

EARNINGS PRESENTATION 1Q23

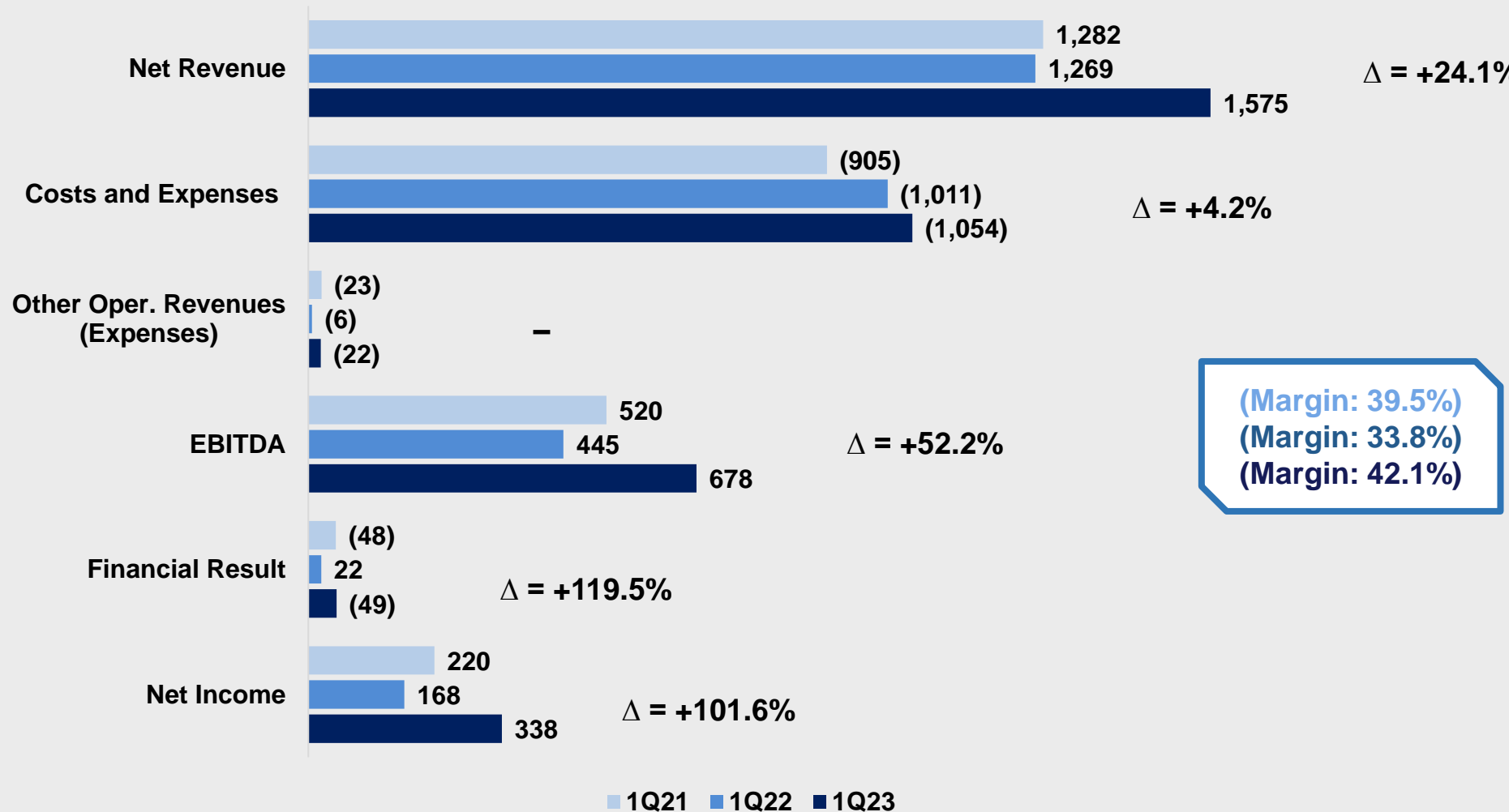
MAY 3rd, 2023



FINANCIAL HIGHLIGHTS

Parent Company

(R\$ million)



