



Aegea Earnings Release

3Q23 and 9M23

11/8/2023





Pro forma EBITDA of R\$4.3 billion in 9M23, up 66.2% from 9M22

São Paulo, November 8, 2023 - Aegea Saneamento e Participações S.A. (“Aegea” or “Company”), the leader in Brazil’s private sanitation sector, announces today its results for the third quarter of 2023 (“3Q23”) and from January to September 2023 (“9M23”). The information also presents comparisons of the Company’s performance in 3Q23 with the third quarter of 2022 (“3Q22”) and in 9M23 with the first nine months of 2022 (“9M22”). Any and all non-accounting information or information based on non-accounting figures was not reviewed by independent auditors.

HIGHLIGHTS

- Pro forma Net Revenue¹ of the Aegea Ecosystem (including Águas do Rio) reaches R\$10.4 billion in 9M23, increasing 63.2% in relation to 9M22;
- Pro forma EBITDA² of the Aegea Ecosystem comes to R\$4.3 billion in 9M23, up 66.2% from 9M22;
- On July 7, the Company concluded the acquisition of **Companhia Riograndense de Saneamento (Corsan) through the** investment vehicles Saneamento Consultoria S.A. (Sanco) and Parsan S.A. (Parsan), in which Aegea holds 75% and 50%, respectively, of the voting capital. **As from this quarter, Corsan's results will be consolidated with Aegea's Financial Statements.** Corsan operates in 317 municipalities across the State of Rio Grande do Sul, serving more than 6 million people;
- On October 27, Aegea, through its subsidiary Sanco, signed with Companhia de Saneamento do Paraná (Sanepar) a **Public-Private Partnership (PPP) agreement for the provision of sewage services to 16 municipalities in the central-coastal microregion of Paraná, benefiting more than 670,000 people;**
- On September 27, the Company issued Sustainable and Sustainability-Linked Bonds worth **US\$500 million** in the international market. The issue was settled on October 10, with maturity in January 2031;

¹ Including the results of Águas do Rio, which are not consolidated in Aegea’s financial statements and 9 months of results from Corsan, which began to be consolidated by Aegea in July/23

² Including the results of Águas do Rio, which are not consolidated in Aegea’s financial statements and 9 months of results from Corsan, which began to be consolidated by Aegea in July/23

- In October, the long-term financing of Águas do Rio, in the form of project finance totaling R\$25.5 billion, with a period of up to 28 years, from sources of financing that include Brazil's National Development Bank (BNDES), the Inter-American Development Bank (IDB), Proparco, the local capital markets and the Sanitation for All program, was concluded. For 2023, a sum of R\$10.4 billion has been disbursed and fresh disbursements will be made upon proven execution of investments, thus, fully financing Águas do Rio's investments for the entire concession period;
- Considering the issue of bonds and the disbursement of the first long-term financing lines of Águas do Rio, the average debt payment term of Aegea Ecosystem was extended to 7.7 years;
- In the 7th edition of the "Success Cases & ESG" Awards, organized by Instituto Trata Brasil, Aegea won the "Best ESG Cases" category in the Social pillar for its "Respeito Dá o Tom" program.
- Aegea was the winner in the "Sanitation and Environment" category at the "Best & Biggest" awards organized by Exame magazine. The Company also won the "Company of the Year in ESG" and "Best in Sanitation and Environment" awards;
- For the third straight year, Aegea was the winner in the "Water and Sanitation" category given by the Época Negócios 360° yearbook

Message from Management

In the third quarter of 2023, we reached significant milestones in consolidating Aegea as an investment platform in the sanitation sector that plays a key role in reducing the sanitary gap in Brazil. In yet another transformational move for the Company, we acquired Corsan in partnership with fund managers Perfin and Kinea, underscoring Aegea's capacity to attract capital through financial discipline in order to pursue sustainable growth, while contributing to the expansion of basic sanitation in Brazil.

This agreement marked the beginning of an investment cycle aimed at offering universal access to sanitation in 317 municipalities of Rio Grande do Sul, with a positive impact on the health and quality of life of approximately 6 million people. In the first 100 days of operation of the new Corsan, we delivered 100% of the interventions planned for all municipalities served by the Company, within the "356 Deliveries in 100 Days" plan, which included at least one intervention per municipality. The planned investment of around R\$100 million was allocated to constructions and interventions, some already concluded and some to be delivered in the coming months, which will directly benefit approximately 900,000 people in the state.

In addition to these investments, we implemented a series of measures to improve Corsan's operational efficiency, which included reducing the cost of inputs, especially electricity by migrating to the free market, optimizing and automating processes and using technology in accordance with the Aegea Operational Model. We also launched a Severance Program, which was accepted by approximately 2,000 employees. Another strategic pillar was the amendment to agreements with municipalities in the concession area, adjusting the universal access targets established in the Legal Framework on Sanitation, extending the term to 2062 and establishing a contractual regulation model for these municipalities. In this context, we defined several parameters for these amended agreements, which included annual tariff adjustments based on inflation indexes during the entire term. A total of 119 of the 317 agreements have been

amended, which together with those added before the takeover by Aegea total 171 contracts, corresponding to 72% of Corsan's revenue, increasing the average concession term from 28 to 31.7 years.

Given the operational startup of Corsan by Aegea, this quarter we have begun to consolidate Corsan's financial and operational results. Therefore, considering the ecosystem of companies managed by Aegea, which includes the associated company Águas do Rio and other concessions operated by the Company, we reached the mark of 12.0 million households, an increase of 60.8% from the previous year, and 1.5 billion cubic meters of water and sewage billed, for growth of 43.4%. As a result, we registered net revenue of R\$10.4 billion in 9M23, up 63.2% from 9M22, and pro forma EBITDA of R\$4.3 billion, an increase of 66.2% from 9M22.

In the last 12 months ended in September, and considering the consolidation of Corsan in the 3Q23, we invested R\$2.8 billion through the ecosystem of companies managed by Aegea, expanding water and sewage coverage networks, improving operational efficiency, reducing water losses across the country and expanding our footprint to new regions. On October 27, we signed a PPP agreement with Sanepar, launching the Company's operations in the State of Paraná. With this, we now serve 31 million people in 504 municipalities across 14 Brazilian states.

