

Quarterly Information (ITR)

Aegea Saneamento e Participações S.A.

Six-month period ended June 30, 2021 with Independent Auditor's
Review Report



Earnings Release

Aegea 2Q21

8/11/21


aegea



Net operating revenue growth of 27.7% to R\$ 690.2 million in 2Q21

São Paulo, August 11, 2021. Aegea Saneamento e Participações S.A. (“Aegea” or “Company”), which currently operates in 126 cities in 12 states across Brazil, announces today its results for the second quarter and first six months of 2021 (“2Q21” and “6M21,” respectively). The quarterly information also presents the Company’s performance in 2Q21 in comparison with the second quarter of 2020 (“2Q20”) and in 6M21 in comparison with the first six months of 2020 (“6M20”). Any and all non-accounting information or information based on non-accounting figures was not reviewed by the independent auditors.

HIGHLIGHTS

- **Net Revenue¹ grows 27.7%** from 2Q20, to R\$ 690.2 million, with water revenue up 16.0% and sewage revenue up 33.3%;
- **EBITDA² of R\$ 398.0 million in 2Q21, advancing 27.2%.** EBITDA margin expands to 57.7%;
- **Financial Leverage**, measured by the ratio of Net Debt/EBITDA, remained stable at 2.87x;
- **Conclusion of new ownership structure and capital increases in Aegea:**
 - ✓ **Itaúsa became a relevant shareholder** by acquiring 8.32% of the common shares held by Equipav for R\$ 1,084.9 million;
 - ✓ **Capital Injections in Aegea amounts to R\$ 3.6 billion:**
Issue of 2.59% common shares:
 - 2.09% subscribed by Itaúsa for R\$ 279.9 million;
 - 0.50% subscribed by GIC for R\$ 66.0 million;

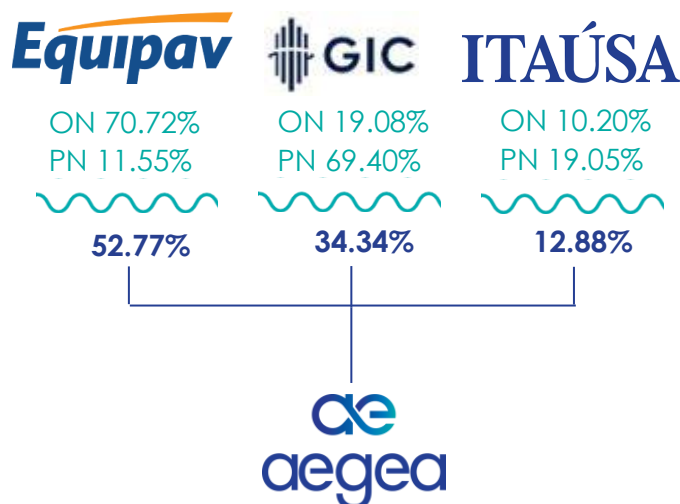
¹ Excludes construction revenue and costs with margins near zero and includes revenues from government payments under Public-Private Partnerships (PPPs) Ambiental Vila Velha, Ambiental Serra, and Ambiental Metrosul.

² Excludes intangible assets construction revenues and costs with margins near zero and includes revenue from government payments under Public-Private Partnerships (PPPs) and the construction costs of these agreements.

Issue of class D preferred shares:

- 65.12% subscribed by GIC for R\$ 2,090.2 million;
- 34.57% subscribed by Itaúsa for R\$ 1,109.8 million;
- 0.31% subscribed by Equipav for R\$ 10.0 million.

The new ownership structure of Aegea is shown below:



- On August 11, the Águas do Rio signed concession contracts for blocks 1 and 4 of the CEDAE auction, which will enable it to provide quality basic sanitation services to 9.8 million people in the city and state of Rio de Janeiro. The shareholders Equipav Group, GIC, and Itaúsa are Aegea partners in Águas do Rio, which will be responsible for operating the concessions of blocks 1 and 4, respectively.

The ownership structure of Águas do Rio is shown below:



- To support the execution of its Business Plan, the Company raised additional capital through an ownership restructuring at Águas Guarirôba, which was concluded in July via the subscription and payment of preferred shares in the

amount of R\$ 550.0 million, corresponding to a 32.08% indirect interest in the capital stock. Aegea remains the parent company of Águas Guariroba, holding 100% of the common shares with voting rights;

- On May 6, 2021, operations started at the concessionaire Ambiental MS Pantanal, which is the PPP responsible for providing sewage collection and treatment services in 68 cities in the state of Mato Grosso do Sul, serving 1.8 million residents.
- On May 28, **Aegea published the 10th issue of its Annual Sustainability Report.** Its content follows the framework of the Global Reporting Initiative (GRI), the guidelines of the International Integrated Reporting Council (IIRC), and the principles of the **UN Global Compact, to which we have been a signatory since 2016.** This document reports our financial and operational results and our positioning on environmental, social, and governance (ESG) topics, reaffirming our commitment to transparency before all our stakeholders.



Message from Management

The second quarter of this year was a time for consolidating the structures that will help Aegea grow and fulfill its mission of providing sanitation solutions with excellence and security while helping to improve the quality of life of the people it serves.

In terms of financial results, net revenue was R\$ 690.2 million in the second quarter, advancing 27.7% in the same period of 2020. EBITDA grew by 27.2% to R\$ 398.0 million. Contributing to this result were the new Public-Private Partnerships (PPPs).

In the quarter, Itaúsa became our shareholder and, in July, we announced capital increases amounting to R\$ 4.2 billion, which combined with other diversified financing sources, will help us to advance in our Business Plan, which means bringing water and sewage collection and treatment services to over 20 million people.

Itaúsa became a relevant shareholder after acquiring 8.32% of the common shares held by the Equipav Group for a total of R\$ 1.1 billion. Together with Equipav, GIC (Singapore sovereign fund), and Itaúsa, we formed the Aegea Consortium, which won blocks 1 and 4 in the auction held by CEDAE, through which we will bring quality

sanitation services to 9.8 million people in the city and state of Rio de Janeiro. To support the investments required in the state of Rio de Janeiro, we increased our capital by issuing new common and preferred shares in the total amount of R\$ 3.6 billion. We also carried out a capital recycling transaction at the concessionaire Águas Guariroba, which is the most mature asset in our portfolio, that raised R\$ 550.0 million via the subscription of preferred shares corresponding to a 32.08% indirect interest in the total capital of the concessionaire, while Aegea remained the sole controlling shareholder of Águas Guariroba, with 100% of the common shares.

With Environmental, Social, and Governance (ESG) principles underpinning our operations and, as Health Ambassadors, we strive to do this efficiently using an operational model based on capturing operating efficiency gains and synergies while improving health and quality of life for the public.

And this strategy will be no different for Rio de Janeiro, where by operating blocks 1 and 4, we will launch a new sanitation cycle for the public to resolve the historical deficits related to the lack of investment in the

sector. According to studies by the Brazilian Association of Private Concessionaires of Public Water and Wastewater Services (ABCON), 282 tons of sewage, that should be treated before being returned into the environment, are dumped into Guanabara Bay every day. Our operations will enable us to make a significant contribution to turning this scenario around and supporting the recovery of the Guandú River, which is an important water source, as well as Rodrigo de Freitas Lagoon and Guanabara Bay.

Our mission is to act decisively to help transform the situation in the cities where we operate. That is what we did in Campo Grande, Mato Grosso do Sul, which registered a decline in hospitalizations due to waterborne diseases by about 90% from 2010 to 2018 (source: DATASUS) and has one of the lowest water loss rates in Brazil, and in Região dos Lagos, Rio de Janeiro, where fishermen commemorated the clean-up of Araruama Lagoon and the record fishing catch that delivered the best numbers since 2009. We are making progress in Teresina, Piauí, where we solved

the chronic water shortage issue, and already have reduced the water loss rate by 8 percentage points, in Manaus, Amazonas, where we built 1,800 meters of overhead pipes to supply treated water to low-income, at-risk residents living in stilt houses, among other successful cases. In alignment with our purpose, we are working to ensure success in implementing the operations of the new concessions and PPPs that we have added to our portfolio.

We have a solid business platform, financial discipline and a firm commitment to creating value for our investors and stakeholders. And, together, we will work to address the severe basic sanitation deficit in our country and consequently help to improve the health and dignity of all Brazilians. We will continue analyzing potential investments in this sector with the aim of forging partnerships and relationships based on trust to help improve our operations and Brazil's development.

The Management



Financial Highlights

Aegea consolidated (R\$ '000)	2Q21	2Q20	Δ %	6M21	6M20	Δ %
Net operating revenue¹	690,246	540,468	27.7%	1,336,512	1,120,472	19.3%
Water revenue	536,578	463,440	15.8%	1,064,686	964,940	10.3%
Sewage revenue ²	161,688	121,356	33.2%	315,289	249,763	26.2%
PPP revenue ³	60,444	10,687	465.6%	91,478	19,672	365.0%
Deductions from revenue	(68,464)	(55,015)	24.4%	(134,941)	(113,903)	18.5%
Operating costs and expenses⁴	(292,206)	(227,536)	28.4%	(586,046)	(405,392)	44.6%
EBITDA non-recurring effect⁵	398,040	313,809	26.8%	750,466	642,869	16.7%
EBITDA Margin non-recurring effect	57.7%	58.1%	-0.4 p.p.	56.2%	57.4%	-1.2 p.p.
EBITDA	398,040	312,932	27.2%	750,466	715,080	4.9%
EBITDA Margin	57.7%	57.9%	-0.2 p.p.	56.2%	63.8%	-7.7 p.p.
Financial Result	(128,006)	(66,571)	92.3%	(236,036)	(84,653)	178.8%
Net Income non-recurring effect⁶	126,916	116,882	8.6%	222,631	211,674	5.2%
Net Income	126,916	115,521	9.9%	222,631	346,261	-35.7%

Net Revenue

In 2Q21, net operating revenue¹ amounted to R\$ 690.2 million, increasing 27.7% from 2Q20.

The main growth drivers in the second quarter were:

- (i) The increase in government payments under Public-Private Partnerships due to the higher capital expenditures made in the year, with the highlights including:
 - a. Serra Ambiental, which carried out works to expand sewage coverage that added 57.9 km to the network in the last quarter, which did not occur in 2020. The PPPs in operation for under one year, namely Ambiental Metrosul (since Dec/20) and Ambiental Cariacica (since Apr/21), together accounted for 37% of additional revenue;
- (ii) The tariff adjustments in Jan/21 at the concessionaire Águas Guariroba, related to: (a) the last portion of the concessionaire's extraordinary tariff revision of 3.60%, resulting from the financial rebalancing approved in 2018; and (b) the ordinary annual tariff adjustment of 4.77%;
- (iii) the ordinary annual tariff adjustment at Prolagos of 13.98% in Jan/21;
- (iv) the increase in the parity of the sewage tariff at Águas de Teresina, from 80% to 100%, as of Feb/21.

¹ Net operating revenue recorded in the Interim Financial Statements (ITR), Note 17, less construction revenue with close-to-zero margin (OCPO5) and no cash balance effect (R\$ 319.7 million).

² Excludes intangible asset construction revenue with a close-to-zero margin.

³ Construction Revenue - Public-Private Partnerships (PPP) of the concessionaires Ambiental Serra, Ambiental Vila Velha, and Ambiental Metrosul (CPC47): sum of the financial asset remuneration lines and financial asset construction revenue from Notes 7 and 17 in the ITR;

⁴ Includes financial asset construction costs related to the PPPs Ambiental Serra, Ambiental Vila Velha, and Ambiental Metrosul and excludes the effects from amortization and depreciation and intangible asset construction costs (OCPC05).

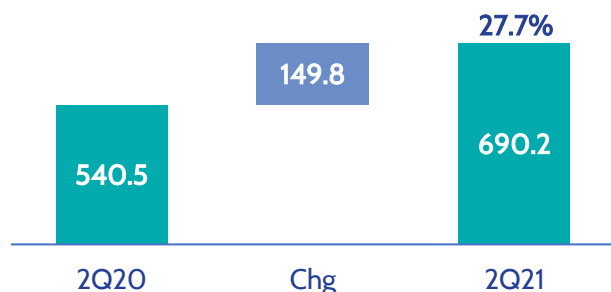
⁵ Excludes the positive effect in 6M20 related to the successful outcome of the lawsuit in the subsidiary Águas de Manaus related to the inflation adjustment of PIS/COFINS taxes on services provided, in the amount of R\$ 72.2 million in other operating revenue. In 2Q20 excludes the negative effect of R\$ 0.9 million in other operating revenue related to the same event.

⁶ Excludes the positive effect in 6M20 related to the successful outcome of the lawsuit in the subsidiary Águas de Manaus related to the inflation adjustment of PIS/COFINS taxes on services provided, in the amount of R\$ 72.2 million in other operating revenue and R\$ 62.4 million in financial income with inflation adjustment. In 2Q20 excludes the negative effect of R\$ 0.9 million in other operating revenue and R\$ 0.5 million in financial income with inflation adjustment related to the same event.

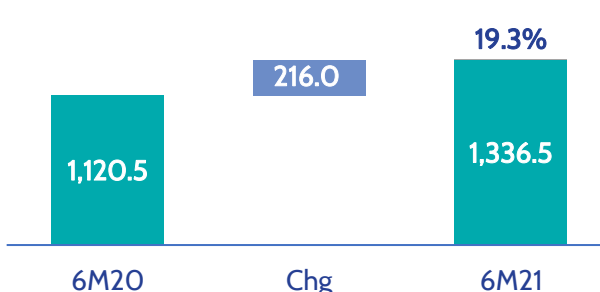
In 6M21, net operating revenue¹ grew by 19.3% compared to 6M20, to R\$ 1,336.5 million. Revenue growth in the period was mainly due to the aforementioned events.

The following charts present net revenue growth in the quarter and year-to-date periods:

Net Revenue Growth, 2Q20 vs. 2Q21 (R\$ million)

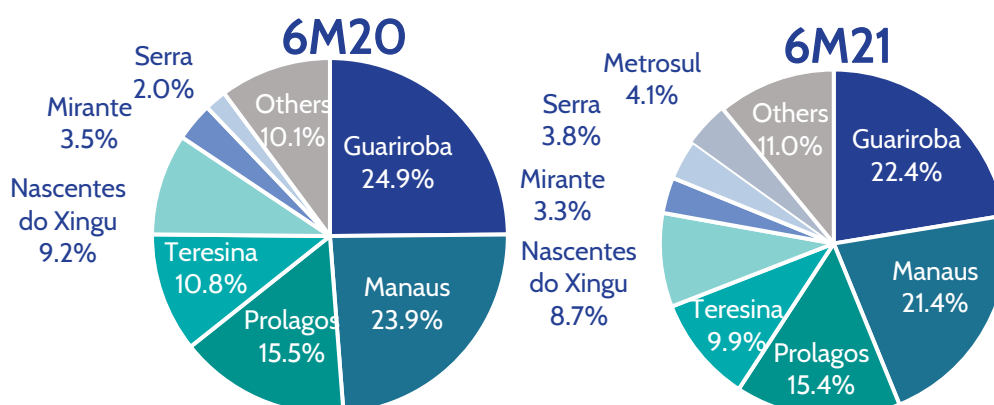


Net Revenue Growth, 6M20 vs. 6M21 (R\$ million)



The following charts present the breakdown of revenue by concessionaire:

Revenue breakdown by company (%)



Consumption Units (Households)¹

In 2Q21, total households served by Aegea reached 3.8 million, an increase of 29.3% from 2Q20.

The number of households with water service increased 6.1% from 2Q20 to 2.0 million. The concessions Águas de Teresina, Águas de Manaus, Águas Guariroba, and Prolagos accounted for 72.5% of this growth, while the balance is related to the expansion of the coverage network and the organic growth of other concessions.

The number of households served by sewage collection and treatment services increased 67.7%, to 1.9 million. The growth in the client base is mainly associated with:

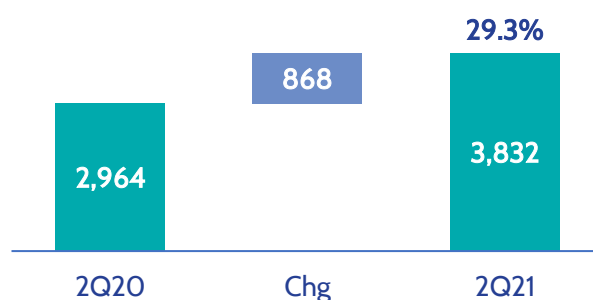
¹ Consumption Units (Households): a single occupancy property or a subdivision of a property with independent occupancy, with the purpose of its legal occupancy clearly identifiable, with private or communal facilities for the use of water supply and sewage collection services. E.g.: a building with 10 apartments has one connection and 10 consumption units

- (i) The startup of the PPPs Ambiental MS Pantanal (MS), Ambiental Metrosul (RS), and Ambiental Cariacica (ES), which added 500 thousand new households and accounted for 91.1% of the total increase; and
- (ii) the expansion of the networks of Águas Guariroba, Ambiental Serra, Prolagos, Águas do Mirante, Águas de Manaus, and Águas de Teresina, which jointly accounted for 7.0% of the increase.

Total Active households	2Q21	2Q20	Δ %
Water	1,960,255	1,848,075	6.1%
Sewage	1,872,019	1,116,022	67.7%
Total	3,832,274	2,964,097	29.3%

The following chart shows the growth in total households in the comparison period:

Growth in households with water and sewage services, 2Q20 vs. 2Q21 ('000)



Billed Volume

In 2Q21, the total billed volume was 132,634 thousand m³, up 23.1% from the same period last year.

Meanwhile, water billed volume increased 7.0% in the quarter. Of this increase, 77.9% refers to the higher volume at Águas de Manaus, Águas de Teresina, Prolagos, and Águas Guariroba, while the remainder refers to the expansion of coverage network and organic growth at other concessions.

Sewage billed volume increased 57.4% compared to 2Q20, due to:

- (i) The startup of the new PPPs Ambiental MS Pantanal, Ambiental Metrosul, and Ambiental Cariacica which accounted for 90.6% of the growth in sewage billed volume in the quarter; and
- (ii) The expansion of networks and organic growth of other concessions, led by Ambiental Serra, Ambiental Vila Velha, and Águas de Teresina being.

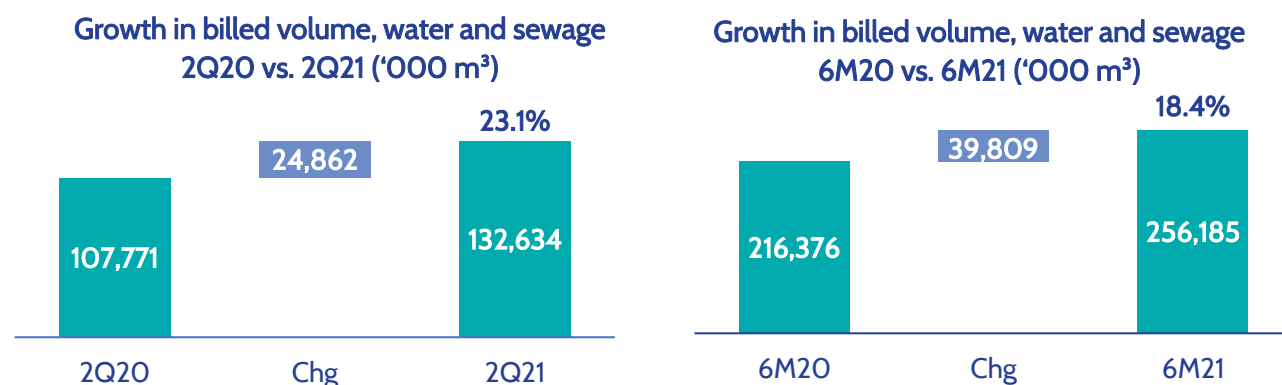
In 6M21, the total billed volume was 256,185 thousand m³, up 18.4% from the same period last year.

Water billed volume in 6M21 increased 6.1%, driven by the same factors as in the quarter, as well as the growth of 44.8% in sewage billed volume in 6M21 compared to 6M20.

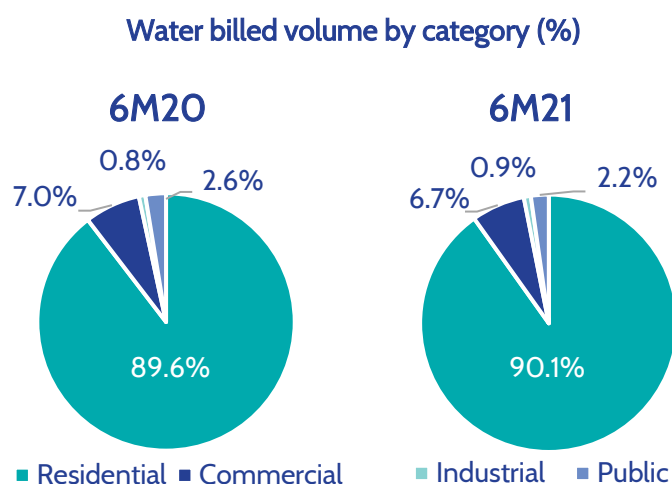
The following table compares billed volume in the quarter and year to date:

Billed volume ('000 m ³)	2Q21	2Q20	Δ %	6M21	6M20	Δ %
Water	78,616	73,452	7.0%	156,335	147,416	6.1%
Sewage	54,018	34,319	57.4%	99,850	68,961	44.8%
Total	132,634	107,771	23.1%	256,185	216,376	18.4%

The following charts present the growth in water and sewage billed volume between the quarters and six-month periods:



The following chart shows water billed volume by category. Customers remain concentrated in the residential segment, which accounts for 90.1% of billed volume:



Costs and Expenses

In 2Q21, costs and expenses, excluding the effects of amortization, depreciation and zero-margin construction costs, came to R\$ 292.2 million, 28.9% higher than in 2Q20, excluding the non-recurring PIS/COFINS tax effect at Águas de Manaus. This result is mainly explained by the following factors: (i) the initial costs of the PPPs Ambiental Metrosul, Ambiental MS Pantanal, and Ambiental Cariacica, which amounted to R\$ 37.2 million and contributed 57.5% to the quarter's increase; (ii) the higher construction

costs for expanding sewage coverage at Ambiental Serra, which corresponded to 17.9% of the variation in 2Q21.

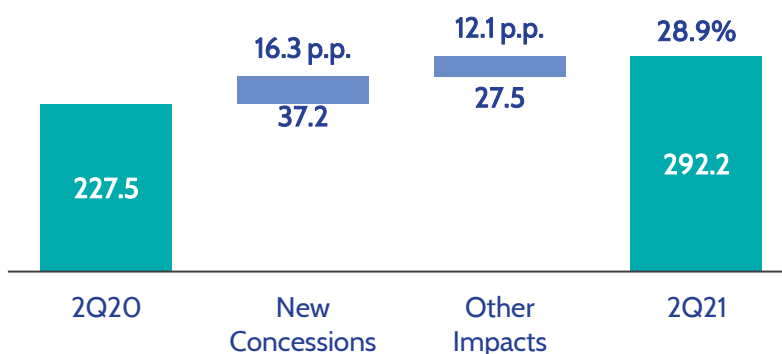
In 6M21, costs and expenses, excluding the effects of amortization, depreciation and zero-margin construction costs, came to R\$ 586.0 million, up 22.7% from 6M20, excluding the non-recurring effect at Águas de Manaus. The main factors in this increase were the costs and expenses of the PPPs operating for less than one year and the construction costs of the PPP Ambiental Serra, which combined corresponded to 64.8% of the increase in costs and expenses.