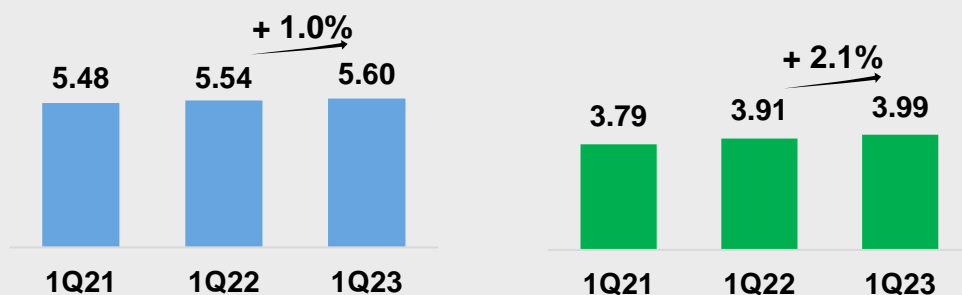
WATER, SEWAGE AND SOLID WASTE

Parent Company

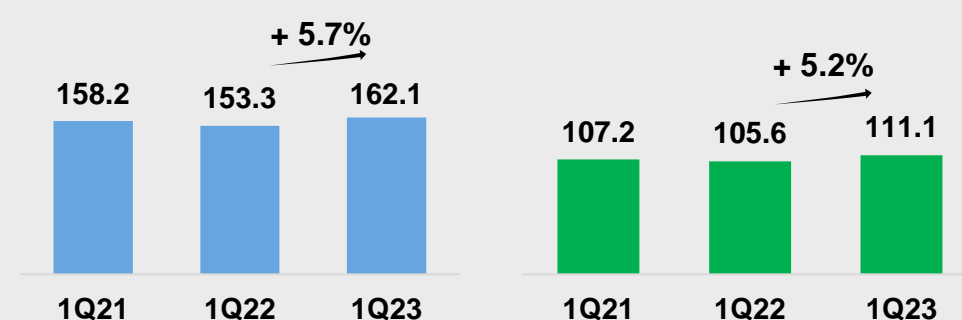
(R\$ million)

Net Revenue	1Q21	1Q22	Var (%)	1Q23	Var (%)
Water	816.2	838.0	2.7%	1,042.1	24.4%
Sewage	465.4	430.2	-7.6%	531.5	23.5%
Solid Waste	0.6	0.6	-2.8%	0.9	53.5%
Water, Sewage and Waste	1,282.2	1,268.9	-1.0%	1,574.5	24.1%

Consumer Units (Consolidated – Million Units)



Measured Volume (Consolidated – Million M³)



Water
Sewage

Other elements:

- ✓ Tariff adjustment applied on 01.01.2023, with an average tariff effect of 15.7%;
- ✓ Increase of 4.6% in water volumes per unit and 3.2% in sewage volume per unit; and
- ✓ Impacts of migrating consumption bands and categories

MANAGEABLE COSTS

Parent Company

(R\$ million)

Specification	1Q21	1Q22	1Q23
Personnel	357.3	374.4 +4.8%	386.4 +3.2%
Outsourced Services (excluded non manageable)	103.6	129.5 +25.0%	165.1 +27.4%
Rio Manso PPP	20.0	23.3 +16.5%	21.7 -6.8%
Material (excluded non manageable)	14.5	16.5 +14.3%	15.7 -4.8%
Provision for Doubtful Accounts	49.0	58.6 -19.4%	51.5 -12.1%
Tariff Transfers to Municipalities	41.1	43.6 +6.3%	52.4 +20.1%
Sundry Operational Costs	8.1	8.6 +6.9%	9.7 +12.6%
Subtotal	593.4	654.5 +10.3%	702.4 +7.3%

NON MANAGEABLE COSTS AND OTHERS

Parent Company

(R\$ million)

Specification		1Q21	1Q22		1Q23	
Non-Manageable Costs	Electricity	123.9	149.2	+20.5%	127.4	-14.6%
	Telecommunication	3.0	3.0	—	4.4	+47.9%
	Treatment Chemicals	22.7	30.1	+32.6%	40.7	+35.3%
	Fuel and Lubricants	5.8	8.5	+48.0%	8.5	—
	Tax Credits	(14.4)	(16.4)	+14.4%	(13.8)	-16.0%
Subtotal		141.0	174.4	+23.7%	167.3	-4.1%
Others	Charge for Usage of Water Resources	4.1	—	—	0.1	—
	Depreciation and Amortization	166.6	182.3	+9.5%	184.2	+1.0%
Total		905.0	1,011.2	+11.7%	1,054.0	+4.2%