Underscoring the confidence placed by the market in our business model and maintaining our financial discipline, in October we concluded important operations based on the Company's strategy for managing its capital structure, lengthening the Aegea ecosystem's average debt term to 7.7 years and diligently ensuring the funds necessary for executing our investment plan.

In October, we also concluded the structuring of the long-term financing for Águas do Rio, totaling R\$25.5 billion, with sources of financing that include Brazil's National Development Bank (BNDES), the Inter-American Development Bank

(BID), Proparco, the local capital market and the Sanitation for All program. For 2023, a sum of R\$10.4 billion has been disbursed and fresh disbursements will be made upon proven execution of investments, thus, fully financing Águas do Rio's investments for the entire concession period. Using a part of the funds from the long-term financing, on October 24 we prepaid the bridge loan taken out in July 2021 to pay the concession fee for Blocks 1 and 4 of Cedae's bid process.

In September, Aegea issued bonds worth US\$500 million in the international market, with maturity in January 2031. Reiterating the Company's commitment to sustainability, the bonds were structured as Sustainable and Sustainability-Linked Bonds, i.e. their proceeds will be allocated to projects that contribute positively to the environment and society, as well as its commitment to targets on reducing energy consumption and increasing racial and gender diversity in leadership positions. We thus undertake to go beyond our contractual targets, creating a legacy of development in the municipalities where we operate, while using natural resources sustainably.

In terms of ESG risk management, water resilience is an important theme for the sector and for society as a whole. In line with this goal, we remain focused on preventive efforts and on implementing the measures required to ensure water supply to the regions where we operate, which includes a program to reduce losses, construction of reservoirs, investments in transposition of basins, drilling of wells, expansion of preservation capacity, as well as protection and recharge of watersheds, among others. Monitoring the degree of water risk includes a complex assessment that considers factors such as expected demand for water, water levels at watersheds and the capacity of water bodies in water catchment areas.

In recent months, we took action to contain the effects of heavy rainfall in Rio Grande do Sul, which included setting up a task force to resume supply services, increasing our service teams,

calling divers to clear submerged equipment and other measures to support the population directly affected. In Manaus, where the Negro River was affected by drought, we implemented mitigation plans, intensifying dredging of existing structures, assembling rafts with pumps to complement water flow, supporting actions in partnership with the municipal government and supplying treated water to 1,500 people affected in riverside communities.

Expanding our sustainable water management and circular economy initiatives, we signed an agreement with Petrobras to supply reused water to Gaslub located in Itaboraí, Rio de Janeiro, derived from the treatment of wastewater from the São Gonçalo Sewage Treatment Station operated by Águas do Rio. Águas do Rio will sell the wastewater from the stations to Aegea, which will make the necessary investments to supply it to Gaslub.

In Brazil, this is the biggest water reuse project in an industrial area and will be 100% supplied by water produced from treated domestic sewage. This will provide industrial activity with an inexhaustible and sustainable source of water, while the potable water currently used by industry will be supplied to over 600,000 people, directly benefiting the local population and the environment.

In the municipalities and states where we operate, we leave behind a legacy of health, environmental recovery, income, employment and development. Through our operations, thousands of families are receiving, for the first time, treated water regularly in their houses and having access to sewage collection and treatment, all of which is improving their quality of life. We remain focused on the execution of our investments and are confident that expansion of sanitation services is the path to better health, sustainability and shared prosperity.

The Management

Acquisition and consolidation of Corsan

Corsan was acquired on July 7, 2023 by the investment vehicles Saneamento Consultoria S.A. (“Sanco”) and Parsan S.A. (“Parsan”), in which Aegee holds 75% and 50%, respectively, of the voting capital.

The total acquisition amount was R\$4.3 billion, which was paid using funds from: (i) capital injections in Sanco and Parsan: R\$326.7 million by Aegee and R\$978 million infrastructure funds managed by Perfin and Kinea; and (ii) debentures issued by Parsan in the amount of R\$3.0 billion.

Aegee will operate Corsan and consolidate its results with Aegee’s Financial Statements via the subsidiary Sanco. Parsan is controlled jointly with other shareholders and, therefore, its results are not consolidated by Aegee.

Aegee Pro Forma Results

In recent years, we have consolidated Aegee as an investment platform in the sanitation sector, attracting capital in a disciplined manner to support the expansion of our operations. In this context, we have developed corporate structures that are currently not completely consolidated in the Company’s Financial Statements. Aiming to show the results of the companies managed by the Company, that is, the Aegee Ecosystem, we discuss below the results of the Aegee Proforma, which considers:

- The results of Águas do Rio, an unconsolidated subsidiary whose results are accounted for by Aegee via equity income, and are therefore not consolidated in the Company’s Financial Statements;
- The debt used to cover the acquisition of Corsan, through the issuance of debentures carried out by the investment vehicle Parsan, not consolidated by Aegee.
- The results accumulated in the last 9 months of Corsan, which is consolidated through the subsidiary Sanco.

Operational and financial highlights	9M23				9M22			Δ 9M23 x 9M22 %
	Concessions Aegee ¹	Águas do Rio	Corsan ²	Proforma Aegee	Concessions Aegee ¹	Águas do Rio	Proforma Aegee	
Employees	9,885	3,887	4,655	18,427	6,252	5,415	11,667	57.9%
Active households (thousand)	4,000	4,547	3,459	12,007	3,786	3,682	7,468	60.8%
Billed volume ('000 m ³)	441,026	721,993	287,278	1,450,297	413,299	598,048	1,011,347	43.4%
Net Revenue (R\$ million)	3,325.5	4,505.1	2,965.5	10,338.9	2,699.6	3,830.2	6,335.3	63.2%
EBITDA (R\$ million)	2,611.2	1,303.0	896.9	4,269.6	1,792.5	1,072.1	2,569.1	66.2%
EBITDA Margin	78.5%	28.9%	30.2%	41.3%	66.4%	28.0%	40.6%	0.7 p.p.
Net Income (R\$ million)	546.6	436.2	675.9	1,002.1	302.8	392.4	399.7	150.7%
Capex LTM (R\$ million)	1,165.8	1,269.8	974.5	3,410.1	894.0	836.9	1,730.9	97.0%
Net Debt (R\$ million)	10,550.3	7,678.4	591.7	21,739.0	6,686.6	7,672.5	14,359.1	51.4%
Net Debt/EBITDA (x)	3.21	4.66	0.48	3.89 x	2.80	5.49	4.21	-0.32 x