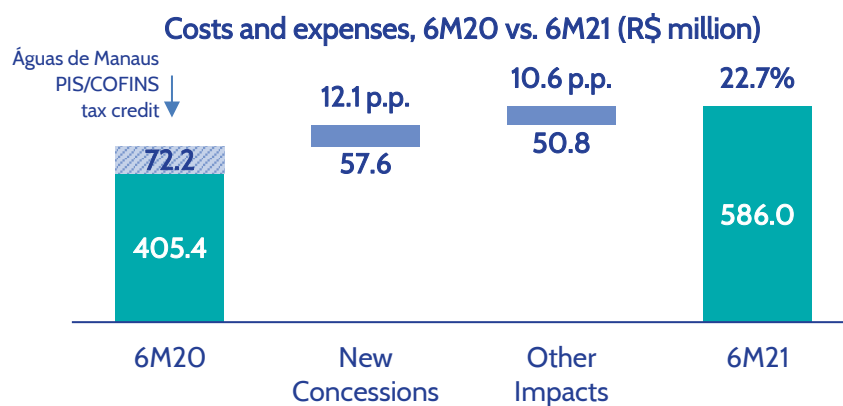
The following table details the changes in costs and expenses in the quarter and year to date:

Costs and expenses (R\$ '000)	2Q21	2Q20	Δ %	6M21	6M20	Δ %
Labor	(77,283)	(71,807)	7.6%	(154,140)	(144,297)	6.8%
Outsourced services ¹	(34,637)	(25,511)	35.8%	(70,482)	(56,707)	24.3%
Outsourced services for sewage treatment	(4,940)	(3,905)	26.5%	(9,924)	(7,837)	26.6%
Outsourced services for water treatment	(3,702)	(4,440)	-16.6%	(7,067)	(6,588)	7.3%
Maintenance	(10,004)	(8,899)	12.4%	(19,348)	(19,176)	0.9%
Materials, equipment and vehicles	(11,527)	(5,990)	92.4%	(18,639)	(11,829)	57.6%
Concession costs	(7,488)	(6,582)	13.8%	(17,657)	(15,379)	14.8%
Electricity	(63,207)	(56,818)	11.2%	(125,913)	(116,014)	8.5%
Chemicals	(11,409)	(9,953)	14.6%	(23,831)	(23,340)	2.1%
PDA ²	(20,843)	(12,676)	64.4%	(53,465)	(38,281)	39.7%
Provision for lawsuits	(5,615)	(2,743)	104.7%	(8,303)	(6,177)	34.4%
Lease	(2,959)	(2,141)	38.2%	(12,127)	(6,909)	75.5%
Construction costs ³	(28,973)	(5,156)	461.9%	(43,743)	(9,257)	372.5%
Taxes, charges and social contributions	(3,042)	(606)	402.0%	(4,305)	(2,241)	92.1%
Other	(6,577)	(9,432)	-30.3%	(17,102)	(13,571)	26.0%
Subtotal non-recurring effect ⁴	(292,206)	(226,659)	28.9%	(586,046)	(477,603)	22.7%
PIS/COFINS tax credit Águas de Manaus	-	(877)	-100.0%	-	72,211	-100.0%
Subtotal	(292,206)	(227,536)	28.4%	(586,046)	(405,392)	44.6%
Depreciation and amortization	(82,528)	(64,612)	27.7%	(160,044)	(127,356)	25.7%
Total	(374,734)	(292,148)	28.3%	(746,090)	(532,748)	40.0%

The following charts show the changes in costs and expenses between the quarters and six-month periods:

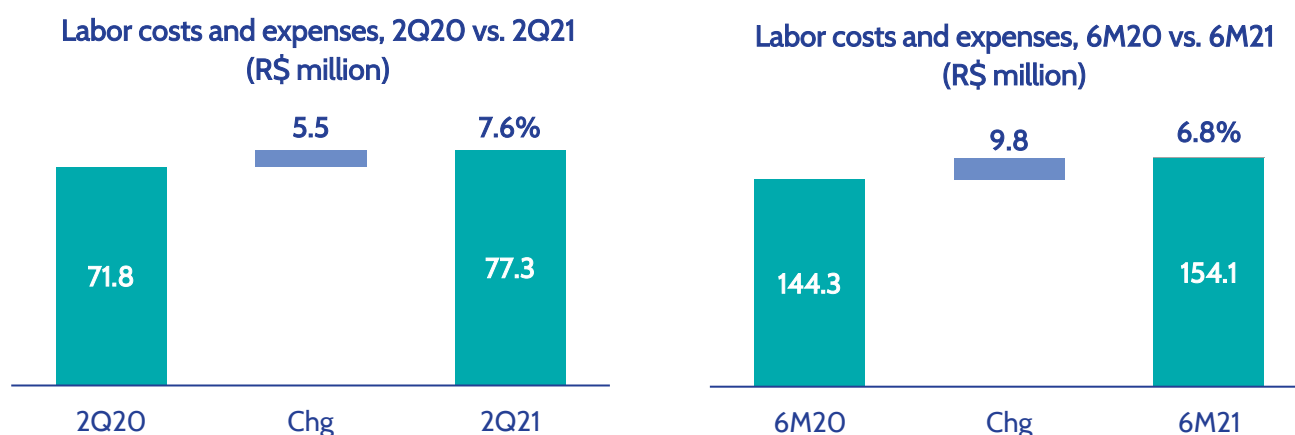
Costs and expenses, 2Q20 vs. 2Q21 (R\$ million)





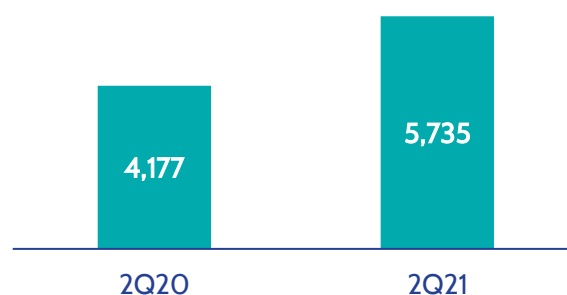
- **Labor:**

In 2Q21, labor costs and expenses amounted to R\$ 77.3 million, up 7.6% from 2Q20, reflecting the startup of the Company's new PPPs. In 6M21, labor costs and expenses amounted to R\$ 154.1 million, up 6.8% from 6M20, due to the same factors affecting the quarter.



The Company ended 2Q21 with 5,735 active employees, 1,558 more than a year earlier, reflecting the headcount increases at Águas de Manaus and at the PPPs Ambiental Metrosul, Ambiental Cariacica, and Ambiental MS Pantanal.

Number of active employees



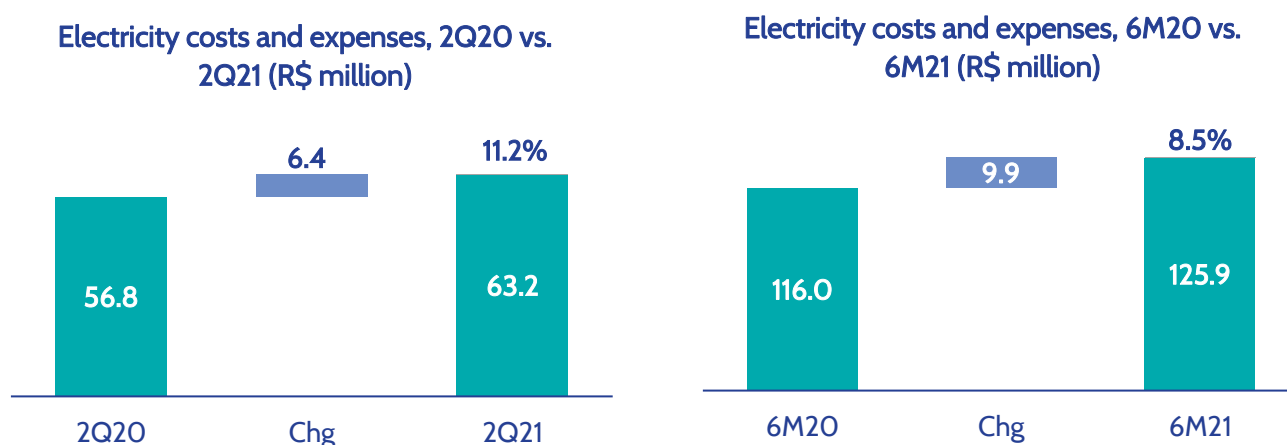
- **Electricity:**

In 2Q21, electricity expenses came to R\$ 63.2 million, increasing 11.2% from 2Q20, mainly due to:

- (i) The startup of the new PPPs Ambiental Metrosul, Ambiental MS Pantanal, and Ambiental Cariacica, which accounted for R\$ 2.6 million or 40.8% of the total increase;
- (ii) The increase in kWh consumption at other units, due to the higher volumes produced of water and treated sewage; and
- (iii) The change in the dynamic tariff flag, since in 2Q20 the flag was green due to the emergency measures adopted by the Brazilian Electrical Energy Agency (ANEEL) to support consumers and the power industry during the pandemic. However, in 2Q21, this measure was not maintained in 2Q21, with the tariff flag changing to red level 2.

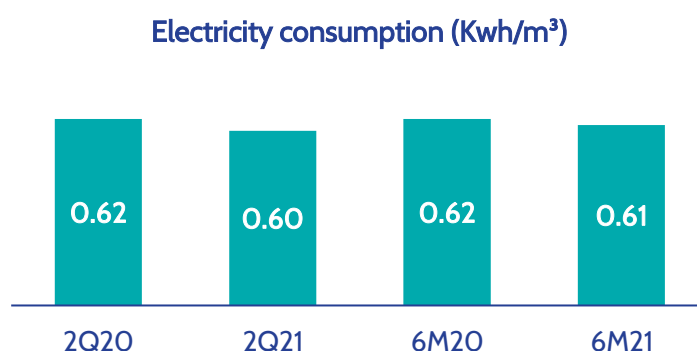
Note that these factors were partially offset by the higher share of electricity purchases in the Free Market, which reduced unit electricity costs. Of all the energy consumed by Aegea, 73% came from the Free Market in 2Q21 compared to 55% in 2Q20.

In 6M21, electricity expenses came to R\$ 125.9 million, increasing 8.5% from 6M20, due to the same factors affecting the result in 2Q21.



In 2Q21, unit electricity consumption decreased 3.3% from 2Q20, ending the period at 0.60 kWh/m³. The reduction is explained by the implementation of operational improvements to reduce unit electricity consumption at concessions, led by the performance at Águas de Manaus, where consumption declined 3.2%.

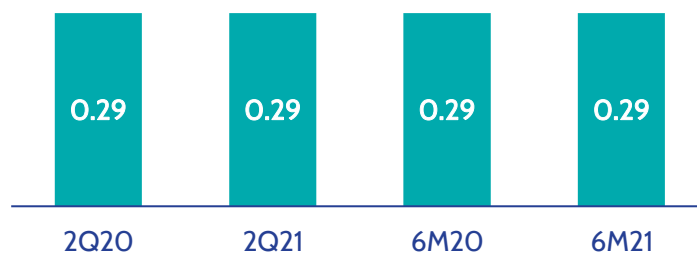
In 6M21, unit electricity consumption decreased 1.6% compared to 6M20.



In 2Q21, when the tariff flag was at the red 2 level, unit electricity costs and expenses were R\$ 0.29/m³, or stable in relation to 2Q20, when the flag was green. This result is explained by measures implemented to reduce unit electricity costs at concessions, especially the contracting of electricity in the free market at lower costs.

In 6M21, unit electricity costs and expenses remained at R\$ 0.29/m³ compared to 6M20, remaining virtually stable in relation to the prior-year period.

Unit electricity costs and expenses (R\$/m³)



- **Outsourced services**

In 2Q21, costs and expenses with outsourced services came to R\$ 34.6 million, 35.8% higher than in 2Q20, mainly due to: (i) the operating costs with the new PPPs, which accounted for 28.5% or R\$ 2.6 million of the total; and (ii) the higher expenses with consulting services at the holding company.

In 6M21, the costs and expenses with outsourced services came to R\$ 70.5 million, 24.3% higher than in 6M20, mainly due to: (i) the operating costs with the new PPPs, which accounted for 29.6% or R\$ 4.1 million of the total; and (ii) the higher expenses with consulting services at the holding company.

- **Expected Credit Losses (PDA)**

In 2Q21, expected credit losses amounted to R\$ 20.8 million, increasing R\$ 8.2 million on the prior-year quarter. The increase in expected credit losses is mainly due to the revision of the methodology for calculating the present value adjustment of accounts receivable, which led to a reduction in the measurement base of expected credit losses and thereby had a positive impact on 2Q20.

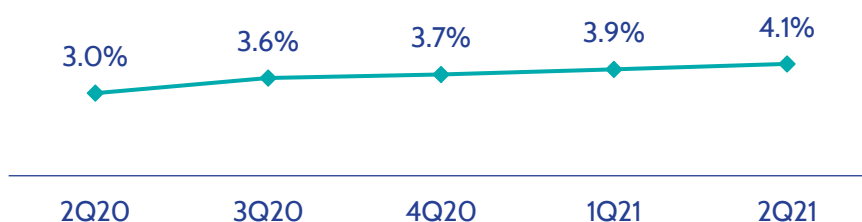
In 6M21, expected credit losses came to R\$ 53.5 million, up R\$ 15.2 million from 6M20, due to the aforementioned factors.

Delinquency Rate

In the 12 months to 2Q21, the delinquency rate stood at 4.1%, 1.1 percentage points higher than in the prior-year period.

The increase in this indicator is mainly due to the higher expected credit losses, which are mainly due to the higher provisioning in 2020 and 2021 compared to 2019, a period marked by the peak of actions under the Vem com a Gente Program at Águas de Manaus.

Delinquency Rate LTM



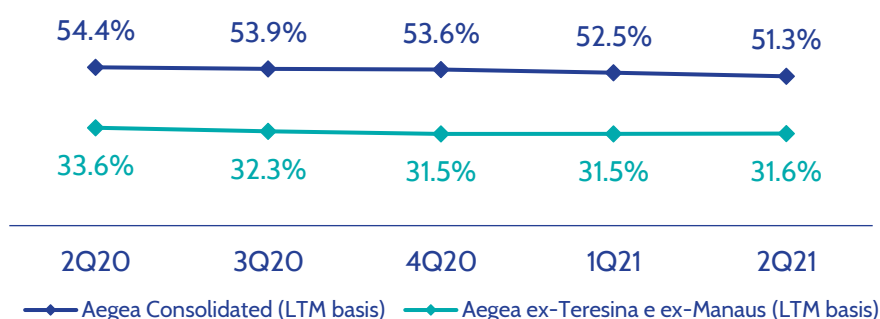
Water distribution loss rate

In 2Q21, Aegea's consolidated loss rate reached 51.3%, decreasing 3.1 percentage points from 2Q20. The reduction reflects the efforts made by the Company to reduce physical and commercial losses in water distribution at its concessions, especially Águas de Teresina and Águas de Manaus.

Considering only the more mature concessionaires, the Company's loss rate stood at 31.6% in 2Q21, down 2.0 percentage points from 2Q20.

The following chart shows the evolution in: (i) the consolidated water loss rate; and (ii) the loss rate excluding the subsidiaries Águas de Teresina and Águas de Manaus.

Water distribution loss rate¹



EBITDA

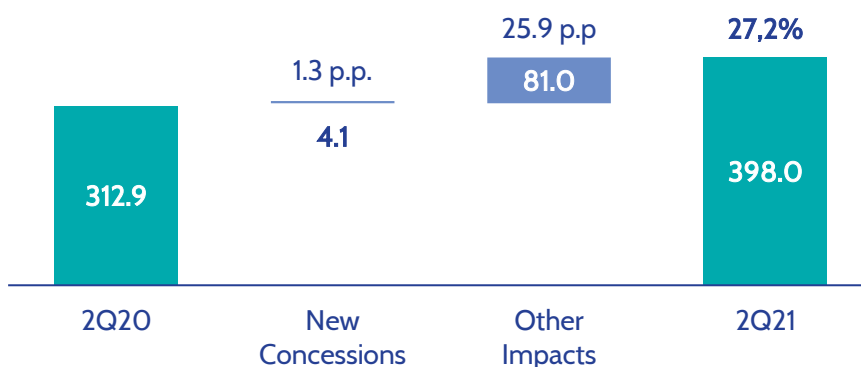
In 2Q21, EBITDA was R\$ 398.0 million, advancing 27.2% compared to 2Q20. Meanwhile, EBITDA Margin stood at 57.7%, down 0.2 percentage points from 2Q20.

EBITDA growth was driven by the 23.1% increase in billed volume and the higher revenue from government payments, as well as the tariff adjustments in the period. Combined, these factors more than offset the higher costs and expenses that the Company registered with the new PPPs in the quarter.

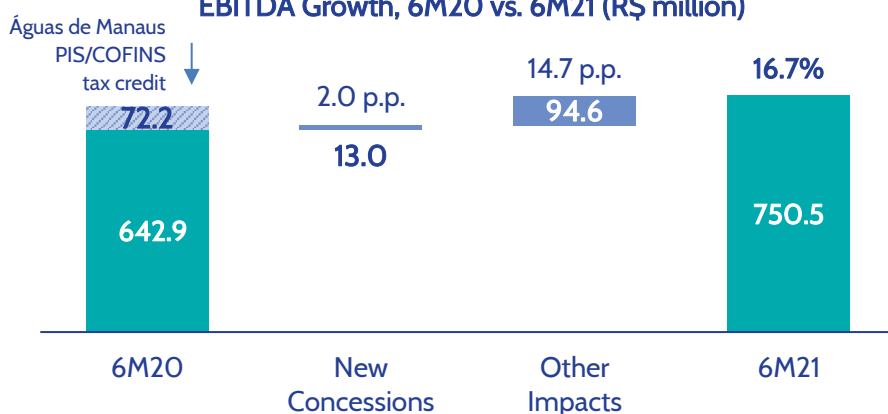
¹ IN049 (SNIS) – Calculation of Percentage Loss in Distribution (%): $\frac{\text{Water Production Volume (m}^3\text{)} + \text{Treated Water Imported Volume (m}^3\text{)} - \text{Water Service Volume (m}^3\text{)}}{\text{Water Production Volume (m}^3\text{)} + \text{Treated Water Imported Volume (m}^3\text{)}} \times 100$

In 6M21, EBITDA reached R\$ 750.5 million, 16.7% higher than in 6M20, excluding the non-recurring effect linked to the successful outcome of the lawsuit related to PIS/COFINS at Águas de Manaus, which had a positive impact of R\$ 72.2 million on EBITDA in 6M20. EBITDA Margin in 6M21 stood at 56.2%, down 1.2 percentage points in relation to EBITDA Margin excluding the non-recurring effects in 6M20. EBITDA growth in 6M21 was driven mainly by the aforementioned factors, namely the increases in billed volume and revenue from government payments and the tariff adjustments.

EBITDA Growth, 2Q20 vs. 2Q21 (R\$ million)

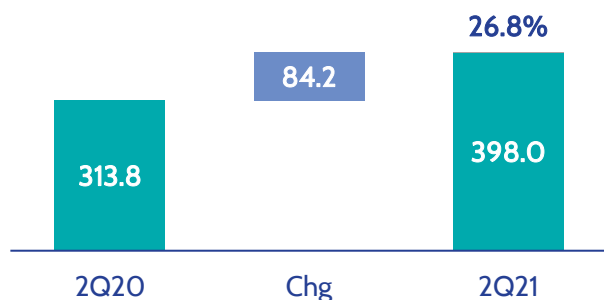


EBITDA Growth, 6M20 vs. 6M21 (R\$ million)



EBITDA (R\$ '000)	2Q21	2Q20	Δ %	6M21	6M20	Δ %
Net Income non-recurring effect	126,916	116,882	8.6%	222,631	211,674	5.2%
(+) PIS/COFINS tax credit Águas de Manaus	-	(877)	-100.0%	-	72,211	-100.0%
(+) Inflation adjustment PIS/COFINS tax credit	-	(484)	-100.0%	-	62,376	-100.0%
Net Income	126,916	115,521	9.9%	222,631	346,261	-35.7%
(+) Financial result	128,006	66,571	92.3%	236,036	84,653	178.8%
(+) Income taxes	60,590	66,228	-8.5%	131,755	156,810	-16.0%
(+) Depreciation and amortization	82,528	64,612	27.7%	160,044	127,356	25.7%
EBITDA	398,040	312,932	27.2%	750,466	715,080	4.9%
(+) PIS/COFINS tax credit Águas de Manaus	-	(877)	-100.0%	-	72,211	-100.0%
EBITDA non-recurring effect	398,040	313,809	26.8%	750,466	642,869	16.7%
EBITDA Margin	57.7%	57.9%	-0.2 p.p.	56.2%	63.8%	-7.7 p.p.
EBITDA Margin non-recurring effect	57.7%	58.1%	-0.4 p.p.	56.2%	57.4%	-1.2 p.p.

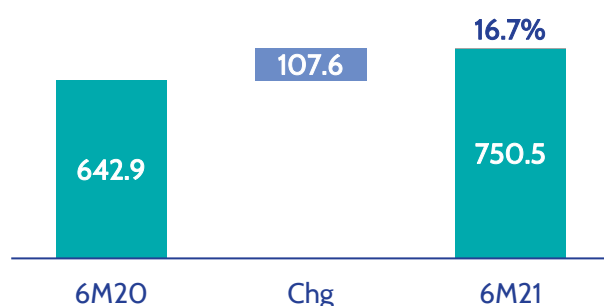
EBITDA Growth ex. non-recurring effect, 2Q20 vs. 2Q21 (R\$ million)



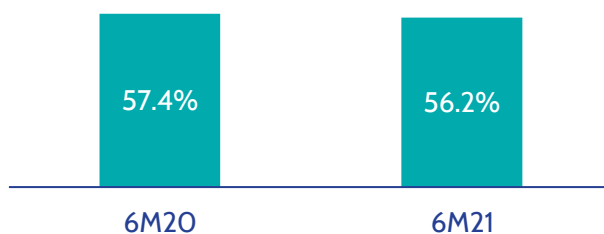
EBITDA Margin Growth ex. non-recurring effect, 2Q20 vs. 2Q21 (%)



EBITDA Growth ex. non-recurring effect, 6M20 vs. 6M21 (R\$ million)



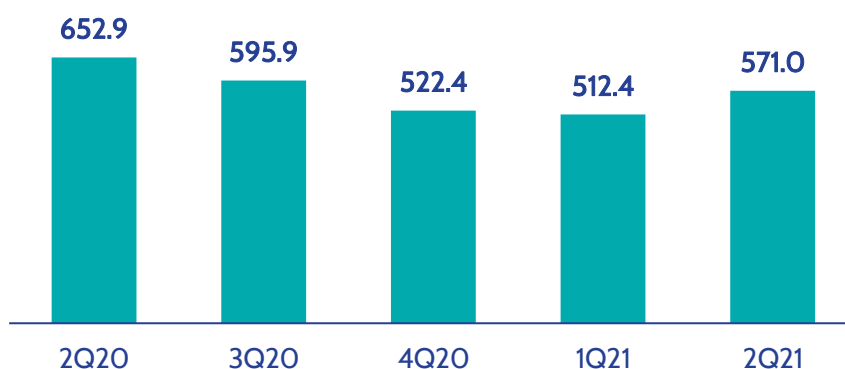
EBITDA Margin Growth ex. non-recurring effect, 6M20 vs. 6M21 (%)



CAPEX

In the 12 months to 2Q21, the Company invested R\$ 571.0 million, R\$ 81.9 million less than in the 12 months to 2Q20. The reduction is related to the temporary postponement of selected projects (non-mandatory CAPEX) due to the measures to preserve cash and maintain liquidity required to surmount the pandemic. Compared to 1Q21, Aegea's CAPEX in the last 12 months increased by R\$ 58.6 million, signaling a recovery in its level of investments.

