a party to several legal proceedings that arise in the ordinary course of its transactions, with a large widely held in the number and value of lawsuits. The main ones are listed in the following items (since there were no relevant changes in the nature and conditions of the main lawsuits, see explanations in Note 16 (a) to the Individual and Consolidated Financial Statements as of December 31, 2022).

(i) Civil provisions

The civil provisions relate to claims for compensation for moral and material damages or claims for reimbursement related to overpayments or double payments. COPASA MG estimates the provision based on invoiced amounts subject to challenge and recent court decisions.

1. In 2005, the Public Prosecution Office of the State of Minas Gerais filed a claim for compensation for environmental damage caused to Lagoa Central in the Municipality of Lagoa Santa. The amount provisioned on March 31, 2022 is BRL15,070 (BRL18,837 on December 31, 2022).
2. In 2003, the Public Prosecution Office of the State of Minas Gerais filed a class action whose object was simple return to users. The amount provisioned on March 31, 2023 is BRL20,398 (BRL20,012 as of December 31, 2022).

(ii) Labor provisions

The actions for which the Company is directly responsible, for the most part, are related to moral and material damages due to occupational illness or work accident, overtime, additional unhealthy and dangerous work, on call, salary differences arising from isonomy of function and dismissal for just cause. The Company provisions for labor claims classified as a probable risk of loss. The classification of the risk of loss, the contingency amount and the accounting provision amount are reviewed and changed, according to the decisions issued in each of the phases of the procedural progress.



There is a collective employment dispute, filed in 2008 by 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 agreement. The Labor Prosecution Office of Minas Gerais (MPT-MG) filed a lawsuit questioning the legality of the said program.

Considering the aforementioned court decisions, the Company decided to review the amount of the provision, even though the amount of the conviction in said lawsuit has not been settled. Thus, it carried out preliminary calculations, carried out under the guidelines and legal grounds laid down by the lawyers hired to conduct the process, and in compliance with the best accounting practices. In 1Q2023, the provisioned amount was increased by BRL6,303, with BRL4,909 of interest for late payment and adjustment for inflation recorded under “financial expenses”. On February 17, 2023, the Company formalized an agreement proposal, awaiting the Court’s assessment.

(b) Lawsuits not provisioned for

COPASA MG is challenging in court other lawsuits for which it expects a possible loss. No provision was made for these lawsuits, as the Company considers it to have a solid legal basis to support the procedures adopted for defense in court. The proceedings in progress at administrative and judicial levels, before different courts, in which the Company is a defendant, are distributed as follows:

Type	Parent Company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Civil (i)	491,122	483,090	498,242	491,494
Labor (ii)	57,247	58,462	57,607	58,896
Tax (iii)	97,283	91,371	97,307	91,395
Environmental	43,738	2,490	43,738	2,490
<b>Total</b>	<b>689,390</b>	<b>635,413</b>	<b>696,894</b>	<b>644,275</b>

(i) Civil

They refer to lawsuits filed by customers, State and Federal Government Public Prosecution Office, Municipalities, associations, etc., that seek for judicial relief with regard to various matters, except for tax and labor claims, being distributed in several courts, judicial branches and special courts and can be divided into individual and class actions, whose explanations, as there were no changes relevant to the nature and conditions of these actions, are found in Note 16 (b) to the Individual and Consolidated Financial Statements as of December 31, 2022.

(ii) Labor

The actions for which the Company is directly responsible, for the most part, are related to moral and material damages due to occupational illness or work accident, overtime, additional unhealthy and dangerous work, on call, salary differences arising from isonomy of function and dismissal for just cause. and secondary liability, in cases relating to contractors, service providers and suppliers.

(iii) Tax

These are actions in which the Company is called upon by the Tax Authority, 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 resulting from the administrative fines levy).

## 16. Income Tax and Social Security Contribution

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

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

	Parent Company		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Profit for the year before taxes and contributions	436,527	239,284	436,527	239,284
Nominal rate	34%	34%	34%	34%
<b>Expected Revenue (Expense) at the nominal rate</b>	<b>(148,420)</b>	<b>(81,357)</b>	<b>(148,420)</b>	<b>(81,357)</b>
IRPJ and CSLL on:				
(Additions) / exclusions				
Equity accounting method	(4,501)	(798)	-	-
Donations and subventions	-	421	-	421
Other (additions) / exclusions	(693)	(1,544)	(5,194)	(2,342)
Other reconciliation items				
Interest on equity	44,738	11,516	44,738	11,516
Tax incentives	10,055	-	10,055	-
<b>IRPJ and CSLL</b>	<b>(98,821)</b>	<b>(71,762)</b>	<b>(98,821)</b>	<b>(71,762)</b>
Current IRPJ and CSLL	(102,519)	-	(102,519)	-
Deferred IRPJ and CSLL	3,698	(71,762)	3,698	(71,762)
<b>IRPJ and CSLL</b>	<b>(98,821)</b>	<b>(71,762)</b>	<b>(98,821)</b>	<b>(71,762)</b>
Effective tax rate	22.64%	29.99%	22.64%	29.99%

(b) Deferred income tax and social security contribution

The values are as follows:

	Parent Company / Consolidated			
	Opening balance	Comprehensive income	Recognized in statement of profit or loss	Closing balance
<b>IRPJ and CSLL Assets (Liabilities) on:</b>				
<b>Quarter ended March 31, 2023</b>				
Allowance for doubtful accounts	74,261	-	2,946	77,207
Provision for lawsuits	142,629	-	1,450	144,079
Provision for (losses) gains on actuarial liabilities - comprehensive income	2,753	-	-	2,753
CPC adjustment - balance to be depreciated of assigned assets	40,216	-	(681)	39,535
Difference in amortization generated by discounting the financial asset	212,179	-	6,835	219,014
Exchange rate variation on loans	(652)	-	509	(143)
Other temporary provisions	26,241	-	1,516	27,757
Deferred construction's revenue margin	(27,781)	-	450	(27,331)
Capitalization of the discounted financial asset	(146,105)	-	(9,628)	(155,733)
Funding cost for bonds issue	(5,451)	-	275	(5,176)
Cost of borrowing	(937)	-	22	(915)
Provision for CPC adjustments - comprehensive income	(4,870)	4	-	(4,866)
<b>Total net assets</b>	<b>312,483</b>	<b>4</b>	<b>3,694</b>	<b>316,181</b>
<b>Year ended December 31, 2022</b>				
Allowance for doubtful accounts	81,320	-	(7,059)	74,261
Provision for lawsuits	136,767	-	5,862	142,629
Provision for (losses) gains on actuarial liabilities - comprehensive income	25,150	(22,397)	-	2,753
CPC adjustment - balance to be depreciated of assigned assets	42,943	-	(2,727)	40,216
Difference in amortization generated by discounting the financial asset	187,373	-	24,806	212,179
Exchange rate variation on loans	15,354	-	(16,006)	(652)