1 - Concessions Aegee excludes equity income, declared dividends and income from related parties relating to Águas do Rio

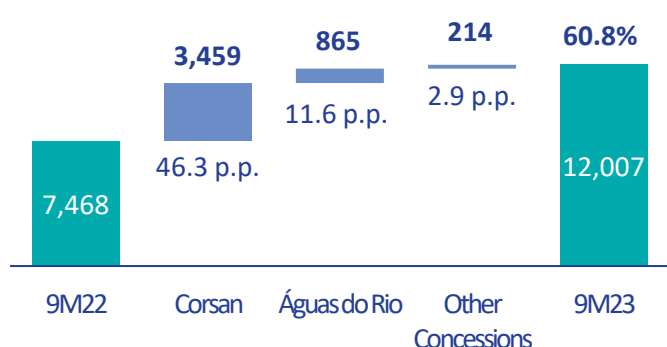
2 - Corsan results for the 9 months of 2023, except for CAPEX which considers the last twelve months ending in September /23

3 - Proforma Aegee considers, in 2023, Parsan’s debt totaling R\$3.0 billion

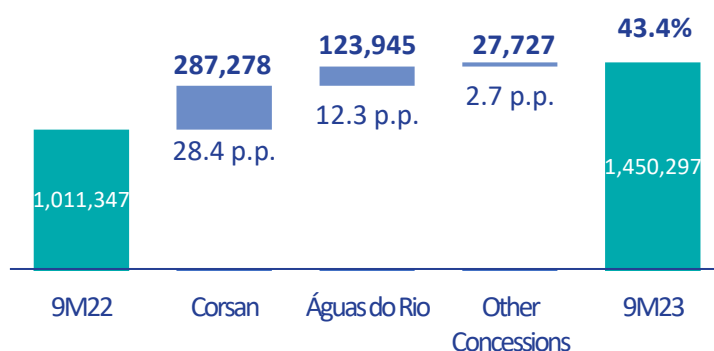
Pro forma Operating results:

- Pro forma Households¹: totaled 12.0 million, an increase of 60.8% from 9M22. Corsan accounted for 76.5% of the increase, while Águas do Rio and other concessions accounted for 18.7% and 4.7%, respectively;
- Pro forma Billed volume: billed volume came to 1,450.3 million cubic meters, increasing 43.4%, with Corsan accounting for 65.4% of the increase, Águas do Rio for 28.2% and other Aegea concessions 6.3%.

Growth in Proforma Active Households, 9M22 vs. 9M23 ('000)



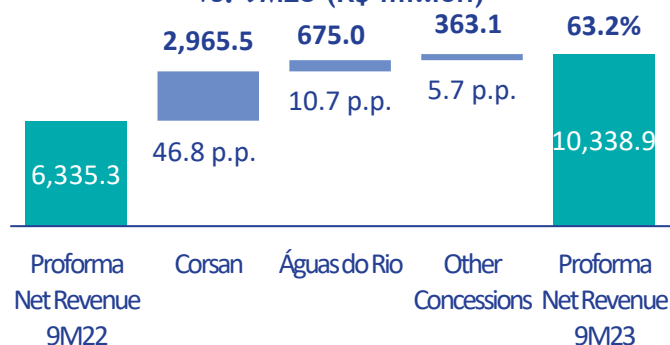
Growth in Proforma Billed Volume, 9M22 vs. 9M23 ('000 m³)



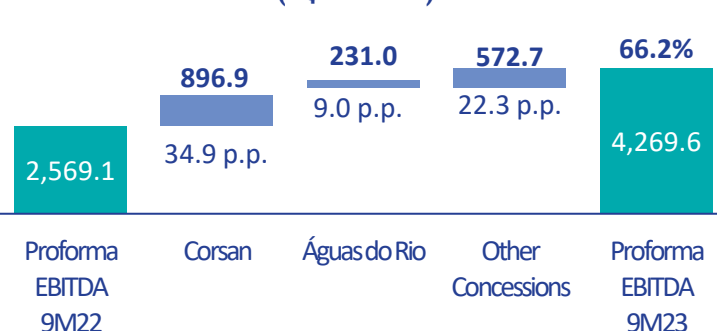
Pro forma Financial results:

- Pro forma Net Revenue: R\$10.4 billion in 9M23, up 63.2% from 9M22, due to the acquisition of Corsan, as well as the increase in billed volume and tariff adjustments in other concessions;
- Pro forma EBITDA: R\$4.3 billion in 9M23, up 66.2% from 9M22, due to the acquisition of Corsan and the evolution in the performance of other concessions;

Proforma net revenue growth, 9M22 vs. 9M23 (R\$ million)



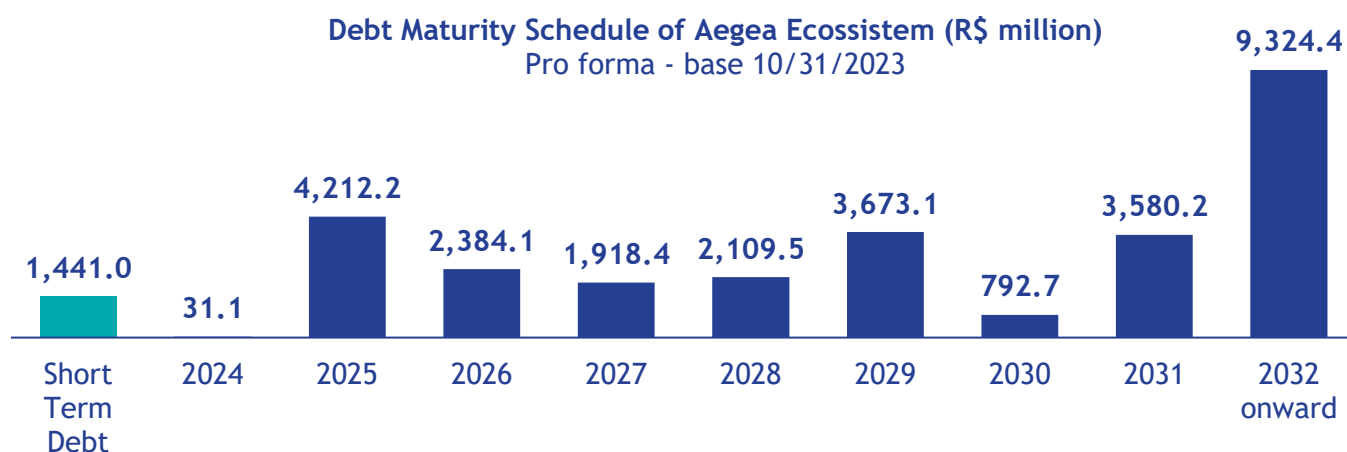
Proforma EBITDA growth, 9M22 vs. 9M23 (R\$ million)