CAPEX in last 12 months (R\$ million)



Debt

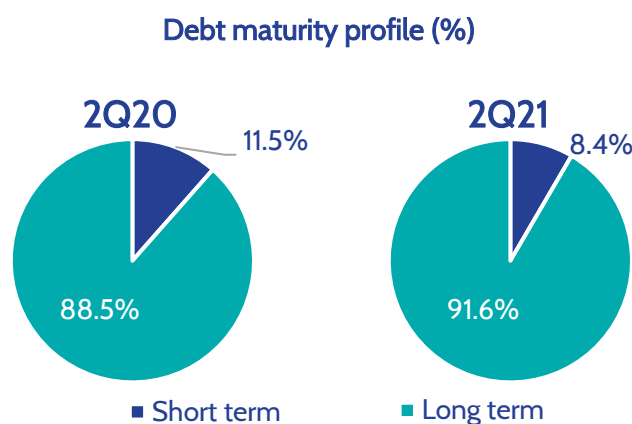
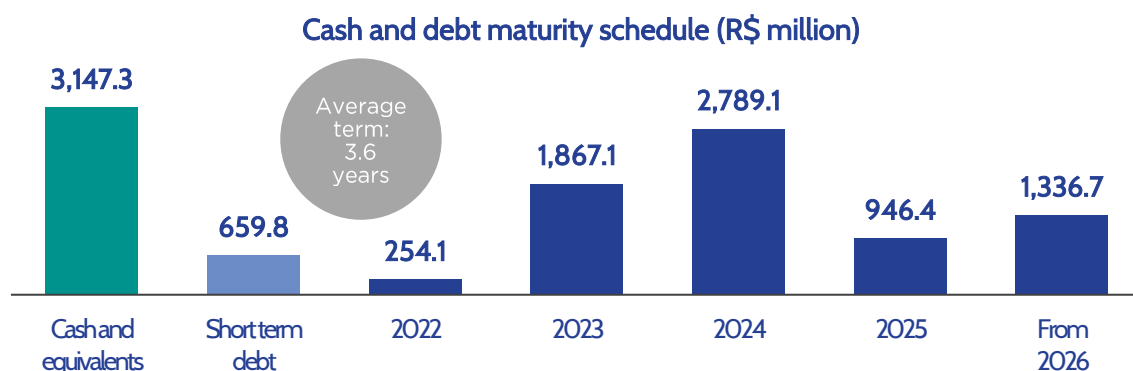
The Company's gross debt, including derivatives, stood at R\$ 7.1 billion in 2Q21, with the R\$ 1.2 billion increase compared to the same period last year due to the new funding operations.

The balance of cash, cash equivalents and financial investments stood at R\$ 3.1 billion, up R\$1.2 billion from the same period last year, reflecting the Company's strategy to strengthen its liquidity. In addition to the aforementioned funding operations, the corporate restructuring of Prolagos carried out in February 2021 helped to further increase the Company's cash position, by R\$ 500.0 million. Net debt stood at R\$ 3.7 billion, 2.0% higher than a year earlier.

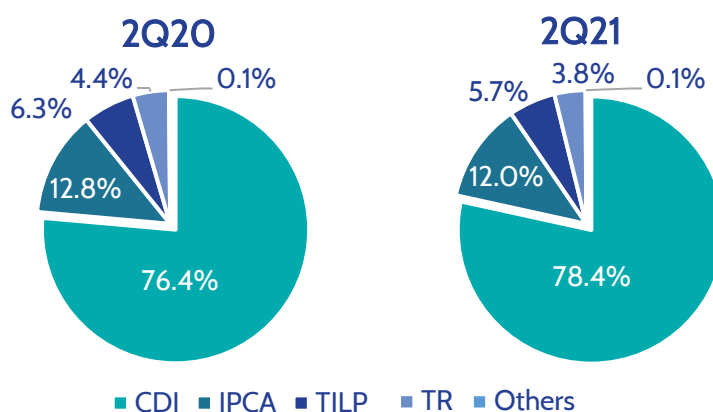
EBITDA in the 12 months to 6M21 amounted to R\$ 1.4 billion, up 1.8% from 6M20, a six-month period that was affected by the recognition of non-recurring PIS/COFINS tax effects in Manaus, in the amount of R\$ 73.1 million. The Company's financial leverage, measured by the ratio of Net Debt to EBITDA, stood at 2.87x, stable from a year earlier.

Indebtedness (R\$ thousand)	2Q21	2Q20	Δ %
Net Debt	3,936,678	3,861,165	2.0%
(+) Gross debt (including derivatives, without MtM impact) ¹	7,083,999	5,853,335	21.0%
(-) Cash and equivalents and financial investme	(3,147,321)	(1,992,170)	58.0%
EBITDA (12 months)	1,372,721	1,347,949	1.8%
Net Debt / EBITDA	2.87x	2.86x	0x

In the period ended June 2021, the average maturity of Aegea's debt was 3.6 years. Short-term liabilities corresponded to 8.4% of total debt and 21.0% of cash and financial investments, as shown in the following charts:



Gross debt by indexer (%)



Financial Result

In 2Q21, the financial result was an expense of R\$ 128.1 million, R\$ 61.5 higher than in 2Q20. The increase in net financial expenses is mainly explained by: (i) the higher expenses with debt service, given the higher balance of the gross debt; and (ii) the increase in expenses with discounts granted.

In 6M21, the net financial result was an expense of R\$ 236.1 million, R\$ 89.9 million higher than in 6M20 after excluding the inflation adjustment (SELIC rate) of tax credits given the successful outcome of the lawsuit related to PIS/COFINS at Águas de Manaus, which had a positive impact of R\$ 62.4 on financial income in 6M20. This increase in net financial expenses is explained by the same factors cited for the quarter.

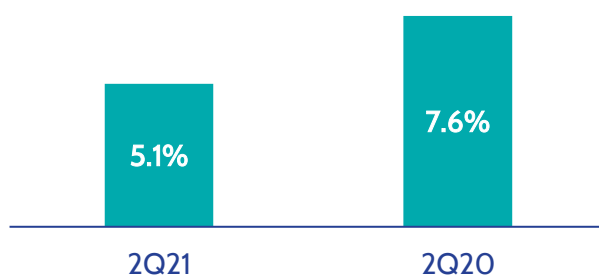
Financial Result ('000)	2Q21	2Q20	Δ %	6M21	6M20	Δ %
Financial income	157,951	172,054	-8.2%	428,139	782,419	-45.3%
Financial expense	(285,957)	(238,625)	19.8%	(664,175)	(867,072)	-23.4%
Total non-recurring effect ¹	(128,006)	(66,087)	93.7%	(236,036)	(147,029)	60.5%
(+) Inflation adjustment PIS/COFINS tax credit	-	(484)	-100.0%	-	62,376	-100.0%
Total	(128,006)	(66,571)	92.3%	(236,036)	(84,653)	178.8%

To isolate the effects of derivative operations and exchange variation on debt from the Company's financial result, the following table shows the pro forma financial result, in which the effects of derivative operations are registered net of the financial result:

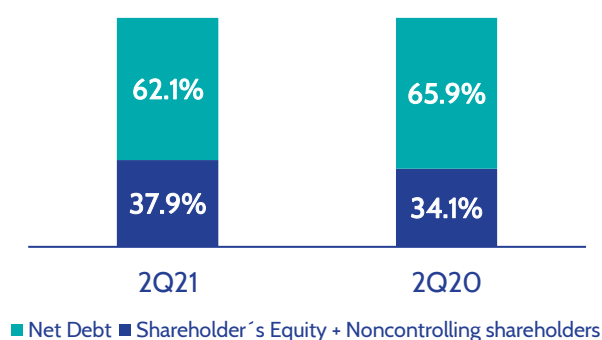
Financial Result PROFORMA ('000) ¹	2Q21	2Q20	Δ %	6M21	6M20	Δ %
Financial income	42,052	18,046	133.0%	65,438	105,115	-37.7%
Financial expense	(170,058)	(84,617)	101.0%	(301,474)	(189,768)	58.9%
Total non-recurring effect ¹	(128,006)	(66,087)	93.7%	(236,036)	(147,029)	60.5%
(+) Inflation adjustment PIS/COFINS tax credit	-	(484)	-100.0%	-	62,376	-100.0%
Total	(128,006)	(66,571)	92.3%	(236,036)	(84,653)	178.8%

The average cost of Aegea's debt was 7.6% p.a., up 1.5 percentage points from the previous year, mainly due to the increases in the rates used to remunerate debt, such as the IPCA and CDI.

Average Cost of Debt (% p.a.)



Capital Structure



Managerial Cash Flow

In 2Q21, Operating Cash Generation was R\$ 255.5 million, stable in relation to 2Q20.

In 6M21, Operating Cash Generation was R\$ 466.7 million, growing 5.1% compared to 6M20. The higher cash flow is mainly explained by the 10.5% increase in revenue collection. The higher costs and expenses in the period are mainly related to the costs stemming from the startup of the PPPs Ambiental Metrosul, Ambiental MS Pantanal, and Ambiental Cariacica.

Managerial Cash Flow ('000)	2Q21	2Q20	Δ %	6M21	6M20	Δ %
Revenue collected	603,402	512,337	17.8%	1,186,192	1,073,774	10.5%
Taxes paid	(85,268)	(51,859)	64.4%	(141,045)	(139,639)	1.0%
Operating costs and expenses	(262,656)	(205,802)	27.6%	(578,486)	(490,116)	18.0%
Operacional cash generation	255,477	254,676	0.3%	466,661	444,019	5.1%

ANNEXES

Financial Statements

Balance Sheet (R\$ '000)

	06/30/2021	12/31/2020
Total current assets	4,146,074	3,679,582
Cash and cash equivalents	34,161	81,948
Short-term investments	3,071,707	2,545,280
Trade accounts receivable	820,299	780,249
Inventories	21,119	12,087
Taxes recoverable	74,992	80,776
Derivative financial instruments	41,250	102,913
Other receivables	82,546	76,329
Total noncurrent assets	7,140,947	6,846,681
Long-term investments	41,453	41,770
Trade accounts receivable	504,464	393,224
Taxes recoverable	128,039	125,612
Deferred tax assets	21,915	22,571
Derivative financial instruments	974,636	1,100,786
Judicial deposits	53,558	44,296
Other receivables	131,987	26,635
Investments	41	36
Property, plant and equipment	109,599	109,099
Concession-related assets	349,499	561,223
Intangible assets	4,825,756	4,421,429
TOTAL ASSETS	11,287,021	10,526,263
Total current liabilities	1,291,390	1,366,516
Suppliers and contractors	218,613	195,603
Loans, financing and debentures	659,755	876,205
Labor and social obligations	90,590	85,327
Tax obligations	28,710	24,842
Dividends payable	192,996	-
Income and social contribution taxes	49,343	13,929
Taxes payable in installments	659	1,005
Other deferred taxes	11,840	10,560
Other accounts payable	38,884	159,045
Total noncurrent liabilities	7,591,779	7,158,793
Suppliers and contractors	7,848	-
Loans, financing and debentures	7,193,575	6,736,379
Taxes payable in installments	2,711	2,876
Provision for lawsuits	33,665	36,334
Deferred tax liabilities	269,397	299,307
Other deferred taxes	14,866	12,086
Other accounts payable	69,717	71,811
Equity	2,403,852	2,000,954
Capital	888,444	888,444
New share issue costs	(22,937)	(22,937)
Capital reserve	555,161	562,588
Income reserves	365,504	86,619
Proposed additional dividends	-	207,996
Equity adjustments	162,726	224,688
Translation adjustments	10,136	10,028
Retained earnings	169,712	-
Noncontrolling shareholders	275,106	43,528
TOTAL LIABILITIES	11,287,021	10,526,263

Income Statement (R\$ '000)

	06/30/2021	06/30/2020
Gross revenue	1,791,146	1,508,934
Direct revenue (Water and Sewage)	1,379,975	1,214,703
Construction Revenue	411,171	294,231
Deduction from gross revenue	(134,941)	(113,903)
Net operating revenue	1,656,205	1,395,031
Cost of services	(841,014)	(703,246)
Operating costs	(477,578)	(419,430)
Construction costs	(363,436)	(283,816)
Operating expenses	(224,769)	(104,061)
General and administrative	(225,477)	(180,933)
Research and development	(2,505)	(3,938)
Other operating income	3,213	80,810
Operating income (loss)	590,422	587,724
Financial result	(236,036)	(84,653)
Income tax and social contribution	(131,755)	(156,810)
Net income	222,631	346,261

Cash Flow Statement (R\$ '000)

	06/30/2021	06/30/2020
Income before taxes	354,386	503,071
Adjustments:	389,056	137,087
Amortization and depreciation	160,044	127,356
Provision for lawsuits	8,303	6,177
Expected loss on allowance for doubtful accounts	72,188	48,787
Recovery of notes from accounts receivable	(18,723)	(10,506)
P&L from write-off of PP&E	-	84
P&L from write-off of Intangible assets	220	1,059
PIS/COFINS credits due do legal decision	-	(72,211)
Interest on short-term investments and private debentures	(41,971)	(20,033)
Loss (Gains) on derivative financial instruments	34,746	(663,658)
Monetary restatement of PIS/COFINS credits due do legal decision	-	(62,376)
Charges and monetary variation on loans and financing and debentures	235,728	147,497
Amortization of funding costs	15,638	9,256
Foreign exchange differences	(82,187)	630,807
Reversal of (provision for) present value adjustment to trade accounts receivable	4,189	(17,928)
Monetary restatement of lawsuits	91	105
PIS/COFINS on finance income	-	3,349
Restatement of other accounts payable	790	9,322
Changes in assets and liabilities	(127,369)	(544,979)
(Increase)/decrease in other assets	(317,801)	17,776
Trade accounts receivable	(209,031)	(121,826)
Inventories	(9,032)	732
Taxes recoverable	12,593	26,150
Judicial deposits	(4,325)	107,620
Other receivables	(108,006)	5,100
Increase/(decrease) in liabilities	(120,924)	(88,439)
Suppliers and contractors	19,689	(14,689)
Labor and social obligations	5,263	(12,892)
Tax obligations	3,879	25,845
Taxes payable in installments	(511)	(413)
Payment of litigation - related amounts	(14,626)	(9,981)
Other deferred taxes	4,060	769
Other accounts payable	(138,678)	(77,078)
Interest paid	(179,838)	(165,774)
Income and social contribution taxes paid	(81,814)	(101,399)
Net cash flow (used in) provided by operating activities	43,065	302,322
Short-term investments and private debentures, net	(513,513)	(1,008,647)
Income from short-term investments and private debentures, net	19,458	17,824
Portion paid referring to acquisition of subsidiaries	-	(114,257)
Acquisition of subsidiaries	(5)	-
Tax incentive reserve	146	139
Acquisition of property and equipment	83	(25,378)
Acquisition of concession-related assets	(308,514)	(256,040)
Acquisition of intangible assets	(18,037)	(12,646)
Net cash flow used in investing activities	(820,382)	(1,399,005)
Loans, financing and debentures raised	1,169,246	1,664,368
Borrowing costs of loans, financing and debentures	(15,723)	(37,511)
Loans, financing and debentures paid	(534,423)	(449,524)
Derivative financial instruments received	52,951	29,328
Derivative financial instruments paid	(3,108)	(1,545)
Dividends paid out	(52,000)	(94,500)
New share issue costs	(8,592)	-
Cash from capital contribution	121,547	4
Net cash flow provided by financing activities	729,898	1,110,620
Net (decrease) increase in cash and cash equivalents	(47,419)	13,937
Cash and cash equivalents as at January 1	81,948	27,972
Translation adjustments	(368)	57
Cash and cash equivalents at June 30	34,161	41,966
Net (decrease) increase in cash and cash equivalents	(47,419)	13,937

Additional Information

Additional Information	2Q21
Volume produced (m ³)	158,934,881
Volume treated (m ³)	55,092,914
Active water connections	1,665,329
Active sewage connections	1,369,165
EBITDA Águas Guariroba (´1000)	R\$ 102,303
EBITDA Prolagos (´1000)	R\$ 69,255
EBITDA Águas de Manaus (´1000)	R\$ 90,421
EBITDA Águas de Teresina (´1000)	R\$ 33,603



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Aegea Saneamento e Participações S.A.

Quarterly Information (ITR)

Six-month period ended June 30, 2021

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A free translation from Portuguese into English of Independent Auditor's Review Report on quarterly information prepared in Brazilian currency in accordance with NBC TG 21 – Interim Financial Information, issued by the National Association of State Boards of Accountancy (CFC), and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB)

INDEPENDENT AUDITOR'S REVIEW REPORT ON QUARTERLY INFORMATION

The Shareholders, Board of Directors and Officers
Aegea Saneamento e Participações S.A.
São Paulo - SP

Introduction

We have reviewed the individual and consolidated interim financial information of Aegea Saneamento e Participações S.A. ("Company") contained in the Quarterly Information Form (ITR) for the quarter ended June 30, 2021, which comprises the statement of financial position as at June 30, 2021, and the related statements of profit or loss, of comprehensive income for the three and six-month periods then ended and of changes in equity, and of cash flows for the six-month period then ended, including explanatory information.

Management is responsible for preparation of the individual and consolidated interim financial information in accordance with NBC TG 21 and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

Except for the matter described in the paragraph below, we conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical 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. Accordingly, we do not express an audit opinion.



Basis for qualified conclusion

Investigation in progress

As disclosed in Note 1 to the Quarterly Information (ITR), the Company's Board of Directors engaged a law firm and an independent investigation company to carry out specific diligence reviews related to the operation launched by the Brazilian Federal Police on May 11, 2017 in the investee Águas Guariroba S.A. Currently, the measures taken by the Board of Directors related to the Federal Police Operation mentioned above have not been fully completed, nor has an analysis of the possible effects on the Company's interim financial information. Accordingly, we were unable to obtain appropriate and sufficient review evidence regarding the potential impacts of this matter on the Company's individual and consolidated interim financial information contained in the Quarterly Information (ITR).

Qualified conclusion

Based on our review, except for the potential effects from the matter described in the "Basis for qualified conclusion" paragraph, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information, included in the Quarterly Information referred to above, was not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 issued by the IASB, applicable to the preparation of Quarterly Information (ITR), consistently with the standards issued by the Brazilian Securities Commission (CVM).

Other matters

Statement of value added

The quarterly information referred to above includes the individual and consolidated statements of value added (SVA) for the six-month period ended June 30, 2021, prepared under the responsibility of the Company management, and presented as supplementary information for IAS 34 purposes. These statements were subject to review procedures conducted jointly with the review of the quarterly information for the purpose of concluding whether they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in NBC TG 09 – Statement of Value Added. Based on our review, except for the possible effects on the value added, individual and consolidated, from the matter described in the "Basis for qualified conclusion" paragraph, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, according to this standard and consistently with the individual and consolidated interim financial information taken as a whole.

Campinas, August 11, 2021.

ERNST & YOUNG
Auditores Independentes S.S.
CRC 2SP034519/O-6

José Antonio de Andrade Navarrete
Accountant CRC-1SP198698/O-4

Aegea Saneamento e Participações S.A.

Statements of financial position as at June 30, 2021 and December 31, 2020

(In thousands of reais)

Assets	Note	Parent Company		Consolidated	
		06/30/2021	12/31/2020	06/30/2021	12/31/2020
Cash and cash equivalents	5	78	79	34,161	81,948
Short-term investments	6	1,030,146	498,682	3,071,707	2,545,280
Trade accounts receivable	7	14,627	11,138	820,299	780,249
Inventories		-	-	21,119	12,087
Private debentures - related parties	8	47,129	46,288	-	-
Taxes recoverable		25,619	17,654	74,992	80,776
Dividends and interest on equity receivable	8	305,065	339,420	-	-
Derivative financial instruments	21	20,094	50,489	41,250	102,913
Other receivables		8,311	8,919	82,546	76,329
Total current assets		1,451,069	972,669	4,146,074	3,679,582
Long-term investments	6	-	-	41,453	41,770
Trade accounts receivable	7	-	-	504,464	393,224
Taxes recoverable		299	-	128,039	125,612
Accounts receivable from related parties	8	373,747	311,914	-	-
Deferred tax assets	20 b.	-	-	21,915	22,571
Future capital contribution	8	17,418	17,418	-	-
Derivative financial instruments	21	548,992	616,217	974,636	1,100,786
Judicial deposits	15	13,909	10,238	53,558	44,296
Other receivables		126,374	21,022	131,987	26,635
Total long-term assets		1,080,739	976,809	1,856,052	1,754,894
Investments	9	2,681,506	2,640,502	41	36
Property, plant and equipment		32,065	34,274	109,599	109,099
Concession-related assets	10	-	-	349,499	561,223
Intangible assets	11	76,497	78,709	4,825,756	4,421,429
Total noncurrent assets		3,870,807	3,730,294	7,140,947	6,846,681
Total Assets		5,321,876	4,702,963	11,287,021	10,526,263

See accompanying notes.

Aegea Saneamento e Participações S.A.

Statements of financial position as at June 30, 2021 and December 31, 2020

(In thousands of reais)

Liabilities and equity	Note	Parent Company		Consolidated	
		06/30/2021	12/31/2020	06/30/2021	12/31/2020
Suppliers and contractors	12	10,591	21,651	218,613	195,603
Loans, financing and debentures	13	206,314	197,571	659,755	876,205
Loans payable to related parties	8	17,178	18,069	-	-
Labor and social obligations		22,783	22,005	90,590	85,327
Tax obligations		3,177	2,437	28,710	24,842
Dividends payable	8	192,996	-	192,996	-
Income and social contribution taxes		-	-	49,343	13,929
Taxes payable in installments		-	-	659	1,005
Other deferred taxes		-	-	11,840	10,560
Other accounts payable	14	3,684	6,986	38,884	159,045
Total current liabilities		456,723	268,719	1,291,390	1,366,516
Suppliers and contractors	12	-	-	7,848	-
Loans, financing and debentures	13	1,491,934	1,167,724	7,193,575	6,736,379
Loans payable to related parties	8	1,142,703	1,187,134	-	-
Taxes payable in installments		-	-	2,711	2,876
Provision for lawsuits	15	4,522	4,522	33,665	36,334
Deferred tax liabilities	20 b.	57,031	75,057	269,397	299,307
Provision for losses on investments	9	39,957	39,950	-	-
Other deferred taxes		-	-	14,866	12,086
Other accounts payable	14	260	2,431	69,717	71,811
Total noncurrent liabilities		2,736,407	2,476,818	7,591,779	7,158,793
Total liabilities		3,193,130	2,745,537	8,883,169	8,525,309
Equity	16				
Capital		888,444	888,444	888,444	888,444
New share issue costs		(22,937)	(22,937)	(22,937)	(22,937)
Capital reserve		555,161	562,588	555,161	562,588
Income reserves		365,504	86,619	365,504	86,619
Proposed additional dividends		-	207,996	-	207,996
Equity adjustments		162,726	224,688	162,726	224,688
Translation adjustments		10,136	10,028	10,136	10,028
Retained earnings		169,712	-	169,712	-
Equity attributable to controlling shareholders		2,128,746	1,957,426	2,128,746	1,957,426
Noncontrolling shareholders		-	-	275,106	43,528
Total equity		2,128,746	1,957,426	2,403,852	2,000,954
Total liabilities and equity		5,321,876	4,702,963	11,287,021	10,526,263

See accompanying notes.