Other miscellaneous temporary provisions	89,518	-	(63,277)	26,241
Income tax and social security contribution				
Deferred construction's revenue margin	(29,583)	-	1,802	(27,781)
Capitalization of the discounted financial asset	(126,834)	-	(19,271)	(146,105)
Funding cost for bonds issue	(5,573)	-	122	(5,451)
Cost of borrowing	(1,023)	-	86	(937)
Provision for CPC adjustments - comprehensive income	(6,373)	1,503	-	(4,870)
<b>Total net assets</b>	<b>409,039</b>	<b>(20,894)</b>	<b>(75,662)</b>	<b>312,483</b>

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

## 17. Technical Cooperation Agreement

The balance of agreements in assets is as follows:

	Parent Company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
<b>Current assets</b>	38,903	30,170	38,916	30,185
<b>Non-current assets</b>	2,617	2,629	2,617	2,629
	<b>41,520</b>	<b>32,799</b>	<b>41,533</b>	<b>32,814</b>

	Parent Company			Consolidated		
	Receivable	Advance	Net	Receivable	Advance	Net
<b>March 31, 2023</b>						
State funds	4,653	(4,287)	366	563,417	(563,037)	379
Federal funds	219,378	(178,224)	41,154	219,378	(178,224)	41,154
<b>Total</b>	<b>224,031</b>	<b>(182,511)</b>	<b>41,520</b>	<b>782,795</b>	<b>(741,261)</b>	<b>41,533</b>
<b>December 31, 2022</b>						
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
<b>Total</b>	<b>178,801</b>	<b>(146,002)</b>	<b>32,799</b>	<b>737,565</b>	<b>(704,750)</b>	<b>32,814</b>

The balance of agreements in liabilities is as follows:

	Parent Company / Consolidated	
	03/31/2023	12/31/2022
<b>Current liabilities</b>	<b>7,080</b>	<b>7,978</b>

	Parent Company / Consolidated		
	Advance	Receivable	Net
<b>March 31, 2023</b>			
State funds	5,213	-	5,213
Federal funds	6,353	(4,486)	1,867
<b>Total</b>	<b>11,566</b>	<b>(4,486)</b>	<b>7,080</b>
<b>December 31, 2022</b>			
State funds	5,122	-	5,122
Federal funds	42,519	(39,663)	2,856
<b>Total</b>	<b>47,641</b>	<b>(39,663)</b>	<b>7,978</b>

## 18. Retirement Benefit Obligations

The values and information of the retirement benefit obligations are shown below:

	Parent Company / Consolidated	
	03/31/2023	12/31/2022
Normal contributions - current	9,604	9,627

Long-term obligations - non-current	31,059	44,296
<b>Total obligations recorded in the statement of financial position</b>	<b>40,663</b>	<b>53,923</b>

Activities in net liabilities are shown below:

	<b>Parent Company / Consolidated</b>	
	<b>1Q2023</b>	<b>1Q2022</b>
<b>Opening balance</b>	<b>53,923</b>	<b>129,378</b>
Amounts recognized in the statement of profit or loss	145	(8,712)
Provision for employer contributions	12,567	18,272
Provision for participant contributions	16,355	23,744
Amortization of contributions (employer and participants)	(42,327)	(36,273)
<b>Closing balance</b>	<b>40,663</b>	<b>126,409</b>
<b>Current liabilities</b>	<b>9,604</b>	<b>22,358</b>
<b>Non-current liabilities</b>	<b>31,059</b>	<b>104,051</b>

a) Amounts separated by Benefit Plan<sup>(1)</sup>

1) RP1-BD benefit plan

	<b>12/31/2022</b>
Present value of financed obligations	(56,881)
Fair value from the plan assets	69,823
Asset cap effect	(12,942)
<b>Net liabilities of the plan</b>	<b>-</b>

2) COPASA Plan Paid-BD

	<b>12/31/2022</b>
Present value of financed obligations	(1,167,165)
Fair value from the plan assets	1,123,827
<b>Net liabilities of the plan</b>	<b>(43,338)</b>

3) COPASA New CD-Plan

	<b>12/31/2022</b>
Present value of financed obligations	(9,563)
Fair value from the plan assets	57,598
Asset cap effect	(48,035)
<b>Plan net assets / liabilities</b>	<b>-</b>

- (1) The Company carries out, annually, an actuarial valuation of the Commitments of the 03 retirement benefit plans.

On March 31, 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 on December 31, 2022. Accordingly, Management decided not to repeat them in this Interim Financial Information.

## 19. Equity and Dividends

(a) Capital

The Company is part of the Novo Mercado de Governança Corporativa of B3 - Brasil, Bolsa, Balcão, and its capital is formed exclusively by ordinary shares. The subscribed and paid-in Share Capital as of March 31, 2023 and December 31, 2022 is represented by 380,253,069 registered ordinary shares that correspond to BRL744,025.

(b) Earnings reserve

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

(c) Equity valuation adjustments

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

(d) Compensation to shareholders

Dividend Policy

Under the terms of the Articles of Incorporation, shareholders are entitled to receive a mandatory minimum dividend of 25% of net income for the year, adjusted by the decrease or increase of the amounts specified in items I, II and III of article 202 of Law No. 6,404/76.

The Company's Dividend Policy, approved by the Extraordinary General Meeting on May 7, 2018, establishes the following regarding the declaration of Regular Dividends.

- Regular Dividends

By March 31 of each year, the Board of Directors will define the percentage of Adjusted Net Income to be distributed, subject to the statutory minimum of 25% and the limit of 50%.

