



Rating Action: Moody's Ratings Places Aegea's Ratings Under Review for Downgrade

13 Apr 2026

NOTE: On April 13, 2026, the press release was corrected as follows: In the Ratings Rationale section, the first and second sentences of the first paragraph were revised to "This rating review was triggered by the repeated delays in the publication of the audited financial statements for fiscal year 2025, amid certain accounting restatements. Even though the financials were reported within the cure period of its reporting obligations and without a qualified auditor's opinion, several weaknesses identified in the design of internal controls led to accounting changes with reversals on reported revenues among other adjustments." Revised release follows.

New York, April 13, 2026 -- Moody's Ratings (Moody's) placed AEGEA Saneamento e Participacoes S.A. (Aegea Saneamento)'s Ba3 Corporate Family Rating (CFR) and the B1 backed senior unsecured rating of Aegea Finance S.a r.l. (Aegea Finance) under review for downgrade.

RATINGS RATIONALE / FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

This rating review was triggered by the repeated delays in the publication of the audited financial statements for fiscal year 2025, amid certain accounting restatements. Even though the financials were reported within the cure period of its reporting obligations and without a qualified auditor's opinion, several weaknesses identified in the design of internal controls led to accounting changes with reversals on reported revenues among other adjustments. The 2024 income statement and shareholders' equity deductions amounting to BRL593 million and BRL4.3 billion, respectively, represented about 25% and 12% of previously reported figures. While we recognize the benefit of these initiatives to increase transparency in the company's disclosures, these restatements evidenced accounting practices that recognized revenue and profits on an accelerated basis ahead of the effective cash conversion, favoring shareholders over creditors and contributing to a lower confidence in the company's revenue forecast. As such, governance considerations are a key driver of this rating action.

During the review process, we will focus on the impact of the restatements on our cash flow projections. We will also evaluate the extent to which the company can improve the timeliness of its financial reporting and reinstate credibility within its stakeholders, including lenders and shareholders, to support capital expenditures commitments. More specifically, the review will assess the current liquidity position and its ability to generate internal cash to sustain timely debt service payments, in particular at the holding company level. We will also consider its overall refinancing capacity and effective access to capital markets under current conditions, as well as management's ability to revamp and stabilize disclosure practices and mitigate heightened governance risk.

An upgrade is unlikely at this point, considering the current review process. The ratings could be affirmed at the current level if the company is able to demonstrate stronger governance standards and ability to sustain its consolidated debt capitalization ratio within 80%, while its cash flow interest coverage ratios remain at around 1.5 times and funds from operations over net debt remain above 7.5%. It would also require evidence of adequate liquidity to operate comfortably without external sources during a minimum period of twelve to eighteen months.

The rating of Aegea Finance could be downgraded if we perceive a sustained deterioration in internal cash flow generation to support debt service amid limited flexibility to upstream dividends from its operating companies. Downward pressure on Aegea Saneamento could also arise if, following the restatements, consolidated debt to capitalization rises above 85%, if our forward-looking assessment indicates cash flow interest coverage is unlikely to be maintained above 1.5 times on a sustained basis, or if increased leverage does not follow a clearly decreasing trajectory. A downgrade could additionally result from weaker access to credit markets or a reduced

willingness of shareholders to provide financial support.

PROFILE

AEGEA is one of the largest private water and sewage companies operating basic sanitation assets in Brazil under full or partial concession contracts and public-private partnerships (PPPs). The company is present in 893 municipalities located in 15 states. It serves a population of more than 39 million people. In the 12 months that ended December 2025, AEGEA reported net revenue of BRL12.3 billion, EBITDA of BRL7.9 billion. As of March 2026, AEGEA's shareholders are Equipav (52.1% stake), the Government of Singapore Investment Corporation - GIC (34.6% stake) and Itausa S.A. (13.3% stake).

LIST OF AFFECTED RATINGS

Issuer: AEGEA Saneamento e Participacoes S.A.

..Placed On Review for Downgrade:

.... LT Corporate Family Rating, Placed on Review for Downgrade, currently Ba3

..Outlook Actions:

....Outlook, Changed To Rating Under Review From Stable

Issuer: Aegea Finance S.a r.l.

..Placed On Review for Downgrade:

.... Backed Senior Unsecured, Placed on Review for Downgrade, currently B1

..Outlook Actions:

....Outlook, Changed To Rating Under Review From Stable

The principal methodology used in these ratings was Regulated Water Utilities published in August 2023 and available at <https://ratings.moody.com/rmc-documents/406788>. Alternatively, please see the Rating Methodologies page on <https://ratings.moody.com> for a copy of this methodology.

The net effect of any adjustments applied to rating factor scores or scorecard outputs under the primary methodology(ies), if any, was not material to the ratings addressed in this announcement.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moody.com/rating-definitions>.

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At least one ESG consideration was material to the credit rating action(s) announced and described above. Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at https://ratings.moodys.com/documents/PBC_1462204.

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Vincent Olivier C. Detilleux
Asst Vice President - Analyst

Cristiane Spercel
Associate Managing Director

Releasing Office:
Moody's Investors Service, Inc.
250 Greenwich Street
New York, NY 10007
U.S.A.
JOURNALISTS: 1 212 553 0376
Client Service: 1 212 553 1653

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