Aegea Saneamento e Participações S.A.

Statements of profit or loss

Six-month period ended June 30, 2021 and 2020

(In thousands of reais)

	Note	Parent Company				Consolidated			
		Current period to date 04/01/2021 a 06/30/2021	Accumulated for the current period 01/01/2021 a 06/30/2021	Prior period to date 04/01/2020 a 06/30/2020	Accumulated from the prior period 01/01/2020 a 06/30/2020	Current period to date 04/01/2021 a 06/30/2021	Accumulated for the current period 01/01/2021 a 06/30/2021	Prior period to date 04/01/2020 a 06/30/2020	Accumulated from the prior period 01/01/2020 a 06/30/2020
Net operating revenue	17	38,596	75,192	32,271	66,527	866,745	1,656,205	659,384	1,395,031
Costs of services	18	(20,746)	(43,494)	(17,329)	(39,187)	(439,369)	(841,014)	(327,750)	(703,246)
Gross profit		17,850	31,698	14,942	27,340	427,376	815,191	331,634	691,785
Selling, general and administrative expenses	18	(20,680)	(40,276)	(16,616)	(31,216)	(113,468)	(225,477)	(79,942)	(180,933)
Expenses with research and development	18	(1,403)	(2,505)	(3,167)	(3,938)	(1,403)	(2,505)	(3,167)	(3,938)
Other operating income		2,895	2,896	85	96	5,485	5,769	(46)	81,334
Other operating expenses		(263)	(263)	(46)	(49)	(2,478)	(2,556)	(159)	(524)
Equity pickup	9	134,570	257,225	142,119	400,452	-	-	-	-
Income before finance income (costs) and taxes		132,969	248,775	137,317	392,685	315,512	590,422	248,320	587,724
Finance income	19	75,176	211,751	79,811	364,149	157,951	428,139	172,054	782,419
Finance costs	19	(98,414)	(255,051)	(101,335)	(405,965)	(285,957)	(664,175)	(238,625)	(867,072)
Finance income (costs)		(23,238)	(43,300)	(21,524)	(41,816)	(128,006)	(236,036)	(66,571)	(84,653)
Income before taxes		109,731	205,475	115,793	350,869	187,506	354,386	181,749	503,071
Income and social contribution taxes	20 a.	6,229	1,237	(1,491)	(5,383)	(60,590)	(131,755)	(66,228)	(156,810)
Net income for the period		115,960	206,712	114,302	345,486	126,916	222,631	115,521	346,261
Income (loss) attributable to:									
Controlling shareholders		115,960	206,712	114,302	345,486	115,960	206,712	114,302	345,486
Noncontrolling shareholders		-	-	-	-	10,956	15,919	1,219	775
Net income for the period		115,960	206,712	114,302	345,486	126,916	222,631	115,521	346,261
Earnings per share									
Earnings per share - Basic (in R\$)	23	0.07	0.17	0.10	0.37	0.07	0.17	0.10	0.37
Earnings per share - Diluted (in R\$)	23	0.07	0.17	0.10	0.38	0.07	0.17	0.10	0.38
Average number of shares		691,602,599	691,602,599	691,602,245	691,602,245	691,602,599	691,602,599	691,602,245	691,602,245

See accompanying notes.

Aegea Saneamento e Participações S.A.

Statements of comprehensive income

Six-month period ended June 30, 2021 and 2020

(In thousands of reais)

	Note	Parent Company				Consolidated			
		Current period to date	Accumulated for the current period	Prior period to date	Accumulated from the prior period	Current period to date	Accumulated for the current period	Prior period to date	Accumulated from the prior period
		04/01/2021 a 06/30/2021	01/01/2021 a 06/30/2021	04/01/2020 a 06/30/2020	01/01/2020 a 06/30/2020	04/01/2021 a 06/30/2021	01/01/2021 a 06/30/2021	04/01/2020 a 06/30/2020	01/01/2020 a 06/30/2020
Net income for the period		115,960	206,712	114,302	345,486	126,916	222,631	115,521	346,261
Fair value of derivatives	21	(370,070)	(93,881)	31,296	203,130	(370,070)	(93,881)	31,296	203,130
Income and social contribution taxes on fair value of derivatives	21	125,823	31,919	(10,641)	(69,065)	125,823	31,919	(10,641)	(69,065)
Translation adjustments		(11,541)	108	953	6,287	(11,541)	108	953	6,287
Total comprehensive income		<u>(139,828)</u>	<u>144,858</u>	<u>135,910</u>	<u>485,838</u>	<u>(128,872)</u>	<u>160,777</u>	<u>137,129</u>	<u>486,613</u>
Comprehensive income attributable to:									
Controlling shareholders		(139,828)	144,858	135,910	485,838	(139,828)	144,858	135,910	485,838
Noncontrolling shareholders		-	-	-	-	10,956	15,919	1,219	775
Total comprehensive income		<u>(139,828)</u>	<u>144,858</u>	<u>135,910</u>	<u>485,838</u>	<u>(128,872)</u>	<u>160,777</u>	<u>137,129</u>	<u>486,613</u>

See accompanying notes.

Aegea Saneamento e Participações S.A.

Statements of changes in equity

Six-month period ended June 30, 2021 and 2020

(In thousands of reais)

Note	Attributable to controlling shareholders											Noncontrolling shareholders	Total equity
	Capital	Cost of issued shares	Capital reserve	Proposed additional dividends	Income reserves		Retained profits	Equity adjustment	Translation adjustments	Retained earnings	Total		
					Legal	Tax incentive							
Balances at January 1, 2020	888,444	(22,937)	562,584	164,109	59,325	1,036	629	105,708	4,147	-	1,763,045	46,909	1,809,954
Payment of class C preferred shares	-	-	4	-	-	-	-	-	-	-	4	-	4
Fair value of derivatives	-	-	-	-	-	-	-	134,065	-	-	134,065	-	134,065
Tax incentive	-	-	-	-	-	139	-	-	-	-	139	-	139
Translation adjustments	-	-	-	-	-	-	-	-	6,287	-	6,287	-	6,287
Net income for the period	-	-	-	-	-	-	-	-	-	345,486	345,486	775	346,261
Allocation:													
Interim dividends	-	-	-	(164,109)	-	-	-	-	-	-	(164,109)	-	(164,109)
Intercalary dividends	-	-	-	-	-	-	-	-	-	(15,000)	(15,000)	(8)	(15,008)
Balances at June 30, 2020	<u>888,444</u>	<u>(22,937)</u>	<u>562,588</u>	<u>-</u>	<u>59,325</u>	<u>1,175</u>	<u>629</u>	<u>239,773</u>	<u>10,434</u>	<u>330,486</u>	<u>2,069,917</u>	<u>47,676</u>	<u>2,117,593</u>
Balances at January 1, 2021	<u>888,444</u>	<u>(22,937)</u>	<u>562,588</u>	<u>207,996</u>	<u>84,540</u>	<u>1,417</u>	<u>663</u>	<u>224,688</u>	<u>10,028</u>	<u>-</u>	<u>1,957,427</u>	<u>43,528</u>	<u>2,000,955</u>
Capital increase in cash in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	500,000	500,000
Fair value of derivatives	21	-	-	-	-	-	-	(61,962)	-	-	(61,962)	-	(61,962)
Tax incentive	-	-	-	-	-	146	-	-	-	-	146	-	146
Translation adjustments	-	-	-	-	-	-	-	-	108	-	108	-	108
Gain on dilution of ownership interest in subsidiaries	-	-	-	-	-	-	278,738	-	-	-	278,738	(278,738)	-
Cost of issued shares - reflecting subsidiary	-	-	(7,427)	-	-	-	-	-	-	-	(7,427)	(5,603)	(13,030)
Net income for the period	-	-	-	-	-	-	-	-	-	206,712	206,712	15,919	222,631
Allocation:													
Interim dividends	16 b.	-	-	(207,996)	-	-	-	-	-	-	(207,996)	-	(207,996)
Intercalary dividends	16 b.	-	-	-	-	-	-	-	-	(37,000)	(37,000)	-	(37,000)
Balances at June 30, 2021		<u>888,444</u>	<u>(22,937)</u>	<u>555,161</u>	<u>(0)</u>	<u>84,540</u>	<u>1,563</u>	<u>279,401</u>	<u>10,136</u>	<u>169,712</u>	<u>2,128,746</u>	<u>275,106</u>	<u>2,403,852</u>

See accompanying notes.

Aegea Saneamento e Participações S.A.

Statements of cash flows

Six-month period ended June 30, 2021 and 2020

(In thousands of reais)

		Parent Company		Consolidated	
	Note	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Cash flows from operating activities					
Income before taxes		205,475	350,869	354,386	503,071
Adjustments:					
Amortization and depreciation	18	6,957	6,651	160,044	127,356
Provision for lawsuits	15 e 18	-	-	8,303	6,177
Expected loss on allowance for doubtful accounts	7 e 18	-	-	72,188	48,787
Recovery of notes from accounts receivable	7 e 18	-	-	18,723	10,506
P&L from write-off of PP&E		-	5	-	84
P&L from write-off of Intangible assets	11	-	341	220	1,059
PIS/COFINS credits due do legal decision		-	-	-	72,211
Equity pickup	9 -	257,225	400,452	-	-
Interest on short-term investments and private debentures	19 -	17,769	5,218	41,971	20,033
Loss (Gains) on derivative financial instruments	19	18,038	357,113	34,746	663,658
Monetary restatement of PIS/COFINS credits due do legal decision	19	-	-	-	62,376
Charges and monetary variation on loans and financing and debentures	13 e 19	39,560	24,252	235,728	147,497
Interest on intercompany loans	8 e 19	41,517	38,757	-	-
Amortization of funding costs		3,179	1,442	15,638	9,256
Foreign exchange differences	-	43,660	336,512	82,187	630,807
Reversal of (provision for) present value adjustment to trade accounts receivable	7 e 19	-	-	4,189	17,928
Monetary restatement of lawsuits	15	-	-	91	105
PIS/COFINS on finance income		-	-	-	3,349
Restatement of other accounts payable		29	124	790	9,322
	-	3,899	3,830	743,442	640,158
Changes in assets and liabilities					
(Increase)/decrease in other assets					
Trade accounts receivable	-	3,489	501	209,031	121,826
Inventories		-	-	9,032	732
Taxes recoverable	-	1,811	8,919	12,593	26,150
Judicial deposits		1,265	12,178	4,325	107,620
Other receivables	-	104,744	5,495	108,006	5,100
Increase/(decrease) in liabilities					
Suppliers and contractors	-	11,060	961	19,689	14,689
Labor and social obligations		778	6,999	5,263	12,892
Tax obligations		740	1,756	3,879	25,845
Taxes payable in installments		-	-	511	413
Payment of litigation - related amounts	15	-	-	14,626	9,981
Other deferred taxes		-	-	4,060	769
Other accounts payable	-	5,835	3,734	138,678	77,078
Interest paid	13 -	26,557	18,343	179,838	165,774
Income and social contribution taxes paid	20 a.	-	-	81,814	101,399
Net cash flow (used in) provided by operating activities		154,612	22,908	43,065	302,322
Cash flow from investing activities					
Short-term investments and private debentures, net	-	524,432	241,578	513,513	1,008,647
Income from short-term investments and private debentures, net		3,846	2,979	19,458	17,824
Investment in funds for future investments		-	15	-	-
Future capital contribution	-	60,090	-	-	-
Dividends and interest on equity received		174,445	70,000	-	-
Portion paid referring to acquisition of subsidiaries		-	-	-	114,257
Capital contribution in subsidiaries	-	752	47,820	-	-
Acquisition of subsidiaries	-	5	-	5	-
Checking account, net - related parties	-	61,833	76,275	-	-
Tax incentive reserve		146	139	146	139
Acquisition of property and equipment	-	608	7,762	83	25,378
Acquisition of concession-related assets		-	-	308,514	256,040
Acquisition of intangible assets	11 -	1,595	2,413	18,037	12,646
Net cash flow used in investing activities		470,878	302,745	820,382	1,399,005
Cash flow from financing activities					
Loans, financing and debentures raised	13	778,453	455,000	1,169,246	1,664,368
Borrowing costs of loans, financing and debentures	13 -	7,992	7,725	15,723	37,511
Loans, financing and debentures paid	13 -	75,000	-	534,423	449,524
Intercompany loans paid	-	43,179	40,314	-	-
Derivative financial instruments received		28,315	14,775	52,951	29,328
Derivative financial instruments paid	-	3,108	1,545	3,108	1,545
Dividends paid out	-	52,000	94,500	52,000	94,500
New share issue costs		-	-	8,592	-
Cash from capital contribution		-	4	121,547	4
Net cash flow provided by financing activities		625,489	325,695	729,898	1,110,620
Net (decrease) increase in cash and cash equivalents		1	42	47,419	13,937
Cash and cash equivalents as at January 1	5	79	56	81,948	27,972
Translation adjustments		-	-	368	57
Cash and cash equivalents at June 30	5	78	98	34,161	41,966
Net (decrease) increase in cash and cash equivalents		1	42	47,419	13,937

See accompanying notes.

Aegee Saneamento e Participações S.A.

Statements of value added

Six-month period ended June 30, 2021 and 2020

(In thousands of reais)

	Parent Company		Consolidated	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Revenues	87,619	75,056	1,704,056	1,522,906
Services	84,723	74,960	1,359,304	1,196,128
Revenue from construction	-	-	411,171	294,231
Other income	2,896	96	5,769	81,334
Allowance for expected credit loss	-	-	(72,188)	(48,787)
Bought-in inputs	(33,651)	(26,925)	(782,317)	(623,489)
(Include ICMS, IPI, PIS and COFINS)				
Construction cost	-	-	(363,436)	(283,816)
Costs of services	(12,697)	(12,961)	(254,499)	(232,251)
Materials, electricity, third-party services and other	(20,954)	(13,964)	(164,382)	(107,422)
Gross value added	53,968	48,131	921,739	899,417
Amortization and depreciation	(6,957)	(6,651)	(160,044)	(127,356)
Net value added produced by the Company	47,011	41,480	761,695	772,061
Value added received in transfer	468,976	764,601	428,139	782,419
Equity pickup	257,225	400,452	-	-
Finance income	211,751	364,149	428,139	782,419
Total value added to be distributed	515,987	806,081	1,189,834	1,554,480
Distribution of value added	515,987	806,081	1,189,834	1,554,480
Personnel	41,917	37,996	129,995	124,197
Direct compensation	34,809	31,440	95,058	92,670
Benefits	5,304	5,149	28,124	25,518
Unemployment compensation fund (FGTS)	1,804	1,407	6,813	6,009
Taxes, charges and contributions	17,162	20,629	271,359	278,268
Federal taxes	14,632	18,371	263,802	272,291
State taxes	10	-	369	257
Local taxes	2,520	2,258	7,188	5,720
Debt remuneration	250,196	401,970	565,849	805,754
Interest	249,561	401,402	553,722	798,845
Rent	635	568	12,127	6,909
Equity remuneration	206,712	345,486	222,631	346,261
Dividends	37,000	15,000	37,000	15,000
Retained profits	169,712	330,486	169,712	330,486
Noncontrolling interests in retained profits	-	-	15,919	775

See accompanying notes.

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
Six-month period ended June 30, 2021
(In thousands of reais)

1. Operations

Aegea Saneamento e Participações S.A. ("Company") is a holding corporation registered as a publicly-held company in category "B" with the Brazilian Securities and Exchange Commission ("CVM"), located in the city of São Paulo, state of São Paulo (SP).

The Company's business purpose is to hold interests in other companies as a partner or shareholder, as well as to provide consulting, technical assistance, maintenance and management services for companies related to the business in which the Company is directly or indirectly involved, especially regarding sanitation concession activities at the municipal, state and/or federal levels.

Operating segment

The Management of the Company and its subsidiaries evaluated the nature of the regulated environment in which it operates and identified that its performance is intended to provide sanitation services (public utility), which is also used to manage operations and take strategic decisions, being the only source of operating cash flows. Therefore, it concluded that the Company and its subsidiaries operates only in this single operating segment.

COVID-19

On March 11, 2020, the World Health Organization (WHO) declared a pandemic for the new Coronavirus (COVID-19). With the dissemination of cases in Brazil and preventive health policies, some states have adopted the quarantine measure, requiring non-essential businesses and services to be closed. In this context, the Company Management has been adopting, together with its subsidiaries, monitoring and prevention measures to protect its employees and the communities in which they operate. Considering the dissemination of the virus in Brazil and the implications for the Company's and its subsidiaries' operations, Aegea immediately called its Crisis Committee to ensure the safety of its employees, service providers and the entire population served, ensuring provision of its water and sewage services, essential for the society.

In this regard, the Company implemented the following measures:

- Restrictions regarding the circulation and crowding of people on its premises, as a way to prevent the spread of the virus, making only essential trips to maintain operations;
- Suspension of on-site training and participation in events for all employees;
- Orientation of the home office practices for employees whose function enables this type of work, and isolation of all employees classified as at risk (over 60 years of age and with chronic diseases, as recommended by public entities);

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
Six-month period ended June 30, 2021
(In thousands of reais)

1. Operations--Continued

COVID-19--Continued

- Intensification in internal communications of preventive measures, provision of 24-hour medical assistance channels to support employees and family members and provision of internal communication channels to employees, focused on the care related to the pandemic;
- Optimization of the use of technology to ensure virtual service to its customers, impacting as little as possible their administrative and operational activities; and
- Implementation of the contingency plans necessary to ensure water supply and sewage treatment in the municipalities where the Company operates, which are still in full operation.

The Company is also monitoring potential effects on working capital resulting from an eventual increase in the stock of accounts receivable, due to the restriction of the circulation of people in some locations, and is taking measures aimed at preserving and optimizing the use of resources.

Regarding all the analyzes carried out on aspects related to the impacts of COVID-19 on the Company's and its subsidiaries' business for the period ended June 30, 2021, the Company concluded that there are no material effects on its quarterly information. The Company and its subsidiaries will continue to monitor the effects of the crisis and related impacts on their operations and quarterly information. Company Management is confident that will overcome the impact of COVID-19, ensuring the quality of services provided to the population.

Investigations

Campo Grande

On May 11 and November 14, 2017, subsidiary Águas Guariroba S.A. was served search warrants and court orders for the disclosure of tax and bank records, in the face of preliminary decisions issued by the 3rd Federal Court of Campo Grande, Mato Grosso do Sul (MS), because of investigations by the Federal Police in the scope of Operation "Lama Asfáltica" and its developments.

This investigation results from acts performed by authorities in public offices and/or political positions, and persons related to them, in the state of Mato Grosso do Sul, in order to seek and seize documents potentially interesting to the investigation, relating to potential irregular payments made by subsidiary Águas Guariroba S.A. to certain companies and law firms.

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
Six-month period ended June 30, 2021
(In thousands of reais)

1. Operations--Continued

Investigations--Continued

During the authorities investigation, no former or current representative or Management member and employee of subsidiary Águas Guariroba S.A. was indicted, much less denounced; and subsidiary Águas Guariroba S.A. was cited for having had business relationships with investigated individuals and companies.

The latest development of Operation “Lama Asfáltica” was the tax administrative proceedings filed by the Federal Revenue Service. In connection with them, the Company decided to pay, through its subsidiaries, the taxes shown as due. In the year ended December 31, 2018, these taxes totaled R\$27,563, which resulted in the termination of the punishment and in the dismissal of the proceedings.

The Operation Lama Asfáltica and its developments continues being monitored directly by Company’s Board of Directors, under the independent supervision of such part. The Company maintains its intention of assisting the authorities to clarify the facts and take any measures that may be required.