The statement must occur quarterly and the payment will be made within 60 days from the date of the statement, except for the amounts referring to the fourth quarter, which will be defined at the AGM.

- Extraordinary Dividends

Said Dividend Policy includes rules and conditions for the distribution of Extraordinary Dividends.

- Review of the Dividend Policy

On February 24, 2023, as per the Material Fact disclosed, the Company's Board of Directors decided to change the Company's Dividend Policy, which will be submitted to the appreciation of an Extraordinary General Meeting, to be convened in due course.

For Regular Dividends, the proposal is to maintain the form of distribution currently practiced, as follows:

- Regular Dividends will be Dividends and/or Interest on Equity (JCP).
- Declared JCP will be considered as mandatory legal minimum dividend.
- The percentage of Adjusted Net Income (Net Income after the decrease or increase in the amounts specified in items I, II and III of Article 202 of Federal Law No. 6,404/1976) to be distributed in the form of Regular Dividends will be defined when the approval, by the Board of Directors, of the corporate budget for the year, always subject to the following parameters: i) the mandatory legal minimum; ii) the maximum limit of fifty percent (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 from the declaration date, except for the amounts

referring to the fourth quarter, whose definition will take place at the Annual General Meeting (AGM) that approves the Financial Statements for the year.

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

- The general guidelines comprising (i) compliance with the public interest that justified the COPASA MG creation; and (ii) the funds' guarantee, in its Investment Plan, to comply with the provisions of Federal Law No. 11,445/2007 and Federal Law No. 14,026/2020, in particular, regarding the universalization of basic sanitation services and other goals qualitative and quantitative established.
- Legal, regulatory, statutory, financial restrictions, as well as covenants.

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

- Regular Dividends

The compensation to shareholders for the 1st quarter of 2023, as approved by the Board of Directors, is detailed below:

Reference	Corporate Event	Date of Entitlement	Amounts	Payment Date
JCP 1Q23	RCA 03/17/2023	03/22/2023	131,583	05/16/2023
<b>January to March 2023</b>			<b>131,583</b>	

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

	Parent Company / Consolidated	
	1Q2023	2022
<b>Dividends and JCP payable at the beginning of the quarter/year</b>	231,653	265
Proposed interest on equity	131,582	391,105
Income tax withheld at source on interest on equity	(10,518)	(23,576)
Interest on equity paid in the year	-	(136,141)
<b>Dividends and JCP payable at the end of the quarter/year</b>	<b>352,717</b>	<b>231,653</b>

(e) Earnings per share

- Basic

Basic earnings per share are calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of common shares issued by the Company throughout the year, excluding ordinary shares purchased by the Company and held as treasury shares (letter "a" of this Note).

	Parent Company / Consolidated	
	1Q2023	1Q2022
Profit attributable to Company's shareholders	337,706	167,522
Weighted average number of ordinary shares issued - thousands	379,181	379,181
<b>Basic earnings per share (in Brazilian Reais)</b>	<b>0.89</b>	<b>0.44</b>

- Diluted

As of March 31, 2023 and 2022, diluted earnings per share equal basic earnings, as there are no dilutive securities.

## 20. Information by Business Segment

Company's Management defined the operating segments used to make strategic decisions, such as water services, sewage services and solid waste. Company does not have intersegment revenues, having only from external customers.

(i) Profit or loss

	Consolidated				Balance according to Financial Statements
	Water services	Sewage services	Solid waste	Reconciliation for Financial Statements	
<b>1st quarter of 2023</b>					
Gross operating revenue	1,179,366	597,310	1,037	140,971	1,918,684
Taxes on Sales	(125,038)	(61,884)	(127)	-	(187,049)
Net operating revenue	1,054,328	535,426	910	140,971	1,731,635
Costs, selling and administrative expenses	(709,807)	(360,465)	-	(140,971)	(1,211,243)
Operating profit before other net operating expenses	344,521	174,961	910	-	520,392
Other net operating revenues (expenses)					(29,669)
Financial income, net					(54,196)
<b>Operating profit before taxes</b>					<b>436,527</b>
<b>1st Quarter of 2022</b>					
Gross operating revenue	950,255	484,035	676	153,470	1,588,436
Deduction from gross revenue	(103,928)	(51,147)	(83)	-	(155,158)
Net operating revenue	846,327	432,888	593	153,470	1,433,278
Costs, selling and administrative expenses	(678,823)	(347,212)	-	(153,470)	(1,179,505)
Operating profit before other net operating expenses	167,504	85,676	593	-	253,773
Other net operating revenues / (expenses)	-	19,296	-	(12,182)	7,114
Financial income, net					(21,603)
<b>Operating profit before taxes</b>					<b>239,284</b>

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

	Consolidated			
	1Q2023		1Q2022	
	Amortization	Depreciation	Total	Total
Water services	39,356	17,333	56,689	57,021
Sewage services	73,203	6,960	80,163	80,892
Other property, plant and equipment	40,090	9,853	49,943	46,474
<b>Total</b>	<b>152,649</b>	<b>34,146</b>	<b>186,795</b>	<b>184,387</b>

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

	1Q2023	1Q2022
Gross revenue from construction referring to ICPC 1 (R1)	140,971	153,470
Construction cost related to ICPC 1 (R1)	(140,971)	(153,470)
<b>Construction margin</b>	<b>-</b>	<b>-</b>

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

	Consolidated	
	03/31/2023	03/31/2022
<b>Intangible assets:</b>		
Water services	1,552,155	1,535,983

Sewage services	3,421,806	3,495,226
Other intangible:	667,954	581,130
<b>Total intangible assets</b>	<b>5,641,915</b>	<b>5,612,339</b>
<b>Property, plant and equipment:</b>		
Water services	910,848	950,223
Sewage services	244,821	272,330
Other property, plant and equipment	295,655	225,513
<b>Total property, plant and equipment</b>	<b>1,451,324</b>	<b>1,448,066</b>

There are no liabilities allocated to the reported segments.