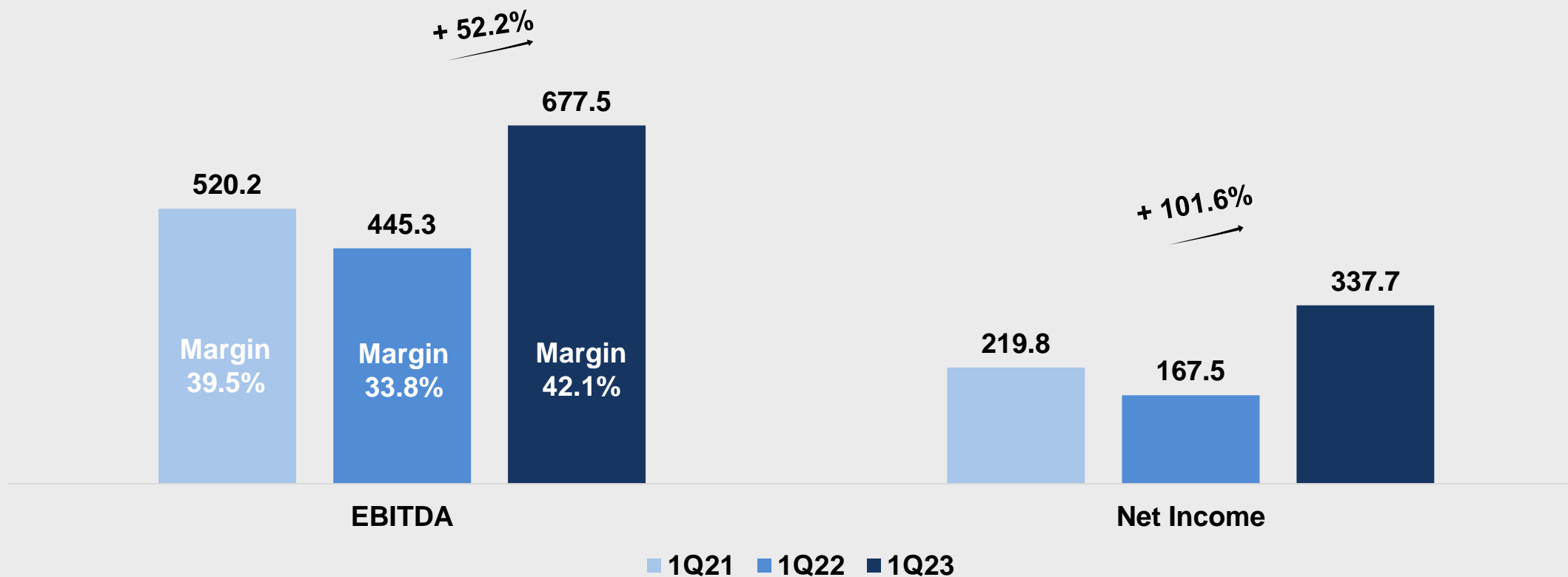
OTHER REVENUES (EXPENSES), EQUITY INCOME AND FINANCIAL RESULT Parent Company

(R\$ million)

Other Items	1Q21	1Q22	1Q22 X 1Q21	1Q23	1Q23 X 1Q22
Other Operational Revenues	25.5	35.9	41.1%	16.4	-54.3%
Other Operational Expenses	(48.3)	(29.6)	-38.8%	(38.1)	28.9%
Equity Income	(2.1)	(2.3)	12.1%	(13.2)	464.0%
Financial Result	(47.8)	(22.4)	-53.2%	(49.1)	119.5%
TOTAL	(72.7)	(18.3)	-74.8%	(84.0)	358.1%