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
Six-month period ended June 30, 2021
(In thousands of reais)

2. Group Entities

The table below shows the Company's interests in its subsidiaries, as well as its activities:

Subsidiaries	Business purpose	Concession contract or Bid document No.	End date of concession	% Ownership interest			
				06/30/2021		12/31/2020	
				Direct	Indirect	Direct	Indirect
AE Contact Call Center Ltda. ("AE Contact")	Call center	-	-	99.99%	0.01%	99.99%	0.01%
Aegea Desenvolvimento S.A. ("Aegea Desenvolvimento")	Holding	-	-	100%	-	100%	-
Aegea Finance S. à R. L. ("Aegea Finance")	Holding	-	-	100%	-	100%	-
AESAN Engenharia e Participações Ltda. ("AESAN Engenharia")	Engineering services	-	-	99.99%	0.01%	99.99%	0.01%
Águas de Ariqueles Saneamento SPE Ltda. ("Ariqueles")	Water and sewage utility	194/2016	04/2046	99.99%	0.01%	99.99%	0.01%
Águas de Bombinhas Saneamento SPE S.A. ("Bombinhas")	Water and sewage utility	06/2016	08/2051	99.99%	0.01%	99.99%	0.01%
Águas de Buritis Saneamento S.A. ("Buritis")	Water and sewage utility	001/2013	04/2045	99.99%	0.01%	99.99%	0.01%
Águas de Camboriú Saneamento SPE S.A. ("Camboriú")	Water and sewage utility	016/2015	11/2050	99.99%	0.01%	99.99%	0.01%
Águas de Guarantã Ltda. ("Guarantã")	Water and sewage utility	45/2001	05/2031	99.99%	0.01%	99.99%	0.01%
Águas de Holambra Saneamento SPE Ltda. ("Holambra")	Water and sewage utility	001/2015	01/2046	99.99%	0.01%	99.99%	0.01%
Águas de Matão S.A. ("Matão")	Water and sewage utility	002/2013	02/2044	99.99%	0.01%	99.99%	0.01%
Águas de Matupá Ltda. ("Matupá")	Water and sewage utility	001/2001	01/2032	99.99%	0.01%	99.99%	0.01%
Águas de Novo Progresso - Tratamento e Distribuição Ltda. ("Novo Progresso")	Water and sewage utility	001/2003	07/2034	99.99%	0.01%	99.99%	0.01%
Águas de Paranatinga S.A. ("Paranatinga")	Water and sewage utility	001/2014	03/2045	51%	-	51%	-
Águas de Penha Saneamento SPE S.A. ("Penha")	Water and sewage utility	194/2015	11/2050	99.81%	-	99.81%	-
Águas de Pimenta Bueno Saneamento SPE Ltda. ("Pimenta Bueno")	Water and sewage utility	001/2015	09/2045	99.99%	0.01%	99.99%	0.01%
Águas de Porto Esperidião Saneamento e Distribuição Ltda. ("Porto Esperidião")	Water and sewage utility	48/2012	12/2042	99.91%	-	99.91%	-
Águas de Rolim de Moura Saneamento SPE Ltda. ("Rolim de Moura")	Water and sewage utility	2497/2012	07/2046	99.99%	0.01%	99.99%	0.01%
Águas de São Francisco Concessionária de Saneamento S.A. ("São Francisco")	Water and sewage utility	02.117/2014	02/2044	100%	-	100%	-
Águas de São Francisco do Sul SPE S.A. ("São Francisco do Sul")	Water and sewage utility	056/2014	01/2050	99.99%	0.01%	99.99%	0.01%
Águas de Sinop S.A. ("Sinop")	Water and sewage utility	002/2014	11/2044	99.99%	0.01%	99.99%	0.01%
Águas de Teresina Saneamento SPE S.A. ("Teresina")	Water and sewage utility	001/2016	06/2047	100%	-	100%	-
Águas de Timon Saneamento S.A. ("Timon")	Water and sewage utility	004/2014	04/2045	99.99%	0.01%	99.99%	0.01%
Águas do Mirante S.A. ("Mirante")	Sewage utility	48/2012	06/2042	99.99%	-	99.99%	-
Águas Guariroba S.A. ("Guariroba")	Water and sewage utility	104/2000	08/2060	99.99%	0.01%	99.99%	-
Ambiental Cariacica Concessionária de Saneamento SPE S.A. ("Cariacica")	Sewage utility	001/2020	04/2051	99.90%	0.10%	99.90%	0.10%
Ambiental Metrosul Concessionária de Saneamento SPE S.A. ("Metrosul")	Sewage utility	001/2019	11/2055	99%	1%	99%	1%
Ambiental MS Pantanal SPE S.A. ("MS Pantanal")	Sewage utility	001/2020	-	100%	-	100%	-
Ambiental Vila Velha Concessionária de Saneamento SPE S.A. ("Vila Velha")	Sewage utility	008/2017	06/2047	99.99%	-	99.99%	-

Aegee Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
Six-month period ended June 30, 2021
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2. Group Entities--Continued

Subsidiaries	Business purpose	Concession contract or Bid document No.	End date of concession	% Ownership interest			
				06/30/2021		12/31/2020	
				Direct	Indirect	Direct	Indirect
Camastra Participações e Administração S.A. ("Camastra")	Holding	-	-	99.99%	0.01%	99.99%	0.01%
Concessionária Águas de Meriti Ltda. ("Meriti")	Water and sewage utility	86/98	07/2045	51%	-	51%	-
GSS - Gestão de Sistemas de Saneamento Ltda. ("GSS")	Information technology	-	-	85.99%	14.01%	85.99%	14.01%
Guaíba Fundo de Investimento em Participações em Infraestrutura ("Fundo Guaíba")	Investment fund	-	-	40%	60%	40%	60%
JSLA Consultoria e Participações S.A. ("JSLA")	Holding	-	-	99.94%	0.06%	99.94%	0.06%
LVE - Locadora de Veículos e Equipamentos Ltda. ("LVE")	Lease of vehicles	-	-	99.99%	0.01%	99.99%	0.01%
R3 Engenharia S.A. ("R3 Engenharia")	Engineering services	-	-	100%	-	100%	-
Regional 1 Engenharia e Participações Ltda. ("R1 Engenharia")	Engineering services	-	-	99.99%	0.01%	99.99%	0.01%
Regional 2 Engenharia e Participações Ltda. ("R2 Engenharia")	Engineering services	-	-	99.93%	0.07%	99.93%	0.07%
Santense Fundo de Investimento em Participações em Infraestrutura ("Fundo Santense")	Investment fund	-	-	40%	60%	40%	60%
AE Consultoria Administrativa S.A. ("AE Consultoria")	Holding	-	-	99.99%	0.01%	99.99%	0.01%
Sonel Engenharia S.A. ("Sonel")	Engineering services	-	-	-	100%	-	100%
Ambiental Serra Concessionária de Saneamento S.A. ("Serra")	Sewage utility	034/2014	01/2045	-	100%	-	100%
Mauá Participações Estruturadas em Saneamento Ltda. ("Mauá")	Holding	-	-	-	100%	-	100%
Igarapé Participações S.A. ("Igarapé Participações")	Holding	-	-	100%	-	100%	-
Igarapé Sustentabilidade S.A. ("Igarapé Sustentabilidade")	Holding	-	-	-	100%	-	100%
Companhia de Saneamento de Manaus ("CSM")	Holding	-	-	-	100%	-	100%
Manaus Ambiental S.A. ("Manaus")	Water and sewage utility	02/2000	07/2045	-	100%	-	100%
Companhia de Saneamento de Norte ("CSN")	Holding	-	-	-	100%	-	100%
Rio Negro Ambiental, Captação, Tratamento e Distribuição de Águas SPE S.A. ("Rio Negro")	Water utility	001/2016	07/2045	-	100%	-	100%
Nascentes do Xingu Investimentos S.A. ("Nascentes do Xingu Investimentos")	Holding	-	-	51%	-	51%	-
Águas de Confresa S.A. ("Confresa")	Water and sewage utility	03/2013	01/2044	-	51%	-	51%
Águas de Diamantino S.A. ("Diamantino")	Water and sewage utility	002/2013	05/2044	-	51%	-	51%

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
Six-month period ended June 30, 2021
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2. Group Entities--Continued

Subsidiaries	Business purpose	Concession contract or Bid document No.	End date of concession	% Ownership interest			
				06/30/2021	12/31/2020	06/30/2021	12/31/2020
				Direct	Indirect	Direct	Indirect
Nascentes do Xingu Participações e Administração S.A. ("Nascentes do Xingu Participações")	Holding	-	-	99.99%	0.01%	99.99%	0.01%
Águas de Barra do Garças Ltda. ("Barra do Garças")	Water and sewage utility	090/2003	09/2033	0.01%	99.99%	0.01%	99.99%
Águas de Campo Verde S.A. ("Campo Verde")	Water and sewage utility	01/2001	11/2031	-	51%	-	51%
Águas de Carlinda S.A. ("Carlinda")	Water utility	001/04	01/2034	-	51%	-	51%
Águas de Cláudia S.A. ("Cláudia")	Water and sewage utility	033/2004	03/2034	-	51%	-	51%
Águas de Jaurú Abastecimento e Distribuição S.A. ("Jaurú")	Water and sewage utility	013/2012	01/2042	-	51%	-	51%
Águas de Marcelândia S.A. ("Marcelândia")	Water and sewage utility	001/2003	06/2033	-	51%	-	51%
Águas de Nortelândia S.A. ("Nortelândia")	Water utility	001/2002	01/2052	-	51%	-	51%
Águas de Poconé S.A. ("Poconé")	Water utility	146/2008	06/2024	-	51%	-	51%
Águas de Primavera S.A. ("Primavera")	Water and sewage utility	001/05/2000	08/2030	-	51%	-	51%
Águas de Santa Carmem S.A. ("Santa Carmem")	Water utility	001/2001	11/2031	-	51%	-	51%
Águas de São José S.A. ("São José")	Water and sewage utility	01/2008	03/2038	-	51%	-	51%
Águas de Sorriso S.A. ("Sorriso")	Water and sewage utility	001/2000	06/2030	-	51%	-	51%
Águas de União do Sul S.A. ("União do Sul")	Water and sewage utility	001/2000	08/2030	-	51%	-	51%
Águas de Vera S.A. ("Vera")	Water and sewage utility	001/2003	04/2041	-	51%	-	51%
APA - Águas de Peixoto de Azevedo S.A. ("Peixoto")	Water and sewage utility	001/1998	08/2030	-	51%	-	51%
Saneamento Básico de Jangada S.A. ("Jangada")	Water and sewage utility	031/2004	06/2034	-	51%	-	51%
Saneamento Básico de Pedra Preta S.A. ("Pedra Preta")	Water and sewage utility	098/2003	12/2032	-	51%	-	51%
Tertúlia Participações e Administração S.A. ("Tertúlia")	Holding	-	-	57%	-	100%	-
Prolagos S.A. - Concessionária de Serviços Públicos de Água e Esgoto ("Prolagos")	Water and sewage utility	CN 04/96	05/2041	-	57%	99.99%	0.01%

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
Six-month period ended June 30, 2021
(In thousands of reais)

3. Basis of preparation

a) Statement of compliance

The parent company and consolidated Quarterly Information (ITR) was prepared in accordance with Accounting Pronouncement CPC 21 (R1) Interim Financial Reporting, pursuant to the accounting practices adopted in Brazil, and in accordance with International Accounting Standard 34 (IAS 34 – Interim Financial Reporting), issued by the International Accounting Standards Board (IASB).

The issuance of the parent company and consolidated Quarterly Information (ITR) was authorized by Management on August 11, 2021.

All relevant information pertaining to the Quarterly Information (ITR), and only such information, is being disclosed, and corresponds to that used by Management in managing the Company.

The basis of preparation of the functional currency and reporting currency, use of estimates, judgments and basis of measurement, as described in Note 3 items "b" to "d", remained unchanged in relation to the related disclosures in the parent company and consolidated financial statements for the year ended December 31, 2020.

Therefore, this Quarterly Information (ITR) should be read together with the financial statements for that year.

4. Summary of significant accounting policies

The Group's Quarterly Information (ITR) was prepared based on the accounting policies described in Note 4 items "a" to "v" disclosed in the parent company and consolidated financial statements for the year ended December 31, 2020.

5. Cash and cash equivalents

	Parent Company		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Cash	26	26	124	94
Bank checking account	52	53	34,037	81,854
	78	79	34,161	81,948

The balances of cash and checking accounts basically comprise cash in kind and available bank deposits, respectively.

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
Six-month period ended June 30, 2021
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6. Short-term investments

Type	Parent Company		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Bank deposit certificates (CDB)	954,054	484,384	2,476,126	2,050,769
Safira Investment Fund	76,092	14,298	399,231	316,617
CEF Topázio Investment Fund	-	-	2,475	23,460
CEF Safira Investment Fund	-	-	-	129,747
CEF Turquesa Investment Fund	-	-	230,249	-
FI BRL REF DI Investment Fund	-	-	2,609	2,924
BB Investment Fund	-	-	-	60,343
Deposit SocGen	-	-	2,470	3,190
	<u>1,030,146</u>	<u>498,682</u>	<u>3,113,160</u>	<u>2,587,050</u>
Current	1,030,146	498,682	3,071,707	2,545,280
Noncurrent	-	-	41,453	41,770

The average profitability pegged to the CDI of Bank Deposit Certificates (CDB) and investment funds is, on average, 91.52% of the CDI at June 30, 2021 (78.79% of the CDI at December 31, 2020).

The shares acquired from investment funds correspond to investments in other non-boutique private credit multimarket investment funds. All funds are registered with the Brazilian SEC (CVM).

The group's short-term investments can be redeemed at any time without prejudice to the remuneration already earned.

The *Deposit SocGen* investment in the amount of R\$2,470 (equivalent to US\$493 considering the PTAX at June 30, 2021 of R\$5,0022) at *Banco Société Generale* is highly liquid and does not have an established maturity date.

The amount presented in noncurrent assets is maintained for the fulfillment of obligations related to subsidiaries' financing, which have contractual clauses determining that they maintain in a reserve account, whilst the agreement remains effective, a balance equivalent to at least 3 monthly considerations.

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets are disclosed in Note 21 - Financial Instruments.

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
Six-month period ended June 30, 2021
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7. Trade accounts receivable

	Parent Company		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Administrative services – related parties (Note 8)	14,627	11,138	-	-
Water and sewage services	-	-	1,417,224	1,245,631
Unbilled revenue from water and wastewater services	-	-	92,031	94,755
Concession financial assets (a)	-	-	256,895	202,286
(-) Expected credit losses	-	-	(441,387)	(369,199)
	<u>14,627</u>	<u>11,138</u>	<u>1,324,763</u>	<u>1,173,473</u>
Current	14,627	11,138	820,299	780,249
Noncurrent	-	-	504,464	393,224

- (a) This balance refers to the portion of accounts receivable recognized on an accrual basis and adopting the percentage of completion method considering the costs incurred, which will be billed in accordance with the business agreement established in the service concession arrangements.

Accounts receivable from billed water and sewage services as at June 30, 2021 mature as follows:

Type of consumer	Falling due	Consolidated Overdue balances					Balance in 06/30/2021
		Within 180 days	181 to 365 days	366 to 730 days	More than 731 days	Total	
Residential	163,522	210,817	94,063	74,384	88,262	467,526	631,048
Commercial	21,557	34,300	19,729	22,121	17,461	93,611	115,168
Industrial	1,532	1,722	1,215	1,170	1,891	5,998	7,530
Public sector	18,578	18,927	11,537	17,347	11,952	59,763	78,341
Subtotal consumers	<u>205,189</u>	<u>265,766</u>	<u>126,544</u>	<u>115,022</u>	<u>119,566</u>	<u>626,898</u>	<u>832,087</u>
Renegotiations (i)	<u>482,882</u>	<u>50,413</u>	<u>21,928</u>	<u>20,175</u>	<u>9,739</u>	<u>102,255</u>	<u>585,137</u>
	<u>688,071</u>	<u>316,179</u>	<u>148,472</u>	<u>135,197</u>	<u>129,305</u>	<u>729,153</u>	<u>1,417,224</u>

- (i) As at June 30, 2021, the balance of renegotiations is net of the present value adjustment totaling R\$70,112 calculated individually for each invoice based on a rate of 5.08% p.a. At June 30, 2021, a provision for present value adjustment in the amount of R\$4,189 was recorded in profit or loss for the period.

Changes in expected credit losses as at June 30, 2021 are shown below:

Nature	Balance at 12/31/2020	Consolidated P&L		Balance in 06/30/2021
		Additions	Reversals	
Private (ii)	(175,544)	(61,776)	34,872	(202,448)
Public	(9,986)	(4,001)	2,934	(11,053)
Renegotiations	<u>(183,669)</u>	<u>(78,513)</u>	<u>34,296</u>	<u>(227,886)</u>
	<u>(369,199)</u>	<u>(144,290)</u>	<u>72,102</u>	<u>(441,387)</u>

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
Six-month period ended June 30, 2021
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7. Trade accounts receivable--Continued

Changes in write-offs and recoveries of notes in P&L at June 30, 2021 are shown below:

Natureza	Consolidated		Total in 06/30/2021
	Write-offs	Recoveries (iii)	
Private (ii)	(43,349)	66,150	22,801
Public	(1,492)	2,022	530
Renegotiations	(31,063)	26,455	(4,608)
	<u>(75,904)</u>	<u>94,627</u>	<u>18,723</u>

(ii) The group covers the residential, commercial and industrial categories.

(iii) Notes previously written down to P&L were recovered as a result of measure adopted by the Company subsidiaries through collection and agreements that gave rise to new installment payment plans or cash receipts.

As at June 30, 2021, based on the foregoing, Management determined that the allowance for expected credit loss is measured as the expected future loss based on historical default rates, according to the provisions matrix.

8. Transactions with related parties

Key management personnel remunerations

The fixed and variable remunerations of key management personnel, including Executive Officers and members of the Board of Directors, are recorded in the P&L for the period, on an accrual basis, and includes salaries and direct and fringe benefits. As at June 30, 2021, the remunerations totaled R\$ 16,300 (R\$ 7,855 as at June 30, 2020) and for the parent company and R\$ 35,960 (R\$ 27,304 as at June 30, 2020) for the consolidated.

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
Six-month period ended June 30, 2021
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8. Transactions with related parties--Continued

Parent Company

The Company's ultimate parent is Arcos Saneamento e Participações Ltda. and its direct parent is Grua Investimento S.A., which hold 58.90% of the common shares representing Company capital.

Other transactions with related parties

The main balances of assets and liabilities relating to transactions with related parties as at June 30, 2021 and December 31, 2020, as well as the transactions that impacted profit and loss for the periods ended June 30, 2021 and 2020, derive from transactions with shareholders and companies that belong to the same economic group.

Transactions carried out in the period are as follows:

	Parent Company	
	06/30/2021	12/31/2020
Current assets		
Receivables from related parties (a) (Note 7)		
Camboriú	127	133
Guariroba	2,668	2,331
Manaus	4,390	2,675
Matão	112	109
Metrosul	383	-
Mirante	401	500
MS Pantanal	622	-
Prolagos	1,544	1,354
Serra	306	366
Sinop	196	185
Teresina	2,049	1,758
Timon	152	144
Vila Velha	249	298
Other related parties	1,428	1,285
	14,627	11,138
Dividends and interest on equity receivable		
AE Consultoria	7,858	7,858
Bombinhas	10,509	7,630
Camboriú	6,450	5,634
Guariroba	117,725	45,294
Igarapé Participações	74,908	74,908
Mirante	3,250	3,250
Prolagos	-	115,366
São Francisco do Sul	19,603	14,426
Teresina	55,814	59,079
Other related parties	8,948	5,975
	305,065	339,420

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
Six-month period ended June 30, 2021
(In thousands of reais)

8. Transactions with related parties--Continued

Other transactions with related parties--Continued

	Parenty Company	
	06/30/2021	12/31/2020
Other receivables (b)		
Aegea Desenvolvimento	-	2,200
Manaus	127	82
MS Pantanal	1,392	-
Prolagos	73	117
Serra	136	98
Teresina	720	526
Other related parties	273	217
	<u>2,721</u>	<u>3,240</u>
Private debentures (c)		
Teresina	<u>47,129</u>	<u>46,288</u>
Noncurrent assets		
Current accounts receivable – related parties (d)		
AESAN Engenharia	5,418	2,492
Ariquemes	2,743	2,743
Burit	9,801	9,391
Camboriú	21,662	22,033
Guarantã	2,345	2,345
Holambra	7,098	8,307
Igarapé Participações	35,516	10
Matão	26,774	23,949
Metrosul	13,156	-
Mirante	27,094	27,094
Matupá	3,558	2,412
Nascentes do Xingú Investimentos	11,906	11,906
Nascentes do Xingú Participações	31,405	31,404
Novo Progresso	4,427	4,427
Paranatinga	2,545	2,545
Penha	31,170	26,263
Pimenta Bueno	5,340	6,369
Primavera	15,967	15,967
Porto Esperidião	2,974	2,974
São Francisco	27,226	22,738
São Francisco do Sul	53,742	53,742
Sinop	28,365	28,365
Other related parties	3,515	4,438
	<u>373,747</u>	<u>311,914</u>
Future capital contribution		
Nascentes do Xingú Investimentos	17,395	17,395
Paranatinga	23	23
	<u>17,418</u>	<u>17,418</u>
	<u>760,707</u>	<u>729,418</u>

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
Six-month period ended June 30, 2021
(In thousands of reais)

8. Transactions with related parties--Continued

Other transactions with related parties--Continued

	Parent Company	
	06/30/2021	12/31/2020
Current liabilities		
Trade accounts payable (b) (Note 12)		
Aesan Engenharia	559	-
Igarapé Sustentabilidade	-	188
Manaus	508	-
Prolagos	105	-
Other related parties	112	49
	<u>1,284</u>	<u>237</u>
Dividends payable		
Angelo Investment Private Limited (GIC)	63,637	-
Grua Investimentos S.A.	85,251	-
Saneamento 100% F.I Part.	44,108	-
	<u>192,996</u>	<u>-</u>
Loans payable to related parties (e)		
Aegea Finance	<u>17,178</u>	<u>18,069</u>
Noncurrent liabilities		
Loans payable to related parties (e)		
Aegea Finance	<u>1,142,703</u>	<u>1,187,134</u>
	<u>1,354,161</u>	<u>1,205,440</u>

	Parent Company	
	06/30/2021	06/30/2020
Profit or loss for the period		
Gross revenue from services (a) (Note 17)		
Camboriú	764	870
Guariroba	16,532	16,129
Manaus	25,311	17,264
Matão	696	746
Metrosul	2,277	-
Mirante	2,510	3,396
MS Pantanal	632	-
Prolagos	9,589	9,379
Rio Negro	600	1,555
São Francisco do Sul	661	783
Serra	1,885	2,486
Sinop	1,192	1,217
Sorriso	657	629
Teresina	12,533	11,785
Timon	932	977
Vila Velha	1,533	2,024
Other related parties	6,419	5,720
	<u>84,723</u>	<u>74,960</u>

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
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8. Transactions with related parties--Continued

Other transactions with related parties--Continued

Cost of services rendered (f)		
LVE	(29)	(156)
Selling, administrative and general expenses (f)		
LVE	(73)	(57)
Finance income (c)		
Teresina	841	1,125
Finance costs		
Interest on intercompany loans (e) (Note 21)		
Aegea Finance	(41,517)	(38,757)
	43,945	37,115

- (a) The nature of these balances is linked to the provision of services by the Company to its subsidiaries through the shared services center ("CAA" - AEGEA Administrative Center) located in the city of Santa Bárbara d'Oeste, state of São Paulo. The services in question basically comprise accounting, tributary audit, financial, human resources, personnel administration, revenue security center, information technology and administrative services that are calculated by means of billing points and billed monthly, falling due in 30 days.
- (b) The balances with related parties classified in the group of other receivables and trade accounts payable refer substantially to support in obtaining loans, financing and debentures from financial institutions and to the transfer of administrative and operating expenses.
- (c) The amounts refer to issue of simple non-convertible debentures for private placement without the intermediation of institutions operating in the securities trading system, issued by subsidiary Teresina with maturity on September 19, 2021.
- (d) The amounts referring to these transactions are recorded in assets and refer to financial transactions due to cash pooling, with no maturity or adjustments.
- (e) The amounts referring to these transactions refer to the nationalization of funds raised in October 2017 through subsidiary Aegea Finance maturing in October 2024, at a rate of 6.7647% p.a.
- (f) This refers to vehicle lease services.