## 21. Financial Risk Management

In the 1st quarter of 2023, there were no changes in the policies 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. Therefore, information related to: (a) liabilities linked to exchange variation; (b) credit quality of financial assets; (c) cash flow from financial instruments, also did not suffer relevant changes in relation to what was disclosed in the referred Note. Therefore, Management decided not to repeat them in the Interim Financial Information of March 31, 2023.

### 21.1 Sensitivity Analysis

#### (a) Sensitivity to interest rates

The Company prepared a sensitivity analysis of the effects of a possible change in market variables on its loans, borrowings and bonds. In this analysis, keeping all other variables constant, the Company's result before taxation would be affected according to the scenarios shown below:

Indicators	Exposure (i)	Scenario I	Scenario II	Scenario III	Scenario IV	Scenario V
		Probable (ii)	+25%	-25%	+50%	-50%
Long-Term Interest Rate (TJLP)	194,452	7.28%	9.10%	5.46%	10.92%	3.64%
Principal Variation (BRL)	-	14,156	17,695	10,617	21,234	7,078
Extended National Consumer Price Index (IPCA)	753,134	5.96%	7.45%	4.47%	8.94%	2.98%
Principal Variation (BRL)	-	44,887	56,109	33,665	67,330	22,443
CDI rate	1,837,944	12.75%	15.94%	9.56%	19.13%	6.38%
Principal Variation (BRL)	-	234,338	292,922	175,753	351,507	117,169
Reference Rate (TR)	866,581	1.95%	2.44%	1.46%	2.93%	0.98%
Principal Variation (BRL)	-	16,910	21,138	12,683	25,366	8,455
Fixed Spread - Euribor	247,326	3.34%	4.18%	2.51%	5.01%	1.67%
Principal Variation (BRL)	-	8,263	10,329	6,198	12,395	4,132
Fixed Spread	148,480	0.00%	0.00%	0.00%	0.00%	0.00%
No impact	-	-	-	-	-	-
<b>Total (BRL)</b>	<b>4,047,917</b>	<b>318,554</b>	<b>398,193</b>	<b>238,916</b>	<b>477,832</b>	<b>159,277</b>

(i) Principal on March 31, 2023.

(ii) Sources of indexes:

Estimated TJLP according to BNDES release - March 2023.

Projected IPCA and CDI according to the Focus Readout of the Central Bank of Brazil - March 31, 2023.

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

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



## (b) Exchange rate sensitivity

The sensitivity analysis, prepared by the Company, is determined by estimating the exchange variation of the euro (€), of  $\pm 25\%$  and  $\pm 50\%$ , on the outstanding balance in foreign currency of loans and borrowings. Keeping all other variables constant, the result of sensitivity to the exchange rate, before taxation, is shown below:

<b>Financial instrument on 03/31/2023</b>		<b>Borrowings</b>	
Principal balance (in thousand euros)			€70,542
Principal Balance			389,698
		<b>Gain/(loss)</b>	
<b>Scenarios in relation to the outstanding balance</b>		<b>Borrowings</b>	
Probable (Projection)			8,775
Euro 25% drop			97,424
Euro 50% drop			194,849
Euro 25% increase			(97,424)
Euro 50% increase			(194,849)

Source of projected indices: Bradesco Euro Projection of March 24, 2023.

## (c) Liquidity risk

The table below shows the guarantees for receivables given by the Company in loan, borrowings and bond agreements, in addition to the Rio Manso PPP. It should be noted that such contracts also have a security for borrowings (Note 7).

Attachment Revenues on March 31, 2023				
	Agreement	Guarantee (attachment revenue)	Amount	Agreement Termination
Borrowings and Bonds	Borrowings 2007/2008	Revenue attachment equivalent to three (3) times the monthly debt service of the 2007 and 2008 agreements.	BRL5,669	September-31
	PAC 2009	Revenue attachment equivalent to three (3) times the monthly debt service of the agreements.	BRL2,017	November-32
	5th Issue of Bonds (BRL288 Million)	Revenue attachment equivalent to at least 4.5% of the outstanding balance of the bonds on the last business day of each year.	BRL6,937	September-31
	Borrowings 2011 (INs 33, 25 and 24)	Revenue attachment equivalent to three (3) times the monthly debt service of the agreements.	BRL4,284	June-35
	Borrowings 2012 (IN 24)	Revenue attachment equivalent to three (3) times the monthly debt service of the agreements.	BRL560	May-36
	Borrowings 2013 (IN 27)	Revenue attachment equivalent to three (3) times the monthly debt service of the agreements.	BRL3,847	October-37
	Borrowings 2014 (IN 02)	Revenue attachment equivalent to three (3) times the monthly debt service of the agreements.	BRL2,691	February-38
	Borrowings 2015 (IN 02)	Revenue attachment equivalent to three (3) times the monthly debt service of the agreements.	BRL1,594	March-39
	CAIXA - Borrowings 2017/2018 (IN 29/22))	Revenue attachment equivalent to three (3) times the monthly debt service of the agreements.	BRL3,488	August-41
	Borrowings (PAC 2007 - BRL48	Revenue attachment of BRL26 million, annually adjusted by the IPCA since May/2008.	BRL63,181	June-23

	million)/ (PAC 2008 - BRL578 million)			
	Borrowings (BRL181 million)	Revenue attachment of BRL7.0 million, annually adjusted by the IPCA since Apr/2010.	BRL17,226	May-25
	8th Issue of Bonds (BRL140 million)	Revenue attachment of BRL16.9 million, annually adjusted by the IPCA since Sep/2015.	BRL31,135	June-28
	11th Issue of Bonds (BRL226 million)	Revenue attachment of BRL5.5 million, annually adjusted by the IPCA since Apr/2017.	BRL5,500	January-31
Borrowings	€ 100 million	Revenue attachment equivalent to one (1) time the monthly debt service of the agreement.	BRL31,429	December-23
Public-Private Partnerships	Rio Manso PPP	1/12 of the installment annual value of the Consideration referring to each year in force.	BRL10,399	December-28
Borrowings	Finame (Machinery and Equipment Financing)	Attachment of 130% of the PMT of the agreements.	BRL439	January-25
<b>Total Attachment Revenue</b>			<b>BRL190,396</b>	