- Pro forma Capex: In the last 12 months ended in September, the companies managed by Aegea invested a total of R\$3.4 billion, a growth of R\$1.7 billion compared to the previous year;

¹ Considering billed households of Águas do Rio

- Pro forma Debt and leverage: Aegea's pro forma net debt was R\$21.7 billion, up 51.4% from 9M22. In 9M23, pro forma net leverage, measured by the ratio of net debt to EBITDA, dropped to 3.89 times, from 4.21 times in 9M22. Considering the issuance of the Bonds and the disbursement of Águas do Rio's first long-term financing lines, the average debt amortization period for the Aegea Ecosystem was extended to 7.7 years, and the debt maturity schedule was as follows:



Results – Aegea Financial Statements

In the following chapters, Aegea's results are presented as consolidated in its Financial Statements and which now include Corsan's results from the 3rd quarter of 2023.

Financial Highlights – Aegea Financial Statements

Aegea consolidated (R\$ '000)	3Q23	3Q22	Δ %	9M23	9M22	Δ %
Net operating revenue ¹	2,277,649	948,729	140.1%	4,304,125	2,699,566	59.4%
Water revenue	1,791,450	658,928	171.9%	3,194,846	1,904,417	67.8%
Sewage revenue ²	353,789	230,381	53.6%	851,132	637,627	33.5%
Related parties revenue	287,177	68,841	317.2%	473,676	195,772	142.0%
PPP revenue ³	150,743	86,048	75.2%	292,535	230,880	26.7%
Deductions from revenue	(305,510)	(95,469)	220.0%	(508,064)	(269,130)	88.8%
Operating Costs and Expenses⁴	(1,022,535)	(368,905)	177.2%	(1,651,368)	(1,115,350)	48.1%
Equity income	32,379	64,510	-49.8%	138,580	208,270	-33.5%
EBITDA	1,287,493	644,334	99.8%	2,791,337	1,792,486	55.7%
EBITDA Margin	56.5%	67.9%	-11.4 p.p.	64.9%	66.4%	-1.5 p.p.
Financial Result	(422,181)	(333,241)	26.7%	(1,215,003)	(895,385)	35.7%
Net Income ex. non-recurring effect	436,706	98,622	342.8%	679,600	343,030	98.1%
Net Income	436,706	98,622	342.8%	679,600	302,835	124.4%

Net Revenue – Aegea Financial Statements

In 3Q23, net revenue¹ amounted to R\$2,277.6 million, an increase of R\$1.3 billion from 3Q22.

The main growth drivers in the third quarter were:

- (i) Conclusion of the acquisition of Corsan in July and the consolidation with Aegea's results, which led to an increase of R\$978.6 million;
- (ii) Tariff adjustments and increase in billed volume in the concessions;
- (iii) Increase in the revenues from the provision of services by Aegea to the affiliate Águas do Rio (Other Revenues).

In 9M23, net operating¹ revenue grew 59.4%, to R\$4,304.1 million. This growth is mainly the result of the same events that impacted the quarter.

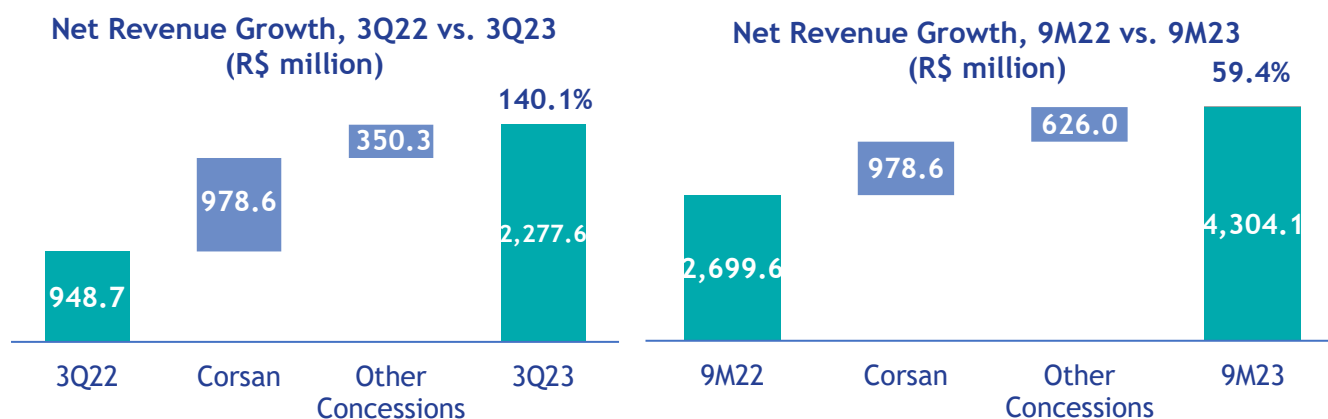
¹ Net operating revenue recorded in the Financial Statements, deducting construction revenues with a margin close to zero (OCPC05) and without cash effect in the amount of R\$498.7 million in 3Q23, R\$250.6 million in 3Q22, R\$970.2 million in 9M23 and R\$654.5 million in 9M22.