9. Investments and provision for losses on investments

a) Balance breakdown

	Parent Company	
	06/30/2021	12/31/2020
Investments in subsidiaries	2,681,498	2,640,498
Other investments	8	4
Total investments	2,681,506	2,640,502
Provision for losses on investments	(39,957)	(39,950)

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Notes to Quarterly Information (ITR)
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9. Investments and provision for losses on investments--Continued

b) Breakdown of investments

	Capital and issue costs	Equity interest	Total assets of subsidiaries	Total liabilities of subsidiaries	P&L of subsidiaries	Equity of investees as at June 30, 2021	Investments	Other	Investment as at June 30, 2021
AE Consultoria	151,713	100.00%	189,740	(11,104)	9,401	178,636	178,636	-	178,636
AE Contact	17	100.00%	-	-	(1)	-	-	-	-
Aegea Desenvolvimento	200,000	100.00%	192,176	(782)	835	191,394	191,394	-	191,394
Aegea Finance	13,003	100.00%	2,026,240	(2,014,321)	(3,400)	11,919	11,919	1,570	13,489
Ariquemes	7,283	100.00%	42,975	(36,988)	(825)	5,987	5,987	-	5,987
Bombinhas	2,988	100.00%	92,660	(84,311)	2,372	8,349	8,349	-	8,349
Camastra	10	100.00%	9	-	(1)	9	9	-	9
Camboriú	2,692	100.00%	39,434	(32,707)	1,343	6,727	6,727	-	6,727
Cariacica	25,000	99.90%	30,085	(4,929)	156	25,156	25,131	-	25,131
Fundo Guaíba	3,000	40.00%	2,645	(34)	(30)	2,611	1,044	-	1,044
Fundo Santense	500	40.00%	263	(35)	(159)	228	91	-	91
GSS	34,307	85.99%	56,000	(10,689)	3,451	45,311	38,963	(2,973)	35,990
Guarantã	5,344	100.00%	12,245	(4,460)	(49)	7,785	7,785	2,647	10,432
Guariroba	124,427	100.00%	1,734,008	(1,389,097)	94,821	344,911	344,911	-	344,911
Holambra	872	100.00%	17,097	(9,443)	1,565	7,654	7,654	-	7,654
Igarapé Participações	493,246	100.00%	2,868,480	(2,036,567)	34,809	831,913	831,913	-	831,913
JSLA	2	100.00%	5	(5)	-	-	-	-	-
LVE	25,602	99.99%	44,545	(17,070)	(1,722)	27,475	27,472	-	27,472
Matão	37,433	100.00%	108,195	(71,662)	4,679	36,533	36,533	-	36,533
Matupá	2,139	100.00%	11,259	(5,599)	819	5,660	5,660	3,490	9,150
Meriti	19,783	51.00%	5,189	-	(107)	5,189	2,646	2,342	4,988
Metrosul	18,000	99.00%	58,264	(30,938)	14,497	27,326	27,053	-	27,053
Mirante	48,897	99.99%	363,482	(294,433)	9,887	69,049	69,042	34,849 (i)	103,891
MS Pantanal	36,615	100.00%	186,265	(157,667)	(8,017)	28,598	28,598	-	28,598
Nascentes do Xingú Participações	187,554	100.00%	520,715	(339,152)	(7,514)	181,563	181,563	-	181,563
Novo Progresso	1,460	100.00%	8,734	(5,252)	542	3,482	3,482	2,794	6,276
Paranatinga	3,240	51.00%	12,504	(6,237)	337	6,267	3,196	-	3,196
Penha	3,360	99.81%	45,084	(37,465)	902	7,619	7,605	-	7,605

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9. Investments and provision for losses on investments--Continued

b) Breakdown of investments--Continued

	Capital and issue costs	Equity interest	Total assets of subsidiaries	Total liabilities of subsidiaries	P&L of subsidiaries	Equity of investees as at June 30, 2021	Investments	Other	Investment as at June 30, 2021
Pimenta Bueno	2,228	100.00%	14,501	(6,431)	1,033	8,070	8,070	-	8,070
Porto Esperidião	446	99.91%	5,824	(4,696)	86	1,128	1,127	-	1,127
R3 Engenharia	2,498	100.00%	3,325	(311)	73	3,014	3,014	(2,722)	292
Rolim de Moura	5,663	100.00%	13,387	(1,504)	1,364	11,883	11,883	-	11,883
São Francisco	39,376	100.00%	60,714	(59,059)	162	1,655	1,655	-	1,655
São Francisco do Sul	3,091	100.00%	118,908	(103,601)	9,125	15,307	15,307	-	15,307
Sinop	18,480	100.00%	137,726	(84,541)	9,231	53,185	53,185	-	53,185
Teresina	12,988	100.00%	908,793	(818,875)	30,690	89,918	89,918	-	89,918
Tertúlia	1,675	57.00%	548,950	(14)	60,792	548,936	312,894	-	312,894
Timon	15,573	100.00%	151,928	(129,946)	1,669	21,982	21,982	-	21,982
Vila Velha	60,000	100.00%	80,756	(13,653)	2,352	67,103	67,103	-	67,103
						Investment amount at June 30, 2021			2,681,498

(i) Other business combinations

Aegea Saneamento e Participações S.A.

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Six-month period ended June 30, 2021
(In thousands of reais)

9. Investments and provision for losses on investments--Continued

c) Change in investments

	Investment amount as at December 31, 2020	Equity pickup	Unrealized income between companies	Capital increase and future capital contribution (f)	Dividends and interest on equity	Share in equity adjustments (g)	Other (h)	Investment amount as at June 30, 2021
AE Consultoria	169,235	9,401	-	-	-	-	-	178,636
AE Contact	1	(1)	-	-	-	-	-	-
Aegea Desenvolvimento	190,559	835	-	-	-	-	-	191,394
Aegea Finance	17,018	(3,400)	-	-	-	108	(237)	13,489
Ariquemes	6,812	(825)	-	-	-	-	-	5,987
Bombinhas	8,856	2,372	-	-	(2,879)	-	-	8,349
Camastra	10	(1)	-	-	-	-	-	9
Camboriú	6,200	1,343	-	-	(816)	-	-	6,727
Cariacica	24,975	156	-	-	-	-	-	25,131
Fundo Guaíba	1,056	(12)	-	-	-	-	-	1,044
Fundo Santense	155	(64)	-	-	-	-	-	91
GSS	33,671	2,967	174	-	(822)	-	-	35,990
Guarantã	10,620	(188)	-	-	-	-	-	10,432
Guariroba	322,529	94,821	-	-	(72,431)	(40)	32	344,911
Holambra	6,089	1,565	-	-	-	-	-	7,654
Igarapé Participações	766,160	34,809	-	60,090	-	(29,146)	-	831,913
LVE	29,193	(1,721)	-	-	-	-	-	27,472
Matão	31,948	4,679	-	-	-	(94)	-	36,533
Matupá	8,515	635	-	-	-	-	-	9,150
Meriti	5,132	(144)	-	-	-	-	-	4,988
Metrosul	12,701	14,352	-	-	-	-	-	27,053
Mirante	94,817	9,074	-	-	-	-	-	103,891
MS Pantanal	36,615	(8,017)	-	-	-	-	-	28,598
Nascentes do Xingú Participações	184,920	(3,317)	-	-	-	(40)	-	181,563
Novo Progresso	5,841	435	-	-	-	-	-	6,276
Paranatinga	3,024	172	-	-	-	-	-	3,196
Penha	7,722	900	-	-	(1,017)	-	-	7,605

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Notes to Quarterly Information (ITR)
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9. Investments and provision for losses on investments--Continued

c) Changes in investments--Continued

		Equity pickup		Capital increase and future capital contribution	Dividends and interest on equity	Share in equity adjustments (g)	Other (h)	Investment amount as at June 30, 2021
	Investment amount as at December 31, 2020	Equity pickup	Unrealized income between companies	(f)				
Pimenta Bueno	7,037	1,033	-	-	-	-	-	8,070
Porto Esperidião	1,041	86	-	-	-	-	-	1,127
Prolagos	378,866	-	-	-	-	-	(378,866)	-
R3 Engenharia	200	73	19	-	-	-	-	292
Rolim de Moura	10,519	1,364	-	-	-	-	-	11,883
São Francisco	1,543	162	-	-	-	(50)	-	1,655
São Francisco do Sul	11,359	9,125	-	-	(5,177)	-	-	15,307
Sinop	43,954	9,231	-	-	-	-	-	53,185
Teresina	115,042	30,690	-	-	(55,814)	-	-	89,918
Tertúlia	10	40,439	-	1,165	-	-	271,280	312,894
Timon	20,313	1,669	-	-	-	-	-	21,982
Vila Velha	66,229	2,352	-	-	(1,478)	-	-	67,103
	<u>2,640,487</u>	<u>257,050</u>	<u>193</u>	<u>61,255</u>	<u>(140,434)</u>	<u>(29,262)</u>	<u>(107,791)</u>	<u>2,681,498</u>

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
Six-month period ended June 30, 2021
(In thousands of reais)

9. Investments and provision for losses on investments--Continued

d) Breakdown of provision for losses on investments

	Capital	Equity interest	Total assets of subsidiaries	Total liabilities of subsidiaries	P&L of subsidiaries	Equity of investees as at June 30, 2021	Investments	(-) Unrealized income between subsidiaries	Provision for loss on investment as at June 30, 2021
Buritis	6,535	100.00%	10,514	(10,582)	(79)	(68)	(68)	-	(68)
AESAN Engenharia	35,738	100.00%	35,925	(13,596)	(1,128)	22,329	22,329	(57,234)	(34,905)
Nascentes do Xingú Investimentos	3,657	51.00%	47,769	(56,500)	(719)	(8,731)	(4,453)	-	(4,453)
R1 Engenharia	520	100.00%	1,247	(1)	98	1,246	1,246	(1,764)	(518)
R2 Engenharia	1	100.00%	4	(17)	(13)	(13)	(13)	-	(13)
Allowance for investment loss as at June 30, 2021									(39,957)

e) Changes in provision for losses on investments

	Investment amount as at December 31, 2020	Equity pickup	Unrealized income between companies	Capital increase and future capital contribution (f)	Dividends and interest on equity	Share in equity adjustments (g)	Other (h)	Provision for loss on investment amount as at June 30, 2021
Buritis	11	(79)	-	-	-	-	-	(68)
AESAN Engenharia	(35,238)	(1,128)	1,461	-	-	-	-	(34,905)
Nascentes do Xingú Investimentos	(4,086)	(367)	-	-	-	-	-	(4,453)
R1 Engenharia	(626)	98	10	-	-	-	-	(518)
R2 Engenharia	-	(13)	-	-	-	-	-	(13)
	(39,939)	(1,489)	1,471	-	-	-	-	(39,957)

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Notes to Quarterly Information (ITR)
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9. Investments and provision for losses on investments--Continued

f) Capital increase and future capital contributions in subsidiaries

Date	Approval	Parent Company	Type of Payment	Value
01/28/2021	AGE	Tertúlia	Net assets contributed - Tertúlia	1,165
04/30/2021	AGE	Igarapé Participações	Future capital contribution capitalization	60,090
				<u>61,255</u>

g) Share in equity adjustments

The Company recognized the effect of its share in the equity valuation adjustment, of its direct subsidiaries Guariroba, São Francisco, Matão, Igarapé Participações, and its indirect subsidiary Barra do Garças as described in Note 21.

The Company recognized share in the translation adjustment, due to the translation of asset and liability accounts of the balances of its foreign subsidiary Aegea Finance.

h) Other

In the period ended June 30, 2021, the balance to be amortized of borrowing costs for the subsidiary Aegea Finance is R\$1,689, with the amount of R\$237 recorded in the P&L for the period.

On January 28, 2021, the Company transferred the totality of its equity interest in the subsidiary Prolagos in the amount of R\$378,866, represented by 221,673,063 common shares, through the payment of capital in its subsidiary Tertúlia.

On February 3, 2021, PROJETO LAKE S.A. joined Prolagos as an indirect minority shareholder, through the subscription and payment of preferred shares in Tertúlia in the amount of R\$500,000, equivalent to a proportional 43% stake. This transaction resulted in a gain due to the dilution of the equity interest for the Company in the amount of R\$278,706. In addition, in this operation the subsidiary incurred in share issue costs in the amount of R\$7,427, as disclosed in the Statement of changes in equity.

On May 14, 2021, the following companies were incorporated: SPE Saneamento Rio 1 S.A. ("Rio 1") and SPE Saneamento Rio 4 S.A. ("Rio 4"), where the Company, as a shareholder, subscribed and subsequently paid in 564 common shares in the amount of R\$ 3 and 1,332 class B preferred shares in the amount of R\$ 16 in Rio 1, and 794 common shares in the amount of R\$ 3 and 1,873 class B preferred shares in the amount of R\$ 16 in Rio 4, all registered and with no par value.

Aegea Saneamento e Participações S.A.

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10. Concession-related assets

	Consolidated	
	06/30/2021	12/31/2020
Concession-related assets	349,499	561,223

These refer to the contractual right of the concessionaire to charge from users of water distribution and sewage treatment utility services, when the respective assets become operational, and are measured at cost.

	Consolidated		
	Balance in 12/31/2020	Additions (i)	Transfers (ii)
Concession-related assets	561,223	319,693	(531,417)

(i) This balance refers to the transfer of concession assets to intangible assets as the works are completed and become operational.

11. Intangible assets

The figures shown as intangible assets refer to the concession to operate the infrastructure and are broken down as follows:

a) Balance breakdown

	Useful life (years)	Average annual rate	06/30/2021			12/31/2020
Assets			Cost	(-) Amortization	Net	Net
Infrastructure exploration right						
Grant/Concession agreement	19 to 60	3.1%	1,111,664	(224,144)	887,520	896,716
Technical sanitation facilities	2 to 48	4.2%	3,320,409	(1,009,566)	2,310,843	2,049,658
Treatment plant buildings	3 to 47	4.1%	1,931,791	(618,845)	1,312,946	1,153,963
Machinery and equipment	3 to 48	6.5%	332,488	(151,900)	180,588	183,177
Other components	3 to 48	5.6%	9,582	(3,625)	5,957	6,162
			6,705,934	(2,008,080)	4,697,854	4,289,676
Software						
Software licenses	3 to 10	9%	188,363	(60,461)	127,902	131,753
			188,363	(60,461)	127,902	131,753
			6,894,297	(2,068,541)	4,825,756	4,421,429

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
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(In thousands of reais)

11. Intangible assets--Continued

b) Changes in cost

Assets	12/31/2020	06/30/2021			
	Cost	Additions	Write-offs	Transfers	Cost
Infrastructure exploration right					
Grant/Concession agreement	1,100,777	10,887	-	-	1,111,664
Technical sanitation facilities	2,986,479	329,590	(174)	4,514	3,320,409
Treatment plant buildings	1,737,766	194,075	(65)	15	1,931,791
Machinery and equipment	324,743	7,752	(9)	2	332,488
Other components	9,572	-	-	10	9,582
	<u>6,159,337</u>	<u>542,304</u>	<u>(248)</u>	<u>4,541</u>	<u>6,705,934</u>
Software					
Software licenses	185,754	7,150	-	(4,541)	188,363
	<u>185,754</u>	<u>7,150</u>	<u>-</u>	<u>(4,541)</u>	<u>188,365</u>
	<u>6,345,091</u>	<u>549,454</u>	<u>(248)</u>	<u>-</u>	<u>6,894,297</u>

c) Changes in amortization expenses

Assets	12/31/2020	06/30/2021			
	Accumulated amortization	Additions	Write-offs	Transfers	Accumulated amortization
Infrastructure exploration right					
Grant/Concession agreement	(204,061)	(20,083)	-	-	(224,144)
Technical sanitation facilities	(936,821)	(72,075)	2	(672)	(1,009,566)
Treatment plant buildings	(583,803)	(35,051)	17	(8)	(618,845)
Machinery and equipment	(141,566)	(10,335)	1	-	(151,900)
Other components	(3,410)	(214)	-	(1)	(3,625)
	<u>(1,869,661)</u>	<u>(137,758)</u>	<u>20</u>	<u>(681)</u>	<u>(2,008,080)</u>
Software					
Software licenses	(54,001)	(7,149)	8	681	(60,461)
	<u>(54,001)</u>	<u>(7,149)</u>	<u>8</u>	<u>681</u>	<u>(60,461)</u>
	<u>(1,923,662)</u>	<u>(144,907)</u>	<u>28</u>	<u>-</u>	<u>(2,068,541)</u>

12. Suppliers and contractors

	Parent Company		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Services and contractors payable	9,307	21,414	226,461	195,603
Trade accounts payable – related parties (Note 8)	1,284	237	-	-
	<u>10,591</u>	<u>21,651</u>	<u>226,461</u>	<u>195,603</u>
Current	10,591	21,651	218,613	195,603
Noncurrent	-	-	7,848	-

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13. Loans, financing and debentures

Type	Charges	Final contract maturity	Amount contracted	Amount raised	Parent Company		Consolidated	
					06/30/2021	12/31/2020	06/30/2021	12/31/2020
Debentures - CDI	CDI + 0.65% to 3.0% p.a.	July/21 to April/27	2,992,400	2,992,400	1,541,815	1,139,319	2,958,534	2,572,140
Debentures- IPCA	IPCA + 4.40% to 7.08% p.a.	August/24 to July/29	807,600	807,600	80,895	75,045	911,820	862,990
Loan Proparco	Libor + 3.25% p.a.	December/26	136,232	136,232	-	-	112,423	129,026
Project BNDES	Pre 3% to 6% p.a. SELIC + 1.94% to 3.13% p.a. TJLP + 1.94% p.a. to 3.44% p.a. and IPCA + 5.10% to 5.50% p.a.	January/22 to July/40	1,039,035	725,870	-	-	501,373	492,363
Project CEF	TR + 8.5% to 8.7% p.a.	February/39 to February/43	482,597	239,403	-	-	286,439	288,259
Senior Notes (Bonds)	USD + 5.75% p.a.	October/24	1,266,920	1,266,920	-	-	2,012,126	2,088,508
Finisa	Pre 3.50%	December/23	4,912	4,912	-	-	1,625	2,011
Working capital	SELIC + 2.53% p.a.	August/23	30,000	30,000	-	-	22,988	28,930
Promissory notes	CDI + 1.50% to 1.70% p.a.	January/23 to March/23	500,000	500,000	-	-	504,612	514,005
Project BNB	IPCA + 1.17% p.a.	September/38	73,718	33,631	-	-	33,964	33,853
Bank Credit Note	CDI + 3.50% to 4.65% p.a.	November/21 to October/23	600,000	600,000	75,538	150,931	507,426	600,499
					<u>1,698,248</u>	<u>1,365,295</u>	<u>7,853,330</u>	<u>7,612,584</u>
Current					206,314	197,571	659,755	876,205
Noncurrent					1,491,934	1,167,724	7,193,575	6,736,379

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
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13. Loans, financing and debentures--Continued

Debt amortization schedule

The portions classified in noncurrent liabilities have the following payment schedule as at June 30, 2021:

	Parent Company	Consolidated
	06/30/2021	06/30/2021
Debt amortization schedule – loans and financing		
2022	-	71,153
2023	-	851,138
2024	-	2,079,066
2025	-	77,922
2026	-	71,997
2027 onwards	-	516,304
	-	3,667,580
Debt amortization schedule – debentures		
2022	160,050	193,718
2023	566,750	1,033,751
2024	190,396	724,065
2025	323,716	877,638
2026	133,340	351,956
2027 onwards	133,340	438,464
	1,507,592	3,619,592
Borrowing cost (noncurrent)	(15,658)	(93,597)
Total	1,491,934	7,193,575
Change in debts	Parent Company	Consolidated
	06/30/2021	06/30/2021
Opening balance	1,365,295	7,612,584
Funding	778,453	1,169,246
(-) Payment of principal	(75,000)	(534,423)
(-) Payment of interest	(26,557)	(179,838)
Provision for interest (Note 19)	39,560	235,728
Interest capitalized in concession assets	-	11,179
Translation adjustment - asset and liability accounts (i)	-	(76,360)
(-) Borrowing costs for the period	(7,992)	(15,723)
Amortization of borrowing cost for the period	2,942	15,635
Exchange differences	-	(6,245)
Contribution to subsidiary (ii) – no cash effect	(378,453)	(378,453)
Closing balance	1,698,248	7,853,330

(i) Translation adjustments of assets and liabilities refer to translation of the currency of subsidiary Aegea Finance into the Company's functional currency.

(ii) The Company transferred ownership of the debt referring to the 6th issue of junior unsecured debentures, not convertible into shares, in a single series, to subsidiary Tertúlia. Subsequently, the minority shareholder, Projeto Lake S.A., through the capitalization of the 6th issue of debentures, paid in as capital in subsidiary Tertúlia.

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
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13. Loans, financing and debentures--Continued

As at June 30, 2021, the borrowing cost balance totals R\$113,920 (R\$114,256 as at December 31, 2020), considering the translation adjustment to asset and liability accounts amounting to R\$424 (R\$4,291 as at December 31, 2020), which were recognized in accordance with the definitions in IAS 32 and Accounting Pronouncement CPC 08 (R1) - Transaction Costs and Premium on Issue of Marketable Securities, issued by Brazil's Financial Accounting Standards Board (CPC).

The main events in the period were:

a) Fundraising

		<u>Contract date</u>	<u>Date of release</u>	<u>Total nominal value</u>	<u>Amount obtained</u>	<u>Maturity</u>
CEF Projects	Confresa (iii)	February 2021	February 2021	17,489	3,306	Monthly – between February 2033 and February 2043
BNDES Projects	Manaus (iv)	June 2020	June 2021	77,060	37,487	Monthly – between August 2022 and July 2040

(iii) Indirect subsidiary Confresa granted guarantees for this operation, the most significant of which are as follows: (a) chattel mortgage of Confresa shares held by Nascentes do Xingú Investimentos; (b) restriction of revenue and pledge of credit rights of the concession; (c) promissory note in the contract amount; and (d) security interest assumed by the Company.

(iv) Indirect subsidiary Manaus granted guarantees for this operation, the most significant of which are as follows: (a) security interest assumed by the Company; (b) chattel mortgage of credit rights and emerging rights; (c) reserve account and/or bank surety equivalent to the amount of up to three installments falling due on the financing; and (d) pledge of all the shares of indirect subsidiary Manaus.

					Dates of payment	
		Issue	Date of issue	Issue amount	Principal	Interest
Debentures	Teresina (vi)	3rd issue	March/2021	200,000	3 installments - March 2024, 2025 and 2026	On a semi-annual basis as from issue date
Debentures	Aegea (ii)	6th issue	January/2021	378,453	-	-
Debentures	Aegea (v)	7th issue	April/2021	400,000	3 installments - April 2025, 2026 and 2027	On a semi-annual basis as from issue date
Debentures	MS Pantanal (vi)	1st issue	June/2021	150,000	Lump sum	A year from issue date

(v) Debenture transactions have no guarantees.

(vi) The Company provided guarantee in the debenture transactions for Teresina and MS Pantanal.

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Notes to Quarterly Information (ITR)
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13. Loans, financing and debentures--Continued

b) Payments

In February 2021, funds raised from the Brazilian Development Bank ("BNDES") were fully settled by indirect subsidiary Manaus, in the total nominal amount of R\$ 60,064, according to the repayment schedule defined in the contract.

In March 2021, the 3rd issue of simple debentures, issued by the subsidiary in September 2017, was fully settled by Guariroba. Said issue comprised 40,000 simple, nonconvertible, unsecured, registered and book-entry debentures, in two series, with a total nominal value of R\$400,000.

In the period ended June 30, 2021, there were no changes related to the conditions for the loans, financing and debentures taken out, as well as the guarantees already described in Note 13 to the financial statements for the year ended December 31, 2020.

The Group maintains in its loans, financing and debentures, guarantees, restrictions and covenants, both qualitative and quantitative, usual in the market. All covenants referring to loans, financing and debentures are in compliance by the Group at June 30, 2021.

14. Other accounts payable

	Parent Company		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Grant right payable (i)	-	-	26,148	26,671
Provision for social fund payable	-	-		271
Amount payable for acquisition of Mauá Participações Estruturadas em Saneamento Ltda. Saneamento Ltda.	-	-	859	848
Advances from customers	-	-	15,375	21,118
Earn-out arising from business combination (ii)	-	-	10,278	126,947
Provision for bonuses	608	3,938	610	3,938
Leases	1,374	1,605	45,446	38,744
Acquisition of aircraft	1,962	3,874	1,962	3,874
Other accounts payable	-	-	7,923	8,445
	<u>3,944</u>	<u>9,417</u>	<u>108,601</u>	<u>230,856</u>
Current	3,684	6,986	38,884	159,045
Noncurrent	260	2,431	69,717	71,811

- (i) The amount payable by subsidiary Guariroba as at June 30, 2021 is broken down as follows: (a) R\$13,033 (R\$12,939 at December 31, 2020) payable to the city of Campo Grande - MS, and (b) R\$13,115 payable to the State of Mato Grosso do Sul (R\$13,732 at December 31, 2020), which will be paid in monthly installments until October 2030, annually restated at the same index as the contract price.
- The amount of the monthly payment due to the city of Campo Grande - MS is suspended according to the agreement between the parties until definition of the request made by Guariroba in maintaining the financial and economic balance of the contract due to PAC (Programa de Aceleração do Crescimento) early work requested by the Local Granting Authority in 2013.

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
Six-month period ended June 30, 2021
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14. Other accounts payable--Continued

- (ii) As a result of the res judicata decision in tax proceeding No. 0003477-15.2013.4.01.3200, as provided for in the Purchase and Sale Agreement of indirect subsidiary Manaus, indirect subsidiary Igarapé Sustentabilidade assumed a commitment to pay the success fee to the seller, the first one paid on June 3, 2020 in the amount of R\$92,503 and the second one paid on March 2, 2021 in the amount of R\$91,790. The remaining balance to be paid refers to contractual withholdings, paid on June 2, in the amount of R\$ 25,686. While unpaid, amounts are restated by reference to the CDI.