## 21.2 Fair value estimate

Fair value of loans, borrowings, and bonds

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

	Parent Company / Consolidated			
	Carrying amount	Fair Value	Carrying amount	Fair Value
	03/31/2023	03/31/2023	12/31/2022	12/31/2022
Loans and borrowings	1,155,559	1,132,930	976,937	953,664
Simple bonds	2,907,497	2,892,852	3,162,983	3,159,675
<b>Total</b>	<b>4,063,056</b>	<b>4,025,782</b>	<b>4,139,920</b>	<b>4,113,339</b>

Liabilities market values are calculated by projecting the outstanding balance, updated by the contractual rate, for the remaining months for payment. The value found retroacts to the current period, using the market rates below:

Line items	Parent Company / Consolidated				Notes
	Contractual rate	Period - months	Market rate		
Borrowings	7.75%	154	8.50%	Rate quotation in March 2023	
Borrowings	7.61%	14	8.70%	Rate quotation in March 2023	
Finame (Machinery and Equipment Financing)	5.75%	22	13.45%	FINAME rate quotation in March 2023	
Simple bonds	12.18%	54	12.83%	Quotation rates Bonds in March 2023	
Borrowings	1.69%	135	1.41%	Rate quotation in March 2023	
Borrowings	3.54%	128	3.54%	Rate quotation in March 2023	

## 22. Financial Instruments per Category

(a) Assets

	03/31/2023			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	1,044,323	-	1,044,323	1,091,080	-	1,091,080
Trade receivables	1,250,848	-	1,250,848	1,075,072	-	1,075,072
Banks and agreement applications	3,827	-	3,827	11,791	-	11,791
Linked financial investments	70,066	-	70,066	71,706	-	71,706
Financial assets of concessions	876,420	-	876,420	872,921	-	872,921
Financial assets at fair value through other comprehensive income	-	620	620	-	620	620
Other trade receivables	131,411	-	131,411	136,153	-	136,153
<b>Total</b>	<b>3,376,895</b>	<b>620</b>	<b>3,377,515</b>	<b>3,258,723</b>	<b>620</b>	<b>3,259,343</b>
<b>Consolidated:</b>						
Cash and cash equivalents	1,074,674	-	1,074,674	1,122,299	-	1,122,299
Trade receivables	1,265,235	-	1,265,235	1,086,570	-	1,086,570
Banks and agreement applications	3,933	-	3,933	11,842	-	11,842
Linked financial investments	70,066	-	70,066	71,706	-	71,706
Financial assets of concessions	892,702	-	892,702	889,897	-	889,897
Financial assets at fair value through other comprehensive income	-	620	620	-	620	620
Other trade receivables	126,002	-	126,002	131,096	-	131,096
<b>Total</b>	<b>3,432,612</b>	<b>620</b>	<b>3,433,232</b>	<b>3,313,410</b>	<b>620</b>	<b>3,314,030</b>

## (b) Liabilities

	03/31/2023		12/31/2022	
	Financial liabilities at Amortized Cost	Total	Financial liabilities at Amortized Cost	Total
<b>Parent Company:</b>				
Loans, borrowings and bonds	4,063,056	4,063,056	4,139,920	4,139,920
Suppliers	289,113	289,113	289,620	289,620
Lease	115,011	115,011	105,909	105,909
Public-Private Partnerships	241,039	241,039	243,603	243,603
<b>Total</b>	<b>4,708,219</b>	<b>4,708,219</b>	<b>4,779,052</b>	<b>4,779,052</b>
<b>Consolidated:</b>				
Loans, borrowings and bonds	4,063,056	4,063,056	4,139,920	4,139,920
Suppliers	294,684	294,684	298,595	298,595
Lease (1)	115,011	115,011	105,916	105,916
Public-Private Partnerships	241,039	241,039	243,603	243,603
<b>Total</b>	<b>4,713,790</b>	<b>4,713,790</b>	<b>4,788,034</b>	<b>4,788,034</b>

- (1) Regarding the consolidated lease, in the quarter ended March 31, 2023, amortization and interest were BRL12,706 and BRL1,729, respectively (BRL8,918 and BRL3,254, respectively, in the quarter ended March 31, 2022).

## 23. Transactions with Related Parties

### (a) Assets, liabilities and profit or 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 linked to it, directly or indirectly, provided that there are formalized contractual relations with these Companies or Bodies that generate financial transactions.

The balances and transactions with related parties are as follows:

	Parent Company			
	03/31/2023			
	Subsidiary COPANOR	STATE OF MINAS GERAIS	Others COPASS	LIBERTAS
<b>Assets</b>				
<b>Current</b>				
Trade receivables:				
Invoiced amounts	-	25,388	1	14
Amounts to be invoiced	-	15,323	1	7
Partnership agreements	-	366	-	-
Advance and others:				
Credits with subsidiary	5,700	-	-	-
<b>Total assets</b>	<b>5,700</b>	<b>41,077</b>	<b>2</b>	<b>21</b>
<b>Liabilities</b>				
<b>Current</b>				
Partnership agreements	-	5,213	-	-
Retirement benefit obligations	-	-	-	9,604
Health program	-	-	11,363	-
<b>Non-current</b>				
Retirement benefit obligations	-	-	-	31,059
<b>Total liabilities</b>	<b>-</b>	<b>5,213</b>	<b>11,363</b>	<b>40,663</b>
<b>Profit or loss for the quarter ended 03/31/2023</b>				
<b>Profit or loss</b>				
Water and sewage service revenues	-	39,569	2	34
Security program	-	-	-	(12,567)
Health program	-	-	(26,292)	-
<b>Assets</b>				
<b>Current</b>				
Trade receivables:				
Invoiced amounts	-	19,870	1	12
Amounts to be invoiced	-	11,192	1	6
Partnership agreements	-	366	-	-
Advance and others:				
Credits with subsidiary	5,342	-	-	-
<b>Total assets</b>	<b>5,342</b>	<b>31,428</b>	<b>2</b>	<b>18</b>
<b>Liabilities</b>				
<b>Current</b>				
Partnership agreements	-	5,122	-	-
Retirement benefit obligations	-	-	-	9,627
Health program	-	-	11,049	-
<b>Non-current</b>				
Retirement benefit obligations	-	-	-	44,296
<b>Total liabilities</b>	<b>-</b>	<b>5,122</b>	<b>11,049</b>	<b>53,923</b>
<b>Profit or loss for the quarter ended 03/31/2022</b>				
<b>Profit or loss</b>				
Water and sewage service revenues	-	35,659	2	66
Security program	-	-	-	(11,364)
Health program	-	-	(24,698)	-

Balances and operations with related parties are carried out at prices and conditions agreed between the parties.