EBITDA, MARGIN and NET INCOME Parent Company

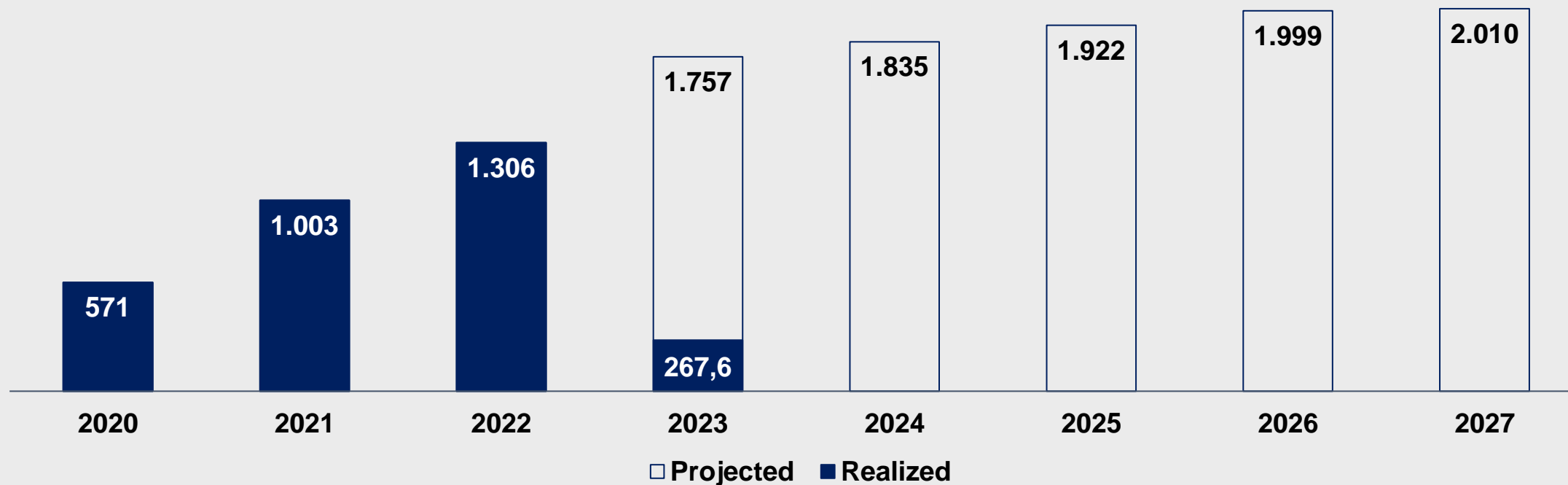
(R\$ million)



CAPEX

Finished and Projected Investments

(R\$ million)



COPANOR

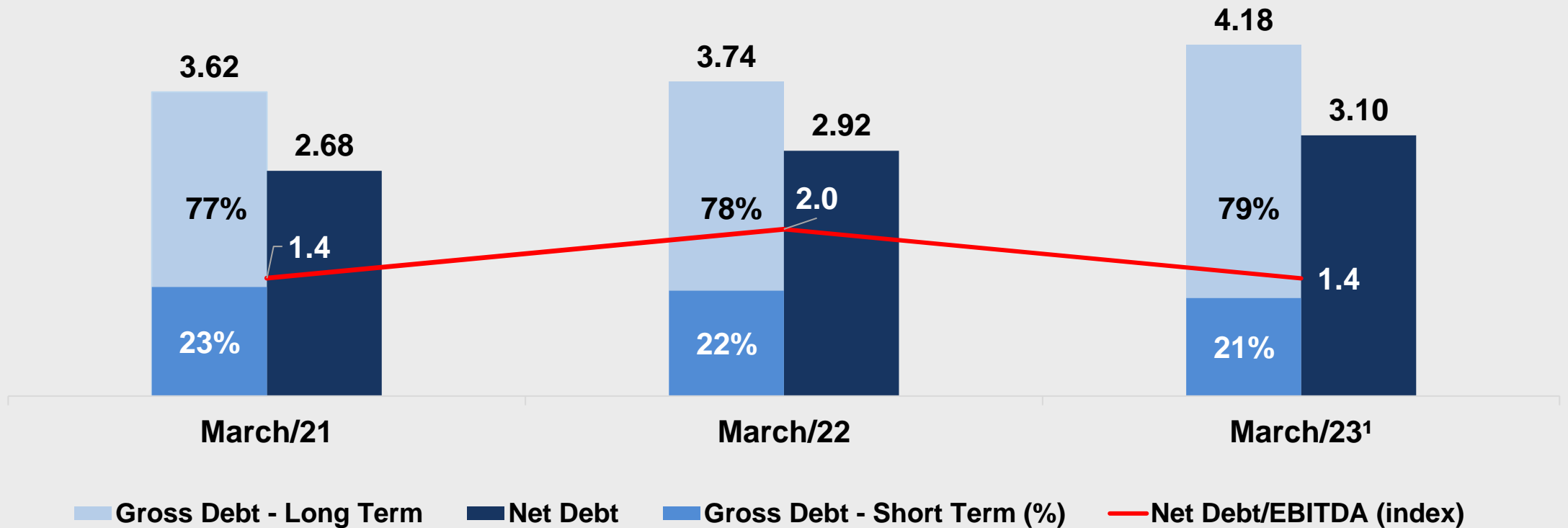
- Projected to 2023: R\$ 49.3
- Realized in 1Q23: R\$ 7.1