² Does not include construction revenue intangible assets with a margin close to zero.

³ Construction revenues - PPP from the Concessionaires Ambiental Serra, Ambiental Vila Velha, Ambiental Cariacica and Ambiental Metrosul (CPC47): sum of the financial asset remuneration lines and construction revenues financial asset in note no. 17 of the Financial Statements;

⁴ Does not include construction costs intangible assets with a margin close to zero.

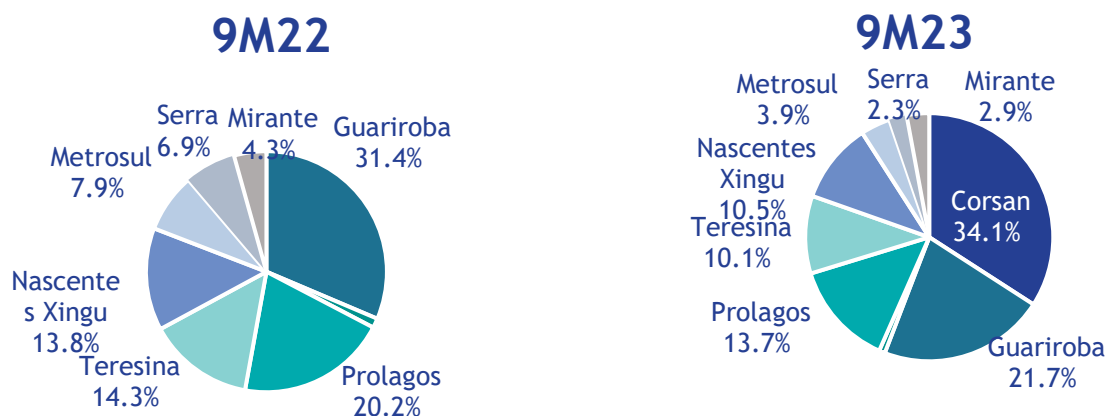
The following chart shows net revenue growth:



The following charts present a breakdown of revenue by SPE:

Revenue Breakdown by Company (%)

Aegee Corporate



Active Households¹ - Aegee Financial Statements

In 3Q23, active households served by Aegee reached 7.5 million, an increase of 3.7 an increase million households from 3Q22, reflecting the addition of households served by Corsan, which added 3.5 million households. In other concessions operated by Aegee, active households increased 6.7% in relation to the previous period.

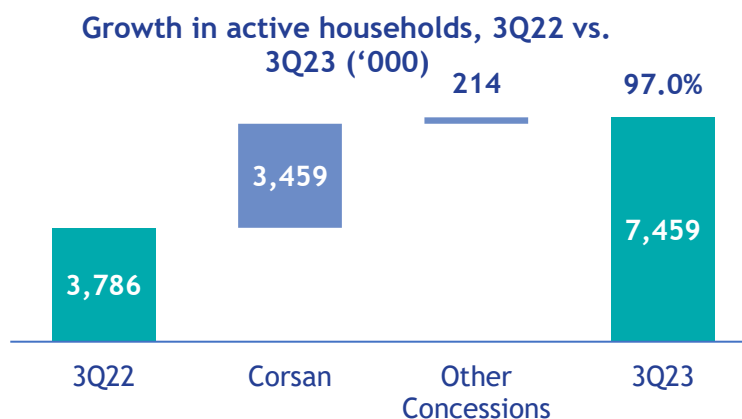
The number of households supplied with water reached 4.9 million, positively impacted by Corsan (+2.9 million water households) and by the expansion of coverage networks and organic growth of other concessions (+62 million water households).

The number of households served by sewage collection and treatment services increased 39.7%, to 2.5 million. In addition to the increase related to the Corsan (+572 thousand sewage households), we have the start of the new PPPs and the increase in the coverage in other concessions. (+153 thousand sewage active households).

¹ 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 households. Active Households: Households excluding those disconnected due to commercial actions or at the consumer's request.

Total Active households	3Q23	3Q22	Δ %
Water	4,908,117	1,959,530	150.5%
Sewage	2,551,269	1,826,541	39.7%
Total	7,459,386	3,786,071	97.0%

The following chart shows the growth in total households:



Billed volume – Aegea Financial Statements

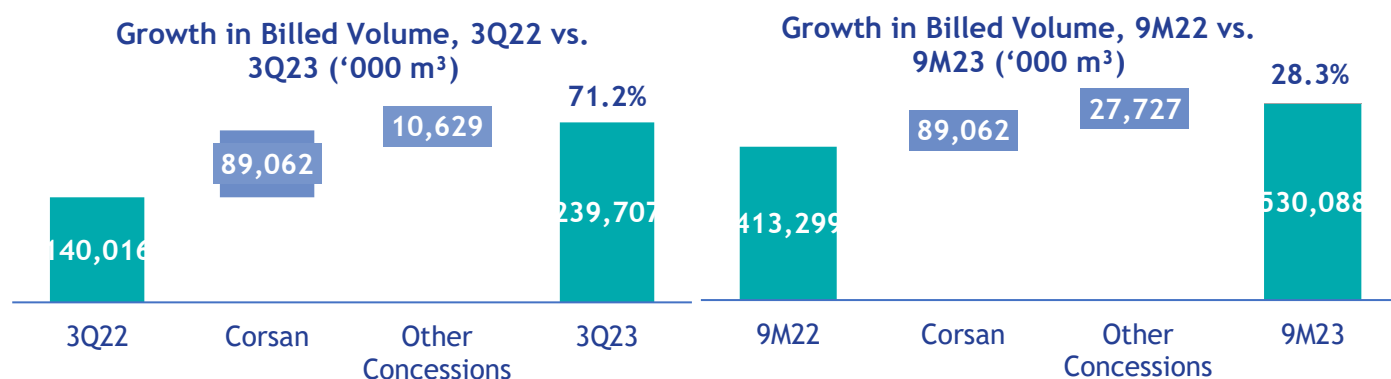
In 3Q22, total billed volume was 239.7 million m³, up 71.2% from 3Q22, reflecting the acquisition of Corsan, which accounts for 89.3% of said growth. In other concessions operated by Aegea, billed volume increased 10.6% in relation to the previous period.