(b) Remuneration of key management personnel

	1Q2023	1Q2022
Remuneration	960	1.192
Benefits:		
Meal	21	33
Health	24	21
Post-employment Benefits	65	93
<b>Total</b>	<b>1,070</b>	<b>1,339</b>

(c) Pass-through of value for execution of works - water efficiency

On February 28, 2023, as per 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 State Economic Development Office, official letter informing that, regarding the works planned for performing interventions and works that will enhance the water efficiency of the Paraopeba and Rio das Velhas Basins, contained in State Law No. 23,830 of July 28, 2021, the controlling shareholder resolved that the pass-through 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 has agreements for the construction of new projects, in which obligations are accounted for as services are performed. The main outstanding amounts committed to contractors and suppliers, on March 31, 2023, are shown below:

	Amount	Average term contracted in months
Obligations of the 10 largest agreements - Investments in works and vegetative growth in several concessions, this being the expected disbursement amount	443,103	16
Contractual Obligations - Lease Agreements outside the scope of IFRS 16, this being the expected disbursement amount	7,583	13

## 25. Transactions that do not involve Cash or Cash Equivalents

In the 1st quarter of 2023 and 2022, the Company and its subsidiary carried out the following investment and borrowings activities that did not involve cash and, therefore, are not reflected in the statement of cash flows:

	Parent Company / Consolidated	
	1Q2023	1Q2022
Capitalized interest (Note 9)	10,251	18,148
Lease additions	19,515	32,548

## 26. Revenues

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

	Parent Company		Consolidated	
	1Q2023	1Q2022	1Q2023	1Q2022
Revenues from the provision of water services	1,148,368	923,682	1,161,828	932,819
Revenues from the provision of sewage services	585,696	474,161	590,007	477,095
Solid waste	1,037	676	1,037	676
Revenue from construction	137,949	151,498	140,971	153,470
<b>Total gross revenue</b>	<b>1,873,050</b>	<b>1,550,017</b>	<b>1,893,843</b>	<b>1,564,060</b>
Taxes on Sales	(160,564)	(129,666)	(162,208)	(130,782)

<b>Net revenue</b>	<b>1,712,486</b>	<b>1,420,351</b>	<b>1,731,635</b>	<b>1,433,278</b>
Breakdown of Net Revenue:				
Direct water revenue	1,015,179	817,279	1,027,104	825,333
Direct sewage revenue	529,680	428,314	533,591	430,977
Solid waste	910	593	910	593
<b>Total direct revenue</b>	<b>1,545,769</b>	<b>1,246,186</b>	<b>1,561,605</b>	<b>1,256,903</b>
Indirect water revenue	26,934	20,756	27,224	20,994
Indirect sewage revenue	1,834	1,911	1,835	1,911
<b>Total indirect revenue</b>	<b>28,768</b>	<b>22,667</b>	<b>29,059</b>	<b>22,905</b>
<b>Revenue from construction</b>	<b>137,949</b>	<b>151,498</b>	<b>140,971</b>	<b>153,470</b>
<b>Total net revenue</b>	<b>1,712,486</b>	<b>1,420,351</b>	<b>1,731,635</b>	<b>1,433,278</b>

## 27. Costs and Expenses by Type

	Parent Company		Consolidated	
	1Q2023	1Q2022	1Q2023	1Q2022
<b>Operating costs</b>				
Personnel	205,546	192,494	210,229	195,752
Social security costs	43,215	42,673	44,141	43,524
Construction costs	137,949	151,498	140,971	153,470
Miscellaneous materials	24,166	23,903	24,964	24,829
Treatment materials	39,238	28,770	40,191	29,261
Third-parties' services	141,370	117,641	142,221	118,327
Electric power	126,099	147,598	128,710	150,512
General expenses	59,347	49,152	59,757	49,501
Depreciation and amortization	168,339	163,212	170,916	165,243
(-) Tax credits	(13,819)	(16,448)	(14,027)	(16,638)
Provision for losses of obsolete materials	-	-	18	-
	<b>931,450</b>	<b>900,493</b>	<b>948,091</b>	<b>913,781</b>
<b>Selling expenses</b>				
Personnel	42,829	59,154	42,927	59,240
Social security costs	7,710	11,112	7,727	11,128
Miscellaneous materials	943	1,199	943	1,200
Treatment materials	17	9	17	9
Third-parties' services	15,163	5,858	15,590	6,235
Electric power	559	679	559	679
General expenses	177	172	178	176
Depreciation and amortization	1,697	1,713	1,713	1,713
	<b>69,095</b>	<b>79,896</b>	<b>69,654</b>	<b>80,380</b>
Allowance for expected credit losses on trade receivables	<b>51,469</b>	<b>58,556</b>	<b>52,469</b>	<b>59,708</b>
<b>Administrative expenses</b>				
Personnel	76,092	60,359	76,457	61,533
Social security costs	11,049	8,609	11,116	8,656
Miscellaneous materials	622	1,250	686	1,299
Treatment materials	1	18	1	18
Third-parties' services	34,669	32,298	35,086	32,720
Electric power	732	959	782	1,016
General expenses	2,547	2,609	2,634	2,687
Depreciation and amortization	14,155	17,421	14,166	17,431
Provision for losses of obsolete materials	101	269	101	276
	<b>139,968</b>	<b>123,792</b>	<b>141,029</b>	<b>125,636</b>
<b>Costs and expenses</b>				
Personnel (Note 28)	324,467	312,007	329,613	316,525
Social security costs (Note 28)	61,974	62,394	62,984	63,308
Construction costs	137,949	151,498	140,971	153,470
Miscellaneous materials	25,731	26,352	26,593	27,328
Treatment materials	39,256	28,797	40,209	29,288
Third-parties' services	191,202	155,797	192,897	157,282
Electric power	127,390	149,236	130,051	152,207
General expenses	62,071	51,933	62,569	52,364
Depreciation and amortization	184,191	182,346	186,795	184,387