DEBT

Gross Debt, Net Debt and Leverage (Consolidated)

(R\$ billion)



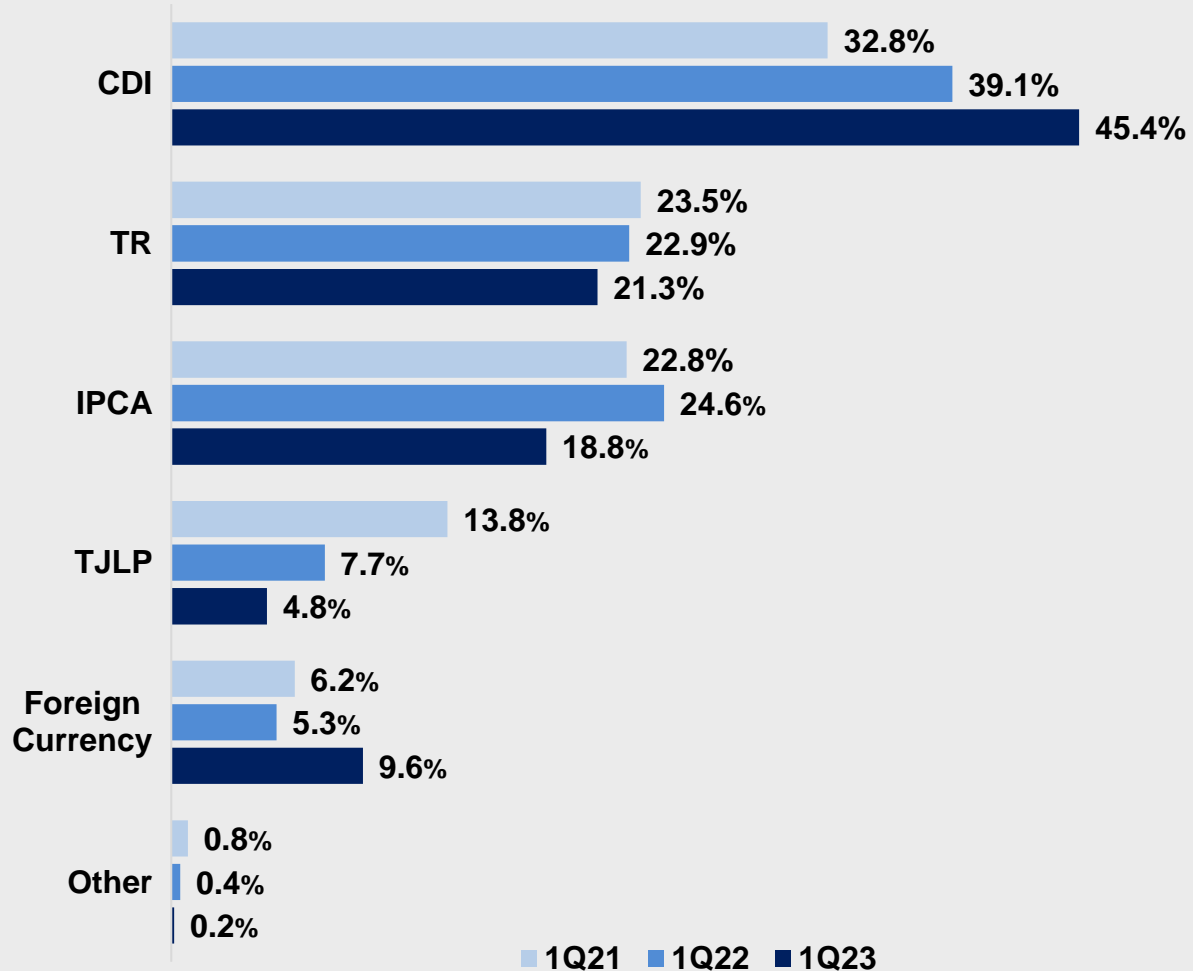
Financial Contractual Covenants: COPASA complies with the restrictive clauses