In 9M23, total billed volume was 530.1 million m³, up 28.3% from 9M22. Corsan contributed with 76.3% of this increase, and the other concessions with 23.7%.

The following table compares billed volume:

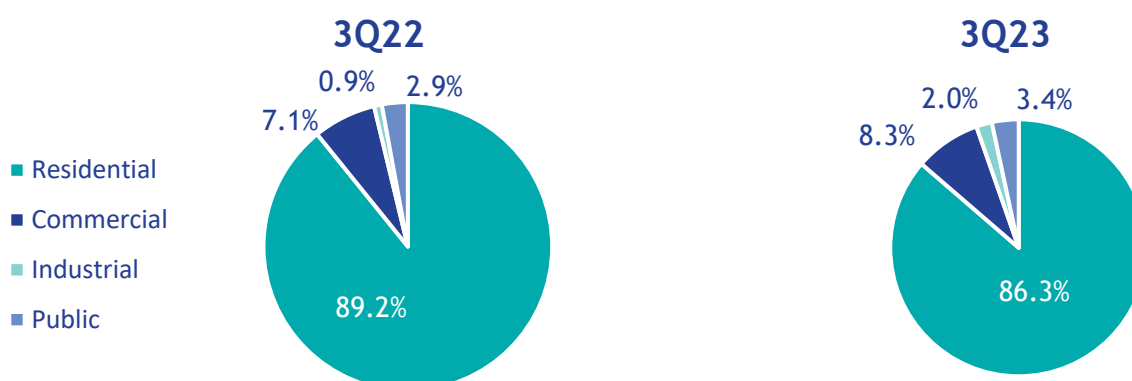
Billed volume ('000 m ³)	3Q23	3Q22	Δ %	9M23	9M22	Δ %
Water	162,344	81,974	98.0%	328,741	241,251	36.3%
Sewage	77,363	58,042	33.3%	201,347	172,048	17.0%
Total	239,707	140,016	71.2%	530,088	413,299	28.3%

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



The following chart shows water billed volume by category. The biggest concentration of consumers is in the residential segment, which corresponded to 86.3% of billed volume.

Water Billed Volume by Category, 3Q22 vs. 3Q23 (%)



Costs and Expenses and Other Operating Income – Aegea Financial Statements

In 3Q23, costs and expenses, excluding the effects of amortization, depreciation and zero-margin construction costs, totaled R\$1,022.5 million, increasing R\$653.6 million from 3Q22, mainly reflecting the acquisition of Corsan, adding R\$585.6 million in costs and expenses.

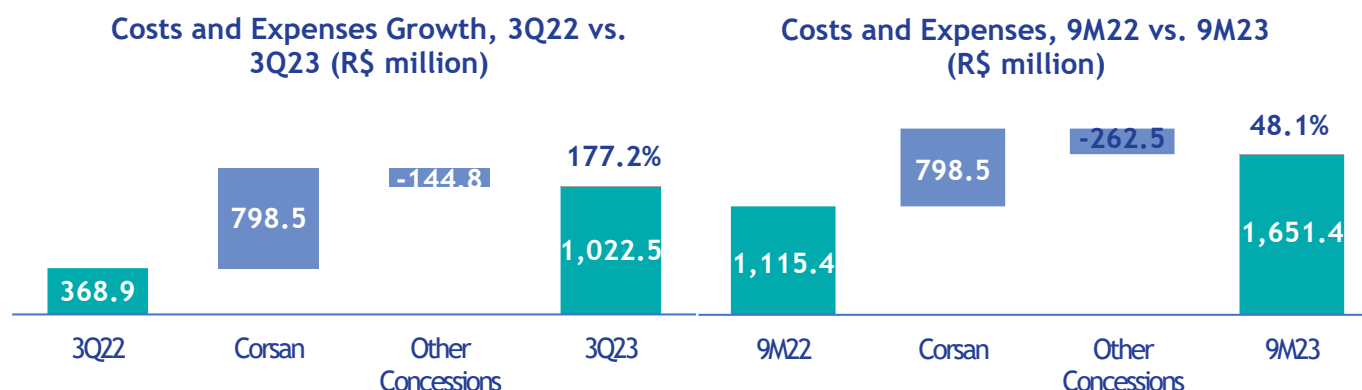
Excluding the impact of Corsan, costs and expenses totaled R\$436.9 million, an increase of 18.4%, mainly due to the start of new PPPs.

In 9M23, costs and expenses, excluding the effects of amortization, depreciation and zero-margin construction costs, amounted to R\$1,651.4 million, increasing 48.1% (R\$536.0 million) compared to 9M22. The main factor that contributed to this growth was the acquisition of Corsan. Excluding the impact of the acquisition of Corsan, costs and expenses reached R\$1,065.7 million, a reduction of 4.4%, mainly due to the positive effect of the declaration of dividends by Águas do Rio, in addition to the annual review of PECLD provision rates.

The following table details the changes in costs, expenses and other operational revenues in the quarters and nine-month periods:

Costs and expenses (R\$ '000)	3Q23	3Q22	Δ %	9M23	9M22	Δ %
Labor	(466,400)	(84,876)	449.5%	(744,782)	(360,439)	106.6%
Outsourced services	(291,376)	(47,878)	508.6%	(417,146)	(163,403)	155.3%
Maintenance	(39,375)	(12,201)	222.7%	(62,412)	(33,073)	88.7%
Materials, equipment and vehicles	(17,971)	(10,420)	72.5%	(37,304)	(26,817)	39.1%
Concession costs	(11,399)	(9,763)	16.8%	(34,249)	(30,032)	14.0%
Electricity	(147,502)	(68,078)	116.7%	(290,965)	(225,693)	28.9%
Chemicals	(52,421)	(16,717)	213.6%	(86,269)	(51,175)	68.6%
PDA	(24,713)	(36,586)	-32.5%	(67,622)	(109,210)	-38.1%
Provisions for civil, labor, tax, and environmental risks	95,951	(6,082)	-1677.6%	80,953	(16,647)	-586.3%
Construction costs	(82,099)	(39,565)	107.5%	(147,082)	(104,721)	40.5%
Taxes, charges and social contributions	(3,144)	(2,002)	57.0%	(7,389)	(6,076)	21.6%
Rentals	(28,524)	(15,493)	84.1%	(63,974)	(35,817)	78.6%
Other Operating Expenses	(72,255)	(21,233)	240.3%	(125,349)	(53,779)	133.1%
Other Operating Income ¹	118,693	1,989	5867.5%	352,222	101,532	246.9%
Subtotal	(1,022,535)	(368,905)	177.2%	(1,651,368)	(1,115,350)	48.1%
Depreciation and amortization	(208,032)	(114,588)	81.5%	(469,934)	(317,339)	48.1%
Total	(1,230,567)	(483,493)	154.5%	(2,121,302)	(1,432,689)	48.1%