15. Judicial deposits and provision for lawsuits

The Group is party to legal and administrative proceedings arising in the ordinary course of business, in matters of a tax, civil, labor and environmental nature. Currently, the Group is defendant in all delinquency notices, administrative proceedings and notifications in which they are involved.

Management, based on the assessments of the Group's internal and external legal advisors, set up a provision at an amount considered sufficient to cover probable losses on lawsuits pending judgment, and maintains its commitments to deposit funds in court, when required in the procedural progress. Positions are as follows:

Nature	Parent Company			
	Judicial deposits		Lawsuits	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Civil	13,899	10,238	4,522	4,522
Labor	10	-	-	-
	<u>13,909</u>	<u>10,238</u>	<u>4,522</u>	<u>4,522</u>

Nature	Consolidated			
	Judicial deposits		Lawsuits	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Civil	19,594	14,473	15,692	17,675
Labor	3,679	3,491	8,758	8,983
Tax	30,029	26,332	7,906	7,815
Environmental	256	-	1,309	1,861
	<u>53,558</u>	<u>44,296</u>	<u>33,665</u>	<u>36,334</u>

Changes in provision for Lawsuits

Nature	Balance in 12/31/2020	P&L		Consolidated				Balance in 06/30/2021
		Additions	Reversals	Payments	Indemnificati on assets (i)	Monetary restatement		
Civil	17,675	10,264	(3,174)	(11,996)	2,943	-		15,692
Labor	8,983	2,904	(1,139)	(2,630)	620	-		8,758
Tax	7,815	-	-	-	-	91		7,906
Environmental	1,861	-	(552)	-	-	-		1,309
Total	<u>36,334</u>	<u>13,168</u>	<u>(4,865)</u>	<u>(14,626)</u>	<u>3,563</u>	<u>91</u>		<u>33,665</u>

- (i) Provisions to be reimbursed as established in the purchase and sale instrument of the business combination.

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
Six-month period ended June 30, 2021
(In thousands of reais)

15. Judicial deposits and provision for Lawsuits--Continued

Lawsuits - possible

The unrecognized contingent liabilities referring to legal proceedings whose likelihood of loss was assessed as possible by Company legal advisors totaled R\$48,221 at June 30, 2021 (R\$47,827 at December 31, 2020), therefore, no provision was recorded to cover losses, if any, from these proceedings, considering that the accounting practices adopted in Brazil do not require their accounting.

In the period ended June 30, 2021, there were no significant changes in the possible lawsuits and judicial deposits described in Note 15 to the individual and consolidated financial statements for the year ended December 31, 2020.

16. Equity

a) Capital

As at June 30, 2021 and December 31, 2020 paid-in capital amounts to R\$888,444 and shareholders, number of shares and respective interest held are as follows:

	Common shares	Preferred shares	
		Class A	Class C
Grua Investimentos S.A.	407,331,200	-	-
Saneamento 100% Fundo de Investimento em Participações - Multiestratégia	152,331,113	35,178,760	-
Angelo Investment Private Limited	131,940,932	103,653,713	-
Verona Saneamento e Investimentos S.A.	-	-	1,000
	<u>691,603,245</u>	<u>138,832,473</u>	<u>1,000</u>
	Common shares	Preferred shares	
		Class A	Class C
Grua Investimentos S.A.	58.90%	-	-
Saneamento 100% Fundo de Investimento em Participações - Multiestratégia	22.02%	25.34%	-
Angelo Investment Private Limited	19.08%	74.66%	-
Verona Saneamento e Investimentos S.A.	-	-	100.00%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
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16. Equity--Continued

On April 21, 2021, Saneamento 100% Investimento e Participações S.A., until then a shareholder of the Company, was dissolved and liquidated. As a consequence, the remaining assets were apportioned and, as such, Saneamento 100% Fundo de Investimento em Participações – Multiestratégia (“FIP Saneamento”) received 152,331,113 common shares and 35,178,760 class A preferred shares issued by the Company, equivalent to 22.02% and 25.34%, respectively, and became a direct shareholder of the Company.

On April 28, 2021, the General Meeting approved, with no change in capital, the conversion of 1,000 class B registered preferred shares with no par value held by GRUA Investimentos S.A. (“Grua”) into 1,000 registered common shares with no par value.

b) Dividends

On April 28, 2021, the Annual General Meeting approved the allocation of interim dividends amounting to R\$ 207,996 referring to the additional dividends proposed at December 31, 2020. On referred to date, the Company paid R\$ 15,000 out of this amount to the shareholder bearing class C preferred shares.

On June 08, 2021, the Company declared and paid out interim dividends amounting to R\$37,000 to holders of class C preferred shares.

Except for the matter mentioned in Note 26 Subsequent Events, there was no change in the capital reserve, equity valuation adjustment, tax incentive reserve, legal reserve and retained profit reserve described in Note 16 to the parent company and consolidated financial statements for the year ended December 31, 2020.

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
Six-month period ended June 30, 2021
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17. Net operating revenue

	Parent Company		Consolidated	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Revenue from services rendered				
Water supply services	-	-	976,804	879,545
Other indirect water services	-	-	87,882	85,395
Sewage services	-	-	301,607	239,274
Other indirect sewage services	-	-	13,682	10,489
Revenue from administrative services - related parties (Note 8)	84,723	74,960	-	-
Revenue from construction - financial assets	-	-	82,245	16,694
Revenue from financial assets	-	-	9,233	2,978
Revenue from construction - intangible assets	-	-	319,693	274,559
Total gross revenue	84,723	74,960	1,791,146	1,508,934
Deductions from gross revenue				
(-) Cancellations and rebates	-	-	(20,670)	(18,575)
(-) Taxes on services	(9,531)	(8,433)	(114,271)	(95,328)
Total operating revenue, net	75,192	66,527	1,656,205	1,395,031

18. Costs and expenses by nature

	Parent Company		Consolidated	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Personnel	(49,006)	(42,678)	(154,140)	(144,297)
Maintenance and upkeep	(617)	(170)	(19,348)	(19,176)
Third-party services	(23,492)	(17,559)	(70,482)	(56,707)
Materials, equipment and vehicles	(926)	(2,030)	(18,639)	(11,829)
Amortization and depreciation	(6,957)	(6,651)	(160,044)	(127,356)
Concession cost	-	-	(17,657)	(15,379)
Third-party services for water treatment	-	-	(7,067)	(6,588)
Third-party services for wastewater treatment	-	-	(9,924)	(7,837)
Construction cost - financial assets	-	-	(43,743)	(9,257)
Construction cost - intangible assets	-	-	(319,693)	(274,559)
Expected loss on allowance for doubtful accounts	-	-	(72,188)	(48,787)
Recovery of notes from accounts receivable	-	-	18,723	10,506
Provision for Lawsuits	-	-	(8,303)	(6,177)
Taxes, charges and social contributions	(802)	(643)	(4,305)	(2,241)
Electric power	(24)	(115)	(125,913)	(116,014)
Chemical products	-	-	(23,831)	(23,340)
Leases	(635)	(568)	(12,127)	(6,909)
Other	(3,816)	(3,927)	(20,315)	(22,170)
	(86,275)	(74,341)	(1,068,996)	(888,117)
Cost of services	(43,494)	(39,187)	(841,014)	(703,246)
Selling, general and administrative expenses	(40,276)	(31,216)	(225,477)	(180,933)
Expenses with research and development	(2,505)	(3,938)	(2,505)	(3,938)

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
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19. Finance income (costs)

	Parent Company		Consolidated	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Revenues				
Short-term investment yield (i)	17,769	5,218	42,070	20,124
Interest and fine received or earned	3	3	21,485	18,335
Foreign exchange gains	160,288	160	300,030	12,101
Monetary restatement of PIS/COFINS credits based on court decision (ii)	-	-	-	62,376
Gains from derivative financial instruments (Note 21)	33,687	358,658	62,671	665,203
Other finance income	4	110	1,883	4,280
Finance income	<u>211,751</u>	<u>364,149</u>	<u>428,139</u>	<u>782,419</u>
Costs				
Charges and monetary variation on loans and financing and debentures (Note 13)	(39,560)	(24,252)	(235,728)	(147,497)
Interest on intercompany loan (Note 8)	(41,517)	(38,757)	-	-
Discounts granted	-	-	(71,072)	(54,693)
Bank charges and commissions	(1,267)	(1,400)	(14,575)	(13,976)
Reversal of (provision for) present value adjustment to trade accounts receivable (Note 7)	-	-	(4,189)	17,928
Taxes on finance income (PIS/COFINS)	(1,039)	(1,709)	(4,038)	(7,095)
Loss on derivative financial instruments (Note 21)	(51,725)	(1,545)	(97,417)	(1,545)
Exchange losses	(116,628)	(336,672)	(217,843)	(639,917)
Other finance costs	(3,315)	(1,630)	(19,313)	(20,277)
Finance costs	<u>(255,051)</u>	<u>(405,965)</u>	<u>(664,175)</u>	<u>(867,072)</u>
Finance income (costs)	<u>(43,300)</u>	<u>(41,816)</u>	<u>(236,036)</u>	<u>(84,653)</u>

(i) Income from short-term investment yield in the consolidated financial statements comprises interest incurred on cash and cash equivalents amounting to R\$99 (R\$91 at June 30, 2020).

(ii) As a result of the favorable res judicata decision to indirect subsidiary Manaus relating to proceeding No. 0003477-15.2013.4.01.3200 on March 2, 2020, regarding the unenforceability of PIS and COFINS on the rendering of services, the respective indirect subsidiary recognized the amounts of PIS and COFINS credits in P&L for the period referring to the monetary restatement of amounts paid in the period of 5 years prior to filing the lawsuit.

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
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20. Income and social contribution taxes (IRPJ and CSLL)

a) Current income and social contribution taxes

Reconciliation of income and social contribution taxes, calculated at the rates provided for in tax legislation, and corresponding amounts in the statement of profit or loss, for the periods ended June 30, 2021 and 2020, is as follows:

	Parent Company		Consolidated	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Book income before income and social contribution taxes	205,475	350,869	354,386	503,071
Equity pickup	(257,225)	(400,452)	-	-
Adjusted net income	(51,750)	(49,583)	354,386	503,071
Combined tax rate	34%	34%	34%	34%
Income and social contribution taxes at combined rate	17,595	16,858	(120,491)	(171,044)
Non-deductible expenses	(1,241)	(1,235)	(6,166)	(17,788)
Interest on equity received	(782)	(5,369)	-	-
Deferred income and social contribution taxes on temporary differences not recognized (i)	1,550	1,548	2,300	2,677
Deferred income and social contribution taxes on income and social contribution tax losses not recognized (i)	(15,885)	(17,185)	(20,932)	(30,497)
Rate change from 34% to 15.25% on temporary differences (ii)	-	-	242	-
Decrease in rate – Profit from tax incentive activities (ii)	-	-	21,088	67,960
Workers' Meal Program (PAT)	-	-	1,779	1,910
Amortization of goodwill on acquisition of investments	-	-	(3,190)	(3,264)
Rate difference – subsidiary abroad	-	-	(8,662)	(8,036)
Other permanent differences	-	-	2,277	1,272
Income and social contribution taxes:				
Current	-	-	(149,716)	(129,679)
Deferred	1,237	(5,383)	(2,665)	(58,313)
Profit from tax incentive activities	-	-	20,626	31,182
Income and social contribution taxes on P&L for the period	1,237	(5,383)	(131,755)	(156,810)
Effective rate	2%	(11%)	37%	31%

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
Six-month period ended June 30, 2021
(In thousands of reais)

20. Income and social contribution taxes (IRPJ and CSLL)--Continued

a) Current income and social contribution taxes--Continued

<u>Changes in income and social contribution taxes paid</u>	<u>Consolidated 06/30/2021</u>
Total current income and social contribution taxes net of profit from tax incentive activities	(129,091)
Balance paid referring to prior years	(13,929)
Prepaid income and social contribution taxes	(1,372)
Non-cash items (breakdown below)	62,578
Total income and social contribution taxes paid as per statement of cash flow	(81,814)
Non-cash transactions that affected the taxes:	
Offsets referring to withholding taxes and negative balance of income and social contribution taxes	6,522
Income and social contribution taxes over share issue costs	6,713
Income and social contribution taxes payable	49,343
Total	62,578

- (i) Deferred tax assets are not recorded to the extent that future taxable profits are not likely to be available against which unused tax losses may be offset.
- (ii) The Superintendence for the Development of the Amazon (SUDAM) or the Superintendence for the Development of the Northeast (SUDENE), depending on the area of activity, in order to modernize infrastructure ventures in its area of activity, issued a Certificate of Tax Reduction providing for decrease of 75% income tax and additional charges not recoverable calculated on profit from tax-incentive activities of indirect subsidiary Manaus up to calendar year 2021, and its indirect subsidiaries Diamantino, Poconé, São José, Cláudia, Nortelândia, Pedra Preta, Sorriso and Vera and direct subsidiaries Paranatinga, Timon, Teresina, Sinop, Guaranã and Novo Progresso up to calendar year 2027. Additionally, indirect subsidiaries Carlinda, Santa Carmem and União do Sul and direct subsidiary Matupá until calendar year 2029.

b) Breakdown of and change in deferred taxes

Deferred income and social contribution taxes are recorded to reflect the future tax effects attributable to: temporary differences between the tax base of P&L accounts and their respective accounting records on an accrual basis.

	<u>12/31/2020</u>	<u>Parent Company</u>		<u>06/30/2021</u>
		<u>P&L</u>	<u>Equity</u>	
Borrowing costs of loans, financing and debentures	(5,774)	(80)	-	(5,854)
Gains or losses on swap transactions	(5,485)	1,317	-	(4,168)
Derivative financial instrument	(63,798)	-	16,789	(47,009)
Deferred tax liabilities	(75,057)	1,237	16,789	(57,031)

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Notes to Quarterly Information (ITR)
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20. Income and social contribution taxes (IRPJ and CSLL)--Continued

b) Breakdown of and change in deferred taxes--Continued

	12/31/2020	Consolidated		06/30/2021
		P&L	Equity	
Expected allowance for doubtful accounts (iii)	72,028	11,259	-	83,287
Provision for profit sharing	6,899	(2,720)	-	4,179
Provision for Lawsuits (ii) and (iii)	4,682	(1,021)	-	3,661
Fair value of assets acquired in business combinations	2,713	(89)	-	2,624
Present value adjustment (iii)	15,492	475	-	15,967
Deferred grants – prior years	4,775	(60)	-	4,715
Foreign exchange gains	285,120	(29,556)	-	255,564
Leases	847	(542)	-	305
Loss on trade accounts receivable	2,927	(312)	-	2,615
Income and social contribution tax losses (iii) to be offset	25,858	2,893	-	28,751
	(398,770)	19,017	-	(379,753)
Deferred tax assets	22,571	(656)	-	21,915
Fair value of assets acquired in business combinations	(22,019)	985	-	(21,034)
Interest capitalized (iii)	(51,470)	(230)	-	(51,700)
Borrowing costs of loans, financing and debentures (iii)	(27,261)	1,602	-	(25,659)
Amortization of intangible assets (i)	(100,067)	1,450	-	(98,617)
Derivative financial instruments	(404,496)	32,327	31,919	(340,250)
Deferred profit – government entities	(23,659)	(6,264)	-	(29,923)
Write-off of notes in accounts receivable to be offset	(69,105)	(12,862)	-	(81,967)
	398,770	(19,017)	-	379,753
Deferred tax liabilities	(299,307)	(2,009)	31,919	(269,397)
Deferred tax liabilities, net	(276,736)	(2,665)	31,919	(247,482)

In order to analyze the recording of deferred tax assets on tax losses, in the year, the subsidiaries prepared studies on future profitability. The carrying amount of tax assets is reviewed from time to time and the projections are reviewed annually. If significant events that may change the projections are identified, such projections are reviewed in the period by the subsidiaries.

- (i) In accordance with article 69 of Law No. 12973/14, the difference as at December 31, 2014 between total depreciation for accounting and tax purposes will be added back to income and social contribution tax base, in fixed monthly portions and over the remaining term of the agreement. As at June 30, 2021, the amount realized is R\$4,264 (R\$4,264 as at June 30, 2020).
- (ii) The balance in provisions for Lawsuits as at June 30, 2021 is net of asset amounts pending settlement in the amount of R\$2,935 and in the amount of R\$ 487 related to tax indemnity.
- (iii) The amounts presented are net of the reduced deferred income tax rate accumulated up to June 30, 2021 and December 31, 2020 in the amounts below:

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20. Income and social contribution taxes (IRPJ and CSLL)--Continued

b) Breakdown of and change in deferred taxes--Continued

	Consolidated	
	06/30/2021	12/31/2020
Expected allowance for doubtful accounts	64,533	51,985
Provision for Lawsuits	2,753	2,824
Present value adjustment	7,800	6,885
Income and social contribution tax losses	12,989	11,539
Other temporary differences	1,631	1,992
Deferred tax assets	<u>89,706</u>	<u>75,225</u>
Borrowing costs of loans, financing and debentures	(4,904)	(4,959)
Interest capitalized in concession assets	<u>(16,040)</u>	<u>(15,335)</u>
Deferred tax liabilities	<u>(20,944)</u>	<u>(20,294)</u>
Deferred tax assets, net	<u>68,762</u>	<u>54,931</u>

Unrecorded deferred tax assets

Deferred tax assets were not recorded on the following items:

	Parent Company		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Expected allowance for doubtful accounts	-	-	2,253	1,515
Provision for Lawsuits	1,537	1,537	1,610	1,562
Provision for profit sharing	3,097	4,658	4,978	7,380
Present value adjustment	-	-	72	37
Income and social contribution tax losses	137,939	122,054	227,407	204,986
Foreign taxes	5,604	5,604	5,604	5,604
Other temporary differences	46	43	108	138
Borrowing costs of loans, financing and debentures	-	-	(854)	(6,627)
	<u>148,223</u>	<u>133,896</u>	<u>241,178</u>	<u>214,595</u>

Deductible temporary differences and accumulated tax losses may be carried indefinitely in accordance with tax legislation currently in force. Deferred tax assets were not recorded on these items since future taxable profits are not likely to be available so that these benefits may be used.

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21. Financial instruments

Overview

The Group is subject to the following risks:

- Credit risk;
- Liquidity risk; and
- Market risk.

This note presents information on the Group's exposure to each of aforementioned risks, its objectives, and its policies and processes for measuring and managing risks and managing capital.

Risk management structure

Management is responsible for establishing and monitoring the Company's risk management policies and the professionals in charge of each area regularly report on their activities to management.

The Group's risk management policies are established in order to identify and analyze the risks faced by the Group, with a view to establishing appropriate risk limits and controls as well as monitoring risks and adherence to the limits. Systems and risk policies are reviewed from time to time in order to reflect changes in market conditions and activities of the Group. The Group, by means of their rules and training and management procedures, seek to develop a controlled disciplined environment in which all employees are aware of their duties and obligations.

Credit risk

In order to mitigate credit risks linked to financial institutions, management seeks to diversify operations using top-tier institutions.

The book value of financial assets represents maximum credit risk exposure, as follows.

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21. Financial instruments--Continued

Risk management structure--Continued

Credit risk--Continued

The carrying amount of financial assets represents the maximum exposure to credit risk, as follows:

	Parent Company		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Bank checking account (Note 5)	52	53	34,037	81,854
Short-term investments	1,030,146	498,682	3,113,160	2,587,050
Trade accounts receivable	14,627	11,138	1,324,763	1,173,473
Private debentures - related parties	47,129	46,288	-	-
Dividends and interest on equity receivable	305,065	339,420	-	-
Accounts receivable from related parties	373,747	311,914	-	-
Derivative financial instruments	569,086	666,706	1,015,886	1,203,699
	<u>2,339,852</u>	<u>1,874,201</u>	<u>5,487,846</u>	<u>5,046,076</u>

Liquidity risk

This is the risk that the Group will face difficulties in satisfying the obligations associated with their financial liabilities that are settled by cash payments or other financial assets. The liquidity management approach adopted by the Group is to ensure, to the highest possible level, that the Group always has sufficient liquidity to honor their obligations upon maturity, under normal and stress conditions, without causing unacceptable losses or damaging the Group's reputation.

In addition, periodically, mechanisms and tools that could allow funds to be raised in order to reverse positions that could harm the Group's liquidity are analyzed.

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21. Financial instruments--Continued

Risk management structure--Continued

Liquidity risk--Continued

Liquidity risk by aging list, reflecting the financial flow of the Group at June 30, 2021 is as follows:

Parent Company							
06/30/2021	Book value	Projected financial (including interest)	Up to 12 months	13 to 24 months	25 to 36 months	37 to 48 months	49 months onwards
Liabilities							
Trade accounts payable and contractors	10,591	10,591	10,591	-	-	-	-
Loans, financing and debentures	1,698,248	2,119,143	281,797	276,106	814,921	399,594	346,725
Loans payable to related parties	1,159,881	1,413,254	77,301	77,300	77,300	1,181,353	-
Dividends and interest on equity payable	192,996	192,996	192,996	-	-	-	-
Other accounts payable	3,944	4,077	3,807	270	-	-	-
	<u>3,065,660</u>	<u>3,740,061</u>	<u>566,492</u>	<u>353,676</u>	<u>892,221</u>	<u>1,580,947</u>	<u>346,725</u>
Consolidated							
06/30/2021	Book value	Projected financial (including interest)	Up to 12 months	13 to 24 months	25 to 36 months	37 to 48 months	49 months onwards
Liabilities							
Trade accounts payable and contractors	226,461	226,461	218,613	3,702	4,146	-	-
Loans, financing and debentures	7,853,330	10,357,916	1,006,319	1,526,420	2,076,204	3,424,575	2,324,398
Dividends and interest on equity payable	192,996	192,996	192,996	-	-	-	-
Other accounts payable	108,601	119,523	41,752	17,043	8,741	6,280	45,707
	<u>8,381,388</u>	<u>10,896,896</u>	<u>1,459,680</u>	<u>1,547,165</u>	<u>2,089,091</u>	<u>3,430,855</u>	<u>2,370,105</u>

Cash flows included in maturity analyses of the Group are not expected to occur at significantly earlier dates or significantly different amounts.

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21. Financial instruments--Continued

Risk management structure--Continued

Market risk

Market risk is the risk that changes in market prices, such as exchange rates and interest rates, may have on the Group's earnings or on the value of its holdings in financial instruments. The objective of market risk management is to manage and control exposures to market risks, within acceptable parameters and, at the same time, optimize return.

Interest rate risk

The Group is exposed to risks and oscillations in interest rates and short-term investments, private debentures related parties, derivative financial instruments, loans, financing and debentures, loans payable to related parties and other accounts payable.