¹ 1Q23 Gross Debt: includes commercial leasing



DEBT

Indexes and Average Coupon



	1Q21	1Q22	1Q23
Average Coupon	5.5%	9.1%	10.4%

	1Q21	1Q22	1Q23
Debt Level - Consolidated (Net Debt/Shareholders' Equity)	40.6%	42.4%	41.6%

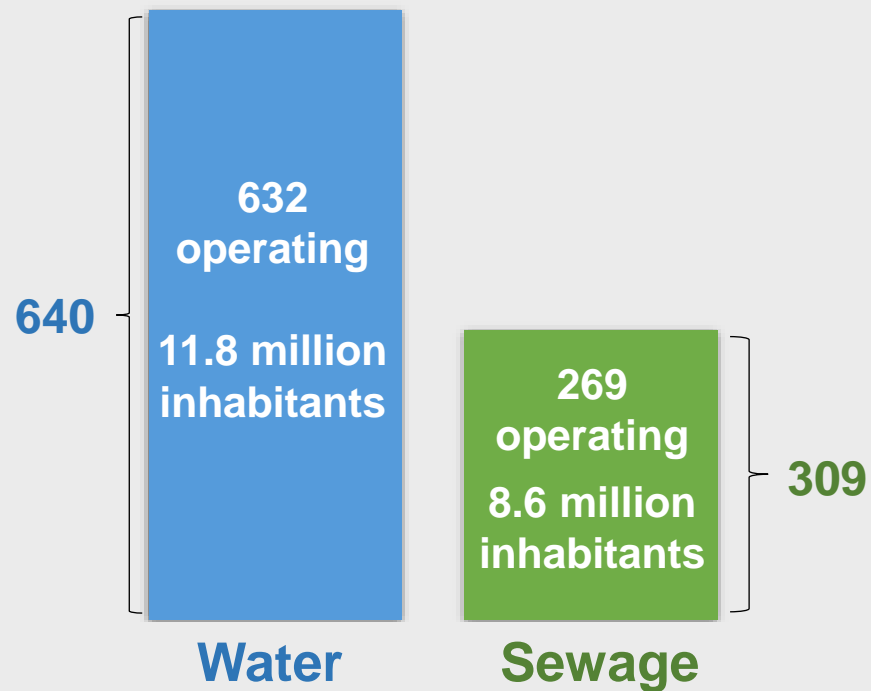
Corporate Ratings – National Scale	
<ul style="list-style-type: none"> • Moody's: AAA.br – stable outlook – October 2022 • Fitch: AA+(bra) – stable outlook – June 2022 	

SHAREHOLDERS' COMPENSATION

- ✓ **Changes in the Company's Dividend Policy** — Approved by the ESM:
 - ✓ **Regular Dividends** — the new policy maintained the form of distribution currently practiced, as follows:
 - Between 25% and 50% of Adjusted Net Income;
 - Quarterly declarations;
 - Payment date is up to 60 days after the declaration date.
 - ✓ **Extraordinary Dividends** — they may be distributed as assessed by the Board of Directors, complying with:
 - The general guidelines, including (i) compliance with the public interest that justified the creation of COPASA MG; and (ii) the guarantee of resources, in its Investment Plan, to meet the provisions of Federal Law 11,445/2007 and Federal Law 14,026/2020, in particular, regarding the universalization of basic sanitation services and other established qualitative and quantitative goals.
 - The legal, regulatory, statutory, and financial restrictions, as well as *covenants*.
- ✓ **Distribution of Regular Dividends, for the year 2023:** 50% (fifty percent) of Adjusted Net Income (BDM 02/24/2023).
- ✓ **IOE 1Q23:** BRL million 131.6 (BDM 03/17/2023).