The following charts show the changes in costs, expenses, and other operational revenues:

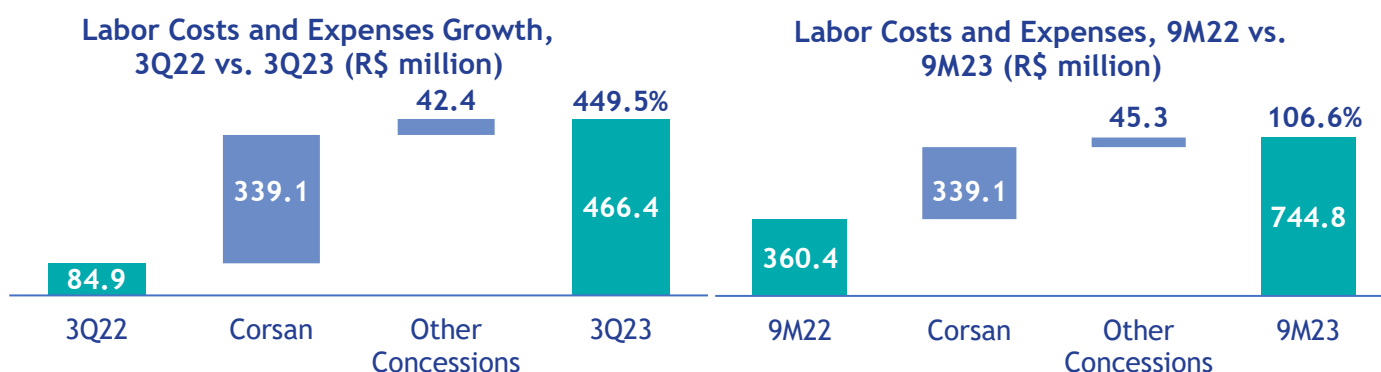


- Labor:**

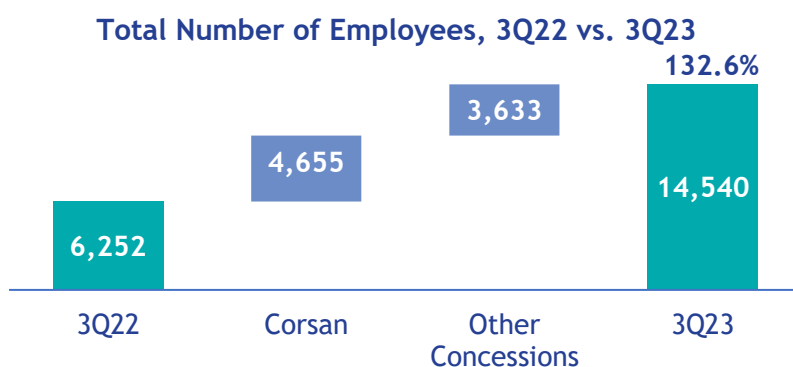
In 3Q23, labor costs and expenses amounted to R\$466.4 million, up R\$381.5 million from 3Q22, mainly due to Corsan's labor expenses, which reached R\$339.1 million and include expenses with the ongoing Severance Program in the amount of R\$187.6 million.

Excluding the Corsan's effect, labor expenses reached R\$127.3 million, an increase of R\$42.4 million, mainly resulting from the increase in the number of employees to support the Company's new operations, in addition to inflation readjustments.

In 9M23, labor costs and expenses totaled R\$744.8 million, up R\$384.3 million from 9M22. Excluding the impact of Sanco, labor costs and expenses increased 12.6% year on year, due to the factors cited above.



The Company ended 3Q23 with 14,540 employees, an increase of 8,284 employees in relation to 3Q22. The main factors that contributed to this variation were: (i) 4,655 employees from Corsan, (iii) new employees from Ambiental Ceará, that began operations in 2023 and new employees at the Holding Company, Shared Services Center to meet administrative needs and other support activities for the new operations and (iii) employees transferred from Águas do Rio to Aesan Engenharia, a company from the Aegea Group that will be responsible for managing and executing Águas do Rio's investments.

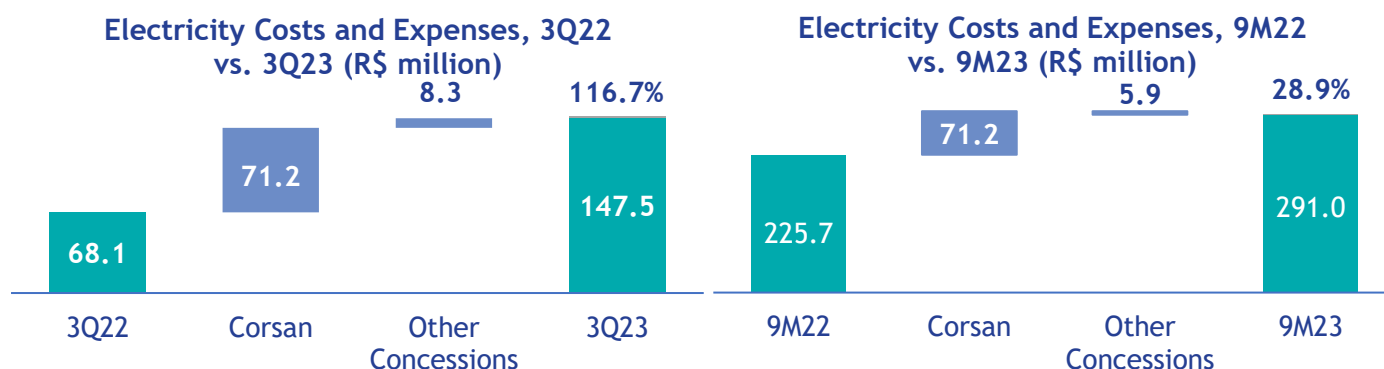


- **Electricity:**

In 3Q23, electricity expenses totaled R\$147.5 million, increasing R\$79.4 million from 3Q22, mainly due to Corsan's acquisition, which resulted in an increase of R\$71.2 million. Excluding this effect, electricity expenses increased 12.1% from the previous quarter, due to the the start of Ambiental Ceará operations in the first half of 2023 and the resumption of electricity transmission and distribution tariffs based on ICMS tax base, as well as increase in tariffs of some states.