At the parent company and consolidated quarterly information date, the profile of financial instruments remunerated at floating rates was as follows:

	Parent Company		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Instruments subject to floating rate				
<i>Financial assets</i>				
Short-term investments	1,030,146	498,682	3,113,160	2,587,050
Private debentures - related parties	47,129	46,288	-	-
Derivative financial instruments	569,086	666,706	1,015,886	1,203,699
	<u>1,646,361</u>	<u>1,211,676</u>	<u>4,129,046</u>	<u>3,790,749</u>
Instruments subject to floating rate				
<i>Financial liabilities</i>				
Loans, financing and debentures	1,698,248	1,365,295	7,851,705	7,612,584
Loans payable to related parties	1,159,881	1,205,203	-	-
Other accounts payable	3,336	5,479	84,382	70,112
	<u>2,861,465</u>	<u>2,575,977</u>	<u>7,936,087</u>	<u>7,682,696</u>

The Group conducted a sensitivity analysis of major risks to which their financial instruments are exposed. To analyze sensitivity of interest rate variations, management adopted for the probable scenario over the next 12 months the same rates used at the quarterly information reporting date. Scenarios II and III were estimated considering additional appreciation of 25% and 50% respectively over the next 12 months whereas scenarios IV and V estimate an additional devaluation of 25% and 50% respectively over the next 12 months of the rates used in the probable scenario.

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21. Financial instruments--Continued

Risk management structure--Continued

Interest rate risk--Continued

Potential impacts on P&L and equity in the hypotheses of the scenarios presented are as follows:

Parent Company				Scenarios				
Equity exposure	Exposure	Risk	Effective interest rate p.a. at 06/30/2021	I Probable	II 25%	III 50%	IV -25%	V -50%
1- Financial assets								
Short-term investments	1,030,146	CDI variation	4.15%	42,751	53,439	64,127	32,063	21,376
Private debentures	47,129	CDI variation	4.15%	1,956	2,445	2,934	1,467	978
2- Financial liabilities								
Loans and debentures	(1,617,353)	CDI variation	4.15%	(67,120)	(83,900)	(100,680)	(50,340)	(33,560)
Debentures	(80,895)	IPCA variation	3.77%	(3,050)	(3,813)	(4,575)	(2,288)	(1,525)
1 + 2 – Net expose	<u>(620,973)</u>			<u>(25,463)</u>	<u>(31,829)</u>	<u>(38,194)</u>	<u>(19,098)</u>	<u>(12,731)</u>
Consolidated				Scenarios				
Equity exposure	Exposure	Risk	Effective interest rate p.a. at 06/30/2021	I Probable	II 25%	III 50%	IV -25%	V -50%
1- Financial assets								
Short-term investments	3,110,690	CDI variation	4.15%	129,094	161,368	193,641	96,821	64,547
2- Financial liabilities								
Debentures and loans	(3,970,572)	CDI variation	4.15%	(164,779)	(205,974)	(247,169)	(123,584)	(82,390)
Debentures and loans	(946,651)	IPCA variation	3.77%	(35,689)	(44,611)	(53,534)	(26,767)	(17,845)
Loans and financing	(84,197)	SELIC variation	4.15%	(3,494)	(4,368)	(5,241)	(2,621)	(1,747)
Financing	(433,785)	TJLP variation	4.61%	(19,997)	(24,996)	(29,996)	(14,998)	(9,999)
Earn-out arising from business combination	(10,278)	CDI variation	4.15%	(427)	(534)	(641)	(320)	(214)
Grant right	(26,148)	INPC variation	3.95%	(1,033)	(1,291)	(1,550)	(775)	(517)
1 + 2 – Net exposure	<u>(2,360,941)</u>			<u>(96,325)</u>	<u>(120,406)</u>	<u>(144,490)</u>	<u>(72,244)</u>	<u>(48,165)</u>

The financing restated at the Reference Rate (TR) was not subject to interest rate variation. As such, a sensitivity test for this financial instrument was not conducted.

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Notes to Quarterly Information (ITR)
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21. Financial instruments--Continued

Risk management structure--Continued

Foreign exchange rate risk

This risk derives from the possibility that the exchange rates of foreign currencies used by the Group in taking out financial instruments will fluctuate. In order to mitigate currency risk, the Group engages in hedging transactions involving derivative financial instruments such as swap transactions.

Summarized quantitative data on currency risk exposure of the Group, as provided to shareholders, is based on their risk management policy, as follows:

Consolidated				Scenarios				
Currency risk	Exposure in (US\$ thousand)	Currency	Currency rate in 06/30/2021	I Probable scenario	II 25%	III 50%	IV -25%	V -50%
1- Derivatives instruments								
Loans and financing	(427,623)	USD	R\$ 5.0022	83,173	103,966	124,760	62,380	41,587
Swap - receivables	429,293	USD	R\$ 5.0022	(83,498)	(104,373)	(125,247)	(62,624)	(41,749)
Net exposure	<u>1,670</u>			<u>(325)</u>	<u>(407)</u>	<u>(487)</u>	<u>(244)</u>	<u>(162)</u>

Capital management

Capital of the Group is managed in order to balance own and third-party sources of funds, return for members and risk for members and creditors.

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21. Financial instruments--Continued

Classification of financial Instruments

Classification of financial instruments is presented below and there are no financial instruments classified in categories other than the ones informed:

		Parent Company				
		Fair value through profit or loss	Fair value through other comprehensive results	Assets at amortized cost	Liabilities at amortized cost	Total in 06/30/2021
	Note					
Assets						
Cash and cash equivalents	5	-	-	78	-	78
Short-term investments	6	1,030,146	-	-	-	1,030,146
Trade accounts receivable	7	-	-	14,627	-	14,627
Dividends and interest on equity receivable	8	-	-	305,065	-	305,065
Private debentures - related parties	8	-	-	47,129	-	47,129
Accounts receivable from related parties	8	-	-	373,747	-	373,747
Derivative financial instruments		430,824	138,262	-	-	569,086
Total		<u>1,460,970</u>	<u>138,262</u>	<u>740,646</u>	<u>-</u>	<u>2,339,878</u>
Liabilities						
Suppliers and contractors	12	-	-	-	10,591	10,591
Loans, financing and debentures	13	-	-	-	1,698,248	1,698,248
Loans payable to related parties	8	-	-	-	1,159,881	1,159,881
Dividends and interest on equity payable	8	-	-	-	192,996	192,996
Other accounts payable	14	-	-	-	3,944	3,944
Total		<u>-</u>	<u>-</u>	<u>-</u>	<u>3,065,660</u>	<u>3,065,660</u>

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21. Financial instruments--Continued

Classification of financial Instruments--Continued

	Note	Fair value through profit or loss	Consolidated			
			Fair value through other comprehensive results	Assets at amortized cost	Liabilities at amortized cost	Total in 06/30/2021
Assets						
Cash and cash equivalents	5	-	-	34,161	-	34,161
Short-term investments	6	3,071,707	-	41,453	-	3,113,160
Trade accounts receivable	7	-	-	1,324,763	-	1,324,763
Accounts receivable from related parties		769,331	246,555	-	-	1,015,886
Total		<u>3,841,038</u>	<u>246,555</u>	<u>1,400,377</u>	<u>-</u>	<u>5,487,970</u>
Liabilities						
Suppliers and contractors	12	-	-	-	226,461	226,461
Loans, financing and debentures	13	-	-	-	7,853,330	7,853,330
Dividends and interest on equity payable	8	-	-	-	192,996	192,996
Other accounts payable	14	-	-	-	108,601	108,601
Total		-	-	-	8,381,388	8,381,388

Derivative financial instruments

In a meeting, the shareholders approved contracting of a swap agreement, in order to replace the US dollar fluctuation and the spread of contracts in foreign currency for Bank Deposit Certificates (CDI).

As at June 30, 2021 and December 31, 2020, the Company maintains derivative financial instruments – swap for covering rate risk, as follows:

Parent Company						Assets	
Derivative	Notional	Assets	Liabilities	Market	Maturity	06/30/2021	12/31/2020
Swap - Senior Notes	USD 230,000	USD + 6.7647% p.a.	CDI + 142.80% p.a.	CETIP	Oct/10/24	565,763	674,080
Swap - Senior Notes	R\$ 316,730	CDI + 142.80% p.a.	CDI + 2.86% p.a.	CETIP	Oct/10/24	3,323	(7,374)
						<u>569,086</u>	<u>666,706</u>
Current						20,094	50,489
Noncurrent						548,992	616,217

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21. Financial instruments--Continued

Derivative financial instruments--Continued

Consolidated						Assets	
Derivative	Notional	Assets	Liabilities	Market	Maturity	06/30/2021	12/31/2020
Swap - Senior Notes	USD 400,000	USD + 6.7647% p.a.	CDI 141.95% to 142.80% p.a.	CETIP	Oct/10/24	968,815	1,157,277
Swap - Senior Notes	R\$ 316,730	CDI + 142.80% p.a.	CDI + 2.86% p.a.	CETIP	Oct/10/24	3,323	(7,374)
Swap - Loan Proparco	USD 25,263	USD + 4.89% p.a.	CDI + 2.70% p.a.	CETIP	Dec/15/26	43,748	53,796
						<u>1,015,886</u>	<u>1,203,699</u>
Current						41,250	102,913
Noncurrent						974,636	1,100,786

The Group recorded gains and losses from derivative financial instruments designated as cash flow hedges on June 30, 2021 and 2020. The impacts on the P&L for the period were:

Derivative	Market	Risk	Parent Company		Consolidated	
			06/30/2021	06/30/2020	06/30/2021	06/30/2020
Swap	CETIP	CDI	<u>(18,038)</u>	<u>357,113</u>	<u>(34,746)</u>	<u>663,658</u>
Net effect on P&L (Note 19)			(18,038)	357,113	(34,746)	663,658

Hedge Accounting

The Group assess the need to adopt Hedge Accounting for the operations used in its financial risk management. As such, based on CPC 48/IFRS 9, the Group designated the operations presented below for cash flow hedge accounting, which presents a hedge index equivalent to 1.0. Unrealized gains and losses deriving from changes in fair value of derivative financial instruments designated for cash flow hedge are recorded in equity and the accrual amount recorded in P&L, as follows:

21. Financial instruments--Continued

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Hedge Accounting--Continued

	Parent Company		
	Equity 12/31/2020	Variation	Equity 06/30/2021
Derivative financial instruments designated as cash flow hedge			
Currency risk	187,640	(49,378)	138,262
Deferred IR/CS	(63,798)	16,789	(47,009)
Net gains recorded in other comprehensive income	123,842	(32,589)	91,253
	P&L 06/30/2020		P&L 06/30/2021
Derivative financial instruments designated as cash flow hedge (Losses) Gains recorded in P&L for the period (Note 19)	357,113		(18,038)
	Consolidated		
	Equity 12/31/2020	Variation	Equity 06/30/2021
Derivative financial instruments designated as cash flow hedge			
Currency risk	340,436	(93,881)	246,555
Deferred IR/CS	(115,748)	31,919	(83,829)
Net gains recorded in other comprehensive income	224,688	(61,962)	162,726
	P&L 06/30/2020		P&L 06/30/2021
Derivative financial instruments designated as cash flow hedge (Losses) Gains recorded in P&L for the period (Note 19)	663,658		(34,746)

To test the hedge effectiveness, the Group uses the hypothetical derivative method and compare changes in fair value of hedging instruments with changes in the fair value of the hedged items attributable to the hedged risks.

The sources of hedge ineffectiveness may derive from:

- Different indexes (and, consequently, different curves) associated with the hedged risk of the hedged items and hedging instruments;
- The counterparty's credit risk has a different impact on changes in the fair value of hedging instruments and hedged items;
- Changes in the expected amount of cash flows from hedged items and hedging instruments.

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21. Financial instruments--Continued

Fair value

Sensitivity analysis of derivative financial instruments

The Group, in addition to the provisions of item 40 of CPC 40 (R1) - Financial Instruments: Disclosure, discloses a table showing a sensitivity analysis for each type of market risk considered significant by management, derived from financial instruments, to which the Group is exposed at the statement of financial position date, including all transactions with derivatives.

Management considers the base scenario dollar of R\$4.9828/US\$. Scenario I is a dollar rate at R\$3.9862/US\$, scenario II is a dollar rate at R\$2.8473/US\$ and scenario III is a dollar rate at R\$2.4914/US\$.

In addition, in other assessment, the risk of increase in Interbank Deposit Certificate (CDI) is taken into consideration. The Group considers the DI vs. Fixed reference rate curve disclosed by B3 as at June 30, 2021 as the base scenario. The Group estimates Scenario I with a 25% impact over the entire curve, Scenario II with a 75% impact and Scenario III with a 100% impact.

Management also considers the risk of increased forex coupon rates. The Group considers the DI vs. Fixed (Clean Coupon) reference rate curve disclosed by B3 as at June 30, 2021 as the base scenario. The estimated Scenario I with a 25% impact over the entire curve, Scenario II with a 75% impact and Scenario III with a 100% impact.

Therefore, the sensitivity analysis is as follows:

Parent Company – 06/30/2021					
Instrument	Exposure	Risk	Scenario		
			I	II	III
Swap	569,086	USD variation	294,469	(19,380)	(117,457)
		Increase in CDI curve	561,140	546,694	540,116
		Increase in exchange coupon curve	558,476	537,783	527,690
Consolidated – 06/30/2021					
Instrument	Exposure	Risk	Scenario		
			I	II	III
Swap	1,015,886	USD variation	512,606	(62,572)	(242,315)
		Increase in CDI curve	996,840	962,191	946,403
		Increase in exchange coupon curve	996,694	959,275	941,030

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21. Financial instruments--Continued

Fair value--Continued

Nonderivative financial instruments

For certain operations, management considers that fair value equals book value since, for such operations, book value reflects the settlement amount at that date, by virtue of their short-term maturity. As such, book value recorded in the statement of financial position referring to short-term investments, accounts receivable, trade accounts payable and other accounts payable does not differ from fair value at June 30, 2021 and December 31, 2020.

Comparison between book value and fair value of loans, financing and debentures at June 30, 2021 and December 31, 2020 is as follows:

Liabilities	Parent Company			
	06/30/2021		12/31/2020	
	Book value	Fair value	Book value	Fair value
Debentures	1,563,389	1,587,815	1,155,432	1,180,530
Debentures benefitting from incentives	80,895	91,692	75,045	85,815
Bank Credit Note	76,198	78,010	152,003	156,580
	<u>1,720,482</u>	<u>1,757,517</u>	<u>1,382,480</u>	<u>1,422,925</u>
Liabilities	Consolidated			
	06/30/2021		12/31/2020	
	Book value	Fair value	Book value	Fair value
Bank credit note	511,568	527,333	606,450	634,476
Debentures (bridge)	3,002,480	3,054,778	2,610,177	2,662,548
Debentures benefitting from incentives	923,050	1,098,441	875,700	940,480
Finame and Finisa	1,659	1,659	2,051	2,051
Loan - Proparco	114,691	123,415	131,500	142,600
Promissory notes	508,233	508,646	518,782	524,488
BNDES project	521,012	521,815	512,178	544,732
CEF project	298,962	299,910	300,249	339,772
BNB project	35,008	35,008	34,843	48,934
Senior Notes (Bonds)	2,026,447	2,332,932	2,105,573	2,466,204
Other	24,138	24,138	29,334	29,338
	<u>7,967,248</u>	<u>8,528,075</u>	<u>7,726,837</u>	<u>8,335,623</u>

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21. Financial instruments--Continued

Fair value--Continued

Fair value of loans, financing and debentures was calculated by projecting cash flows until operation maturity based on future rates obtained from public sources, such as BM & F Bovespa and Bloomberg, plus contractual spreads and adjusted to present value at the risk-free rate (pre DI), and for foreign currency loans the Clean Coupon curve is also used.

Fair value hierarchy

The different levels were defined as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2 - Inputs, except quoted prices, included in Level 1 that are not observable for the asset or liability, either directly (prices) or indirectly (derived from prices); and
- Level 3 - Inputs, assumptions for assets or liabilities that are not based on observable market data (non-observable inputs).

Fair value measurement

Short-term investments at fair value through profit or loss and disclosed for derivative financial instruments, loans, financing and debenture are classified in level 2.

The Group had no operation to be classified in levels 1 and 3 as at the base dates.

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22. Insurance coverage

The Group takes out insurance coverage for assets subject to risks at amounts deemed sufficient by management to cover claims, if any, considering the nature of their activity.

The major insurance policies taken out at June 30, 2021 and December 31, 2020 are as follows:

	Parent Company		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Property damage	124,000	124,000	124,000	124,000
Civil liability	100,000	100,000	100,000	100,000
Contractual performance	246,368	158,778	1,157,038	1,079,735
Equipment and vehicles	199,601	199,601	208,676	204,486
D&O - Directors and Officers Liability Insurance	80,000	80,000	80,000	80,000
Engineering risks	-	-	465,518	457,929

23. Earnings per share

Basic and diluted earnings per share

Basic earnings per share were calculated based on net profit attributed to holders of common shares and on the weighted average of common shares outstanding whereas diluted earnings per share were calculated based on net profit attributed to holders of common shares and on the weighted average of common shares outstanding after adjustments for all potentially diluted common shares, as follows:

<u>Basic and diluted earnings per share</u>	Consolidated	
	06/30/2021	06/30/2020
Profit attributable to holders of common shares (i)	120,618	258,431
Weighted average of common shares (in thousands)	691,603	691,602
Basic earnings per share - R\$	0.17	0.37

(i) This balance does not include interests in P&L for the period intended for preferred shares or non-controlling interests.

As at June 30, 2021, for the calculation of diluted earnings per share, 138,833,473 preferred shares and respective effects were excluded from the calculation of the weighted average of common shares, since their effect would have been anti-dilutive.

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
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24. Commitments linked to concession agreements

In addition to the commitments mentioned in Note 14 – Other accounts payable, the subsidiaries below have the following obligations:

Matão, Ariquemes, Rolim de Moura, Diamantino, Confresa, Buritis, Timon, São Francisco, Guarantã, Carlinda, Sorriso, Vera, Holambra, Peixoto, Camboriú, Bombinhas, Barra do Garças, União do Sul, Pimenta Bueno, Matupá, Campo Verde, Primavera, Marcelândia and Sinop have monthly commitments referring to the regulation rate, which corresponds to 1% to 4% of monthly collection depending on each municipality.

Penha and São Francisco do Sul have monthly commitments referring to the regulation rate, which corresponds to R\$0.10 per inhabitant of the municipality as annually informed by the Brazilian Institute of Geography and Statistics (IBGE).

Jangada has a commitment referring to the regulation rate, which corresponds to R\$50 divided into 30 annual installments, restated by reference to IGP-M.

Guariroba has a grant payment obligation payable to the state of Mato Grosso do Sul (MS), which will be paid by October 2030 and is annually restated at the same index as the contract price. The amounts due to the city of Campo Grande (MS) are temporarily suspended, as mentioned in Note 14 - Other accounts payable. Monthly, Guariroba shall allocate 0.5% of billing to implement works and actions of social interest, focused on the population in need, at the locations and for the families indicated by the Campo Grande government authority. The subsidiary also has a monthly commitment to the Granting Authority referring to the regulation rate, which corresponds to 1% of gross revenue from water supply and sewage services.

Prolagos has a monthly commitment to the Granting Authority referring to the regulation rate, which corresponds to 0.5% of water supply services billed less taxes on sales (PIS and COFINS). This subsidiary also has a commitment to transfer the amounts charged from users referring to use rate of water resources, which corresponds to 0.4042% calculated on water monthly billing.

Teresina is committed to transferring 3% of net income to the City. This subsidiary also has a monthly commitment to the Regulating Authority referring to the regulation rate, which corresponds to 1.1% of gross revenue. It is also committed to granting a 1% discount on the payment of tariffs arising from services provided to entities of the direct and indirect City Government Administration. The subsidiary is committed to capitalizing R\$86,579 within 120 months from the beginning of the concession to July 4, 2027. Through June 30, 2021, R\$12,988 had already been paid.

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24. Commitments linked to concession agreements--Continued

Manaus has a monthly commitment payable to the Granting Authority referring to the regulation rate, corresponding to 1% of billing.

The Company is committed to paying in R\$ 180,000 in the capital of its subsidiary Metrosul. At June 30, 2021, the amount of R\$18,000 had already been paid, with the remaining R\$162,000 to be paid as follows: R\$82,000 in 2022 and R\$80,000 in 2023.

The Company is committed to paying in R\$ 70,000 in the capital of its subsidiary Cariacica. At June 30, 2021, the amount of R\$25,000 had already been paid, with the remaining R\$45,000 to be paid as follows: R\$15,000 in 2023, R\$15,000 in 2024, and R\$15,000 in 2025.

The Company is committed to paying in R\$ 122,047 in the capital of its subsidiary MS Pantanal. At June 30, 2021, the amount of R\$36,614 had already been paid, with the remaining R\$85,433 to be paid as follows: R\$24,409 in 2023 and R\$6,102 annually from 2024 to 2031. The subsidiary MS Pantanal shall monthly pay to the Central Unit of Public-Private Partnership (UCPPP) a percentage of 0.5% of the amount actually received in the month as consideration, with the goal of assisting with administration costs and maintenance of that body.

25. Environment-related aspects

The Group considers that their facilities and activities are subject to environmental regulations. The Group mitigates the risks associated with environment-related matters by adopting operational procedures and investing in pollution control equipment and systems. Management of the Group believes that no additional provision for losses relating to environmental matters is currently required, based on legislation and regulations now in force.

26. Subsequent events

On July 1, 2021, the acquisition of 57,563,873 common shares issued by the Company, held by FIP Saneamento, was completed by Itaúsa S.A. ("Itaúsa").

On the same date, a R\$345,893 capital increase in the Company was approved at the special general meeting through issue of 18,353,229 new common shares, of which 3,501,542, in the amount of R\$65,992, were subscribed by shareholder Angelo Investment Private Limited ("Angelo"), and 14,851,687, in the amount of R\$279,901, were subscribed by shareholder Itaúsa S.A.

After these changes, common shares were held as follows: Grua Investimentos with 57.37%, FIP with 13.35%, Angelo with 19.08%, and Itaúsa with 10.20%.

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
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26. Subsequent events--Continued

A R\$ 2 capital increase was also approved, through issue of 113 new class C preferred shares, subscribed by shareholder Itaúsa.

In addition to the previous resolutions, the issue of 170,324,178 new class D preferred shares, registered and with no par value, at the issue price of R\$18.846414 per share, resulting in total of R\$3,210,000, was also approved. Of this amount, 1% will be allocated to Capital and 99% will be allocated to the capital reserve account. Of the new class D preferred shares issued, 110,909,162 were subscribed by shareholder Angelo, 58,884,411 by shareholder Itaúsa, and 530,605 by shareholder Grua.

On July 19, 2021, the Company transferred all of its equity interest in subsidiary Águas Guariroba S.A., represented by 111,800,013 common shares, to subsidiary Camastra Participações e Administração S.A.

On July 19, 2021, the Company subscribed and subsequently paid in 56,437,831 common shares in the amount of R\$264,863 and 133,165,557 class B preferred shares in the amount of R\$1,622,275 in Rio 1, and 79,439,445 common shares in the amount of R\$259,217 and 187,438,066 class B preferred shares in the amount of R\$1,587,693 in Rio 4, all registered and with no par value. The Company currently holds 100% of the common shares and class B preferred shares of both Rio 1 and Rio 4.

On July 22, 2021, the conditions precedent provided for in the Agreement for Investment, Purchase and Sale of Shares and Other Covenants ("Agreement") entered into by and between the Company and IFIN Participações S.A., which became an indirect noncontrolling shareholder of subsidiary Águas Guariroba S.A., through subscription and payment of preferred shares in Camastra Participações e Administração S.A. in the amount of R\$ 550,000, equivalent to a proportional interest of 32.08%, were fulfilled.

On July 28, 2021, the Company paid interim dividends, already declared, in the amount of R\$51,282 to preferred class A shareholders and to common shareholders, upon allocation on April 28, 2021.