CONCESSIONS

Consolidated



▪% of revenues from concessions expiring after December 2031: 83%

▪Expiration of 10 largest concessions: 50% of revenues

- Belo Horizonte – 2032
- Contagem – 2073
- Betim – 2042
- Montes Claros – 2048
- Divinópolis – 2041
- Ribeirão das Neves – 2034
- Patos de Minas – 2038
- Santa Luzia – 2050
- Pouso Alegre – 2046
- Varginha – 2047

▪Municipalities with expired concessions (23) and concessions cancelled by the courts (2): 3,9% of revenues

OPERATIONAL DATA

Operational data Parent Company	1Q21	1Q22	1Q23
Água			
Employees/Connection ¹	1.53	1.33	1.33
Loss Index ² (L/connections x day)	256.20	256.68	249.38
Delinquency ³ (%)	4.08%	3.56%	3.15%

¹ Number of employees / 1,000 connections of water and sewage

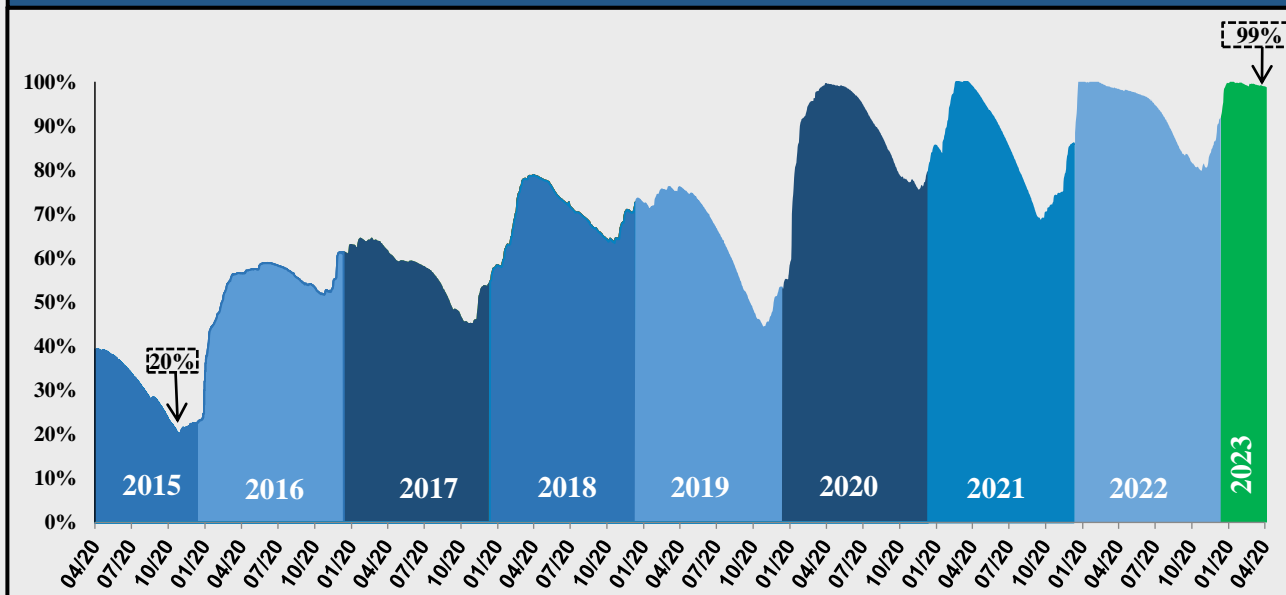
² Difference between the volume distributed and the volume measured, divided by the number of served connections and the number of days in the period

³ Corresponds to the ratio between the balance of accounts receivable overdue between 90 and 359 days and the total amount invoiced in the last 12 months

HYDROLOGICAL SITUATION

Belo Horizonte Metropolitan Area (BHMA)

Paraopeba System: Aggregated Volume¹



Volume of each reservoir	04.20.2023
Rio Manso	100.0%
Vargem das Flores	92.8%
Serra Azul	100.0%

1) Responsible for 48% of BHMA's distributed volume.

Rio das Velhas System

About the System

Representativeness of BHMA's distributed volume	42%
Water collection grant	8.7 m ³ /s
Average flow (last 15 days prior to 20 April 2023)	25.9 m ³ /s
Average flow collected in the last 12 months	7.2 m ³ /s



Q&A Session



DISCLAIMER

Any statements that may be made during this presentation regarding COPASA MG's business prospects, projections and operational and financial goals are premises and expectations of the Company's management, based on information currently available. They involve risks and uncertainties, since they refer to future events, and therefore depend on circumstances that may or may not occur. Changes in macroeconomic policy, legislation or other operating factors may affect the future performance of COPASA MG and lead to results that materially differ from those expressed in such considerations.



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