(-) Tax credits	(13,819)	(16,448)	(14,027)	(16,638)
Provision for losses of obsolete materials	101	269	119	276
Allowance for expected credit losses on trade receivables	51,469	58,556	52,469	59,708
<b>Total</b>	<b>1,191,982</b>	<b>1,162,737</b>	<b>1,211,243</b>	<b>1,179,505</b>
Breakdown of construction costs:				
Salaries and charges	10,139	14,649	10,139	14,649
Material	6,771	11,882	7,094	12,005
Equipment	6,623	3,152	6,721	3,585
Third-parties' services	96,937	107,818	99,538	109,234
Borrowings costs	17,361	13,673	17,361	13,673
Others	118	324	118	324
<b>Total construction costs</b>	<b>137,949</b>	<b>151,498</b>	<b>140,971</b>	<b>153,470</b>

## 28. Personnel Expenses

	Parent Company		Consolidated	
	1Q2023	1Q2022	1Q2023	1Q2022
Salaries	194,135	203,821	197,696	207,037
Social security costs	61,973	62,394	62,984	63,309
Government Severance Indemnity Fund for Employees (FGTS)	16,711	16,859	16,962	17,087
Contribution to pension plan	12,566	11,364	12,566	11,364
Food allowance program	48,363	46,693	49,366	47,520
Health program	26,292	24,698	26,530	24,911
Employees profit sharing	20,866	2,572	20,866	2,572
Other benefits	5,535	6,000	5,627	6,033
<b>Total (Note 27)</b>	<b>386,441</b>	<b>374,401</b>	<b>392,597</b>	<b>379,833</b>
<b>Personnel (Note 27)</b>	<b>324,467</b>	<b>312,007</b>	<b>329,613</b>	<b>316,525</b>
<b>Social security costs (Note 27)</b>	<b>61,974</b>	<b>62,394</b>	<b>62,984</b>	<b>63,308</b>

## 29. Other Operating Revenues and Expenses

Other operating income earned by the Company on March 31, 2023 and 2022 are presented below:

	Parent Company		Consolidated	
	1Q2023	1Q2022	1Q2023	1Q2022
Reversal of non-deductible provision	10,667	19,832	10,667	20,450
Recovery of accounts written off	-	9,605	-	10,065
Disposal of property, plant and equipment	909	1,035	909	1,035
Other revenues	4,863	5,465	5,404	5,482
<b>Total other operating revenues</b>	<b>16,439</b>	<b>35,937</b>	<b>16,980</b>	<b>37,032</b>

The Company's other operating expenses as of March 31, 2023 and 2022 are presented below:

	Parent Company		Consolidated	
	1Q2023	1Q2022	1Q2023	1Q2022
Provision for lawsuits (Note 16)	7,832	(3,784)	7,829	(3,891)
ARSAE fee	14,203	13,265	14,461	13,505
Expenses from environmental preservation	5,356	2,959	5,356	2,959
Taxes and duties	3,440	3,123	3,630	3,209
Actuarial liabilities	1,656	4,687	1,656	4,687
Others	5,622	9,315	13,717	9,449
<b>Total other operating expenses</b>	<b>38,109</b>	<b>29,565</b>	<b>46,649</b>	<b>29,918</b>

## 30. Financial Revenues and Expenses

Financial income (expenses) can be summarized as follows:

	Parent Company		Consolidated	
	1Q2023	1Q2022	1Q2023	1Q2022
Interest receivable	11,449	11,357	11,562	11,560
Earnings from financial investments	36,109	26,316	36,984	26,797
Income from adjustment for inflation and exchange variation	4,405	42,039	4,436	42,048
Income from financial assets/others	29,103	14,126	29,248	14,219
Taxes on financial income	(2,379)	(1,885)	(2,427)	(1,917)
Total revenue	<b>78,687</b>	<b>91,953</b>	<b>79,803</b>	<b>92,707</b>
Charges on borrowings and judicial provisions	(87,231)	(81,193)	(87,256)	(81,194)
Expense from adjustment for inflation and exchange variation	(40,000)	(32,959)	(46,207)	(32,959)
Other expenses	(525)	(156)	(536)	(157)
Total expenses	<b>(127,756)</b>	<b>(114,308)</b>	<b>(133,999)</b>	<b>(114,310)</b>
Financial Income	<b>(49,069)</b>	<b>(22,355)</b>	<b>(54,196)</b>	<b>(21,603)</b>

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

Pursuant to Circular Letter CVM/SNC/SEP/No. 003/2011, the Company opened the notes considered relevant in the context of the “Basic Conceptual Pronouncement - Conceptual Structure 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 must be read in conjunction with the Financial Statements as of December 31, 2022.

Below, we indicate the exact location of the Notes whose information was not repeated in this Interim Financial Information, whether due to redundancy or relevance:

Note 04 - Critical Accounting Estimates and Judgments;

Note 26 - Insurance;

Note 33 - Operating and Financial Data on Activities Related to the Enforcement of Collective Interest.

### 32. Subsequent Events

#### a) Incentivized Voluntary Dismissal Program - PDVI

On April 11, 2023, COPASA MG informed its shareholders and the market in general that it signed a collective agreement, with the Unions that represent its employees, for the implementation of the new Incentivized Voluntary Dismissal Program - PDVI.

The PDVI is in effect from May 2023 to June 2024, with an expected adherence period in May 2023 and the performance of terminations in July 2023. The target public of the aforementioned Program are employees of the administrative and operational categories, with at least 15 and 20 years of work at COPASA MG, respectively; employees in the meter reading specialty, with any length of time working at COPASA MG and employees retired by the INSS due to contribution time, age or special retirement, whose retirement has been granted on a date prior to the entry into force of Constitutional Amendment No. 103/2019, with any time working at COPASA MG. The termination is through dismissal request.

#### b) Issue of decrees by the federal executive branch, changing the Framework Sanitation Law



On April 5, 2023, executive orders 11,466/23 and 11,467/23 were issued, regulating and modifying aspects of Law 11,445/2007, amended by Law 14,026/2020 - the New Framework Sanitation Law. The main amendments consist of greater opportunities to contracting PPPs - Public-Private Partnerships by public service providers; changes regarding the methodology and deadline for proving the economic and financial capacity of providers with contracts in force, allowing municipalities not to interrupt their investments; changes regarding the regionalized provision of public sanitation services, extending the deadline for regionalization to December 31, 2025; as well as the allocation of federal public resources and borrowings with Federal Government funds, and its technical and financial support to providers. Such changes also pave the way for state public companies to regularize their transaction where it is occurring poorly. The Company continues to monitor all initiatives that may change the current rules.

## Comment on the Behavior of Business Projections

## Comment on the Behavior of Business Projections

### 1. Projections

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 the year 2023, the investments foreseen by COPASA in water, sewage and business and operational development totaling BRL1,597 million. A capitalization of BRL160 million is also planned. Referring to the subsidiary COPANOR, the estimated amount is BRL49.3 million for the year.

From January to March 2023 (1Q23), BRL267.6 million were invested in the Parent and BRL7.1 million in COPANOR, as shown in the table below and detailed below:

<b>Investment (BRL million)</b>	<b>1Q23</b>
Water	104.3
Sewage	111.7
Business and Operational Development	8.2
Capitalization	43.4
<b>Total - Parent Company</b>	<b>267.6</b>
COPANOR	7.1
<b>Total - COPASA MG and COPANOR</b>	<b>274.7</b>

##### 1.1.2. Investment Program - 2024 to 2027

Below are the values of COPASA MG's projected Multi-Year Investment Program for the period from 2024 to 2027:

<b>Projected Value (BRL million)</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Water, Sewage and Business Development	1,650	1,628	1,628	1,628
Capitalizations	185	294	371	382
<b>Total</b>	<b>1,835</b>	<b>1,922</b>	<b>1,999</b>	<b>2,010</b>

**Opinions and Statements/ Special Review Report - No Exceptions**

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

**Introduction**

We reviewed the individual and consolidated interim financial information of Companhia de Saneamento de Minas Gerais - COPASA MG ("Company"), contained in the Quarterly Information Form (ITR) for the quarter ended March 31, 2023, which comprise the statement of financial position on March 31, 2023 and the related statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period ended on that date, including the notes.

The management of the Company is responsible for the preparation of the individual interim financial statements in accordance with CPC 21(R1) and the consolidated interim financial information in accordance with the CPC 21(R1) and with the international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for presentation of such information in a form that is consistent with the standards issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of the Quarterly Information (QFS). Our responsibility is expressing an opinion on this interim financial information based on our review.

**Scope of Review**

We have conducted our review in accordance with the Brazilian and international standards for review of interim information (NBC TR 2410 - Review of Interim Information Performed by the Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of inquiries, mainly to persons responsible for financial and accounting matters, and in the application of analytical procedures and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards 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. Therefore, we do not express an audit opinion.

**Conclusion on the individual and consolidated interim information**

Based on our review, nothing has come to our attention that causes us to believe that the individual and consolidated interim financial information included in the quarterly information referred to above has not been 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 accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

**Other matters****Statements of value added**

The quarterly information mentioned above include the individual and consolidated statements of value added (DVA) concerning the three-month period ended March 31, 2023, prepared under the responsibility of the management of the Company and presented as supplementary information for the purposes of IAS 34. Such statements were submitted to review proceedings performed jointly with the review of the quarterly information, with the purpose of concluding if they are reconciled with the interim financial information and accounting records, as applicable, and if their form and content are according to the criteria defined in the Technical Pronouncement CPC 09 - "Statement of Value Added." Based on our review, nothing has come to our attention that causes us to believe that those statements of value added were not

prepared, in all material respects, in accordance with the criteria set forth in this Standard and consistently with respect to the parent company and consolidated interim financial information taken as a whole.

Belo Horizonte, May 02, 2023

KPMG Auditores Independentes Ltda.  
CRC (Regional Accounting Council) SP - 014428/O-6 F-MG

Original report in Portuguese signed by

Anderson Luiz de Menezes  
Accountant (Regional Accounting Council) MG-070240/O-3

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

In compliance with items V and VI of article 27, paragraph 1 of CVM Instruction No. 80 of March 29, 2022, the Chief Executive Officer and the other Officers of Companhia de Saneamento de Minas Gerais - COPASA MG, a government controlled (private) and publicly traded company, headquartered at Rua Mar de Espanha, 525, Belo Horizonte - MG, registered with CNPJ under No. 17.281.106/0001-03, state that:

1. Reviewed, discussed and agree with the opinions expressed in the opinion of KPMG Auditores Independentes, regarding the Interim Financial Information of the Parent and Consolidated in accordance with the accounting practices adopted in Brazil and with the international financial reporting standards ("IFRS") for the period ended March 31, 2023; and
2. Reviewed, discussed and agree with the Interim Financial Information of the Parent and Consolidated in accordance with the accounting practices adopted in Brazil and with the international financial reporting standards ("IFRS") for the period ended March 31, 2023.

Belo Horizonte-MG, April 26, 2023.

**Opinions and Statements / Statements of Officers on the Independent Auditors' Report****STATEMENT OF REVIEW OF THE FINANCIAL STATEMENTS AND INDEPENDENT AUDIT OPINION BY THE OFFICERS**

In compliance with items V and VI of article 27, paragraph 1 of CVM Instruction No. 80 of March 29, 2022, the Chief Executive Officer and the other Officers of Companhia de Saneamento de Minas Gerais - COPASA MG, a government controlled (private) and publicly traded company, headquartered at Rua Mar de Espanha, 525, Belo Horizonte - MG, registered with CNPJ under No. 17.281.106/0001-03, state that:

1. Reviewed, discussed and agree with the opinions expressed in the opinion of KPMG Auditores Independentes, regarding the Interim Financial Information of the Parent and Consolidated in accordance with the accounting practices adopted in Brazil and with the international financial reporting standards ("IFRS") for the period ended March 31, 2023; and
2. Reviewed, discussed and agree with the Interim Financial Information of the Parent and Consolidated in accordance with the accounting practices adopted in Brazil and with the international financial reporting standards ("IFRS") for the period ended March 31, 2023.

Belo Horizonte-MG, April 26, 2023.