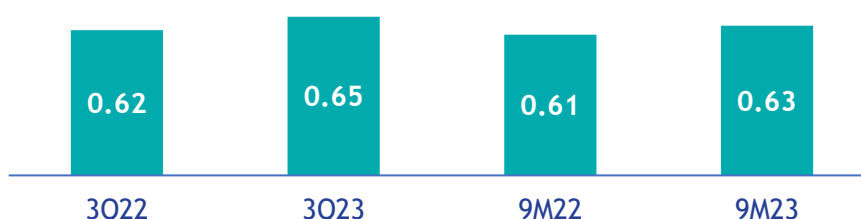
This effect was partially offset by the higher volume of energy contracted in the free market, which increased from 75% in 3Q22 to 76.5% in 3Q23. In the free market, electricity purchase modes are supported by 100% renewable energy sources. At Corsan, we completed the migration to the free market equivalent to 55% of the contracted energy.

In 9M23, electricity expenses came to R\$291.0 million, increasing 28.9% from 9M22, mainly due to the factors cited above. Excluding the impact of Corsan, electricity expenses decreased 2.6% compared to the same period in 2022, thanks to the reduction in electricity tariffs due to the change in the tariff flag between the periods analyzed.



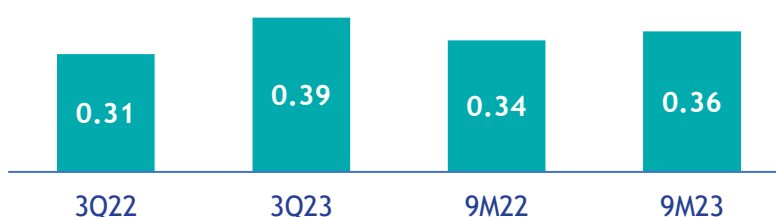
In 3Q23, specific electricity consumption increased by 4.8% from 3Q22 to end the quarter at 0.65 kWh/m³. This result is mainly due to the acquisition of Corsan, resulting in higher energy consumption in the quarter. In 9M23, specific energy consumption increased by 3.3% from 9M22 to end the period at 0.63 kWh/m³, mainly due to the impact of local characteristics of the Prolagos units, with the reinforcement of water supply operations to meet high-season demand, and of Águas de Manaus, with reinforced operation of the pumping systems due to lower water levels in the Negro River, in addition to the factor mentioned previously for the quarter.

Specific Energy Consumption (kWh/m³)



In 3Q23, unit electricity costs¹ were R\$0.39/m³, 25.8% higher than in 3Q22, mainly due to the Corsan's acquisition, reinclusion of electricity charges in the tariffs and higher ICMS rate in some states. In 9M23, unit electricity costs and expenses were R\$0.36/m³, 5.9% higher than in 9M22 due to the effects mentioned above.

Unit Electricity Costs and Expenses (R\$/m³)



• Outsourced services:

In 3Q23, costs and expenses with outsourced services came to R\$291.4 million, R\$243.5 million higher than in 3Q22, mainly resulting from the consolidation of Corsan. Excluding this effect, costs and expenses with outsourced services decreased 27.5% in relation to the previous period.

¹ The calculation base of unit cost (R\$/m³) includes only costs with electricity for water production and sewage treatment, i.e. excludes administrative electricity expenses.

In 9M23, costs and expenses with outsourced services totaled R\$417.1 million, up R\$253.7 million, due to the impact of Corsan. Excluding said effect, costs and expenses with outsourced services decreased 1.8%.

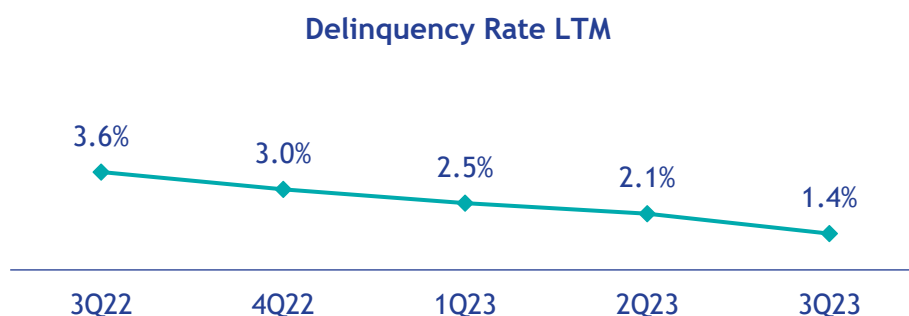
- **Expected Credit Losses (PECLD):**

In 3Q23, expected credit losses totaled R\$24.7 million, down 32.5% from 3Q22, primarily due to the annual revision of provision rates, including those that estimate losses in renegotiations and installments made by the concessionaires Prolagos, Águas de Teresina, Águas de Manaus and Águas Guariroba.

In 9M23, expected credit losses totaled R\$67.9 million, down 38.1% from 9M22, due to the same factors affecting the quarter.

Delinquency Rate – Aegea Financial Statements

In the 12 months ended 3Q23, the delinquency rate¹ stood at 1.4%, down 2.9 p.p. from 3Q22, mainly due to the acquisition of Corsan, which has relatively low levels of PECLD, added to the annual review of the PECLD provision index in other concessions.



Water Distribution Loss Rate – Aegea Financial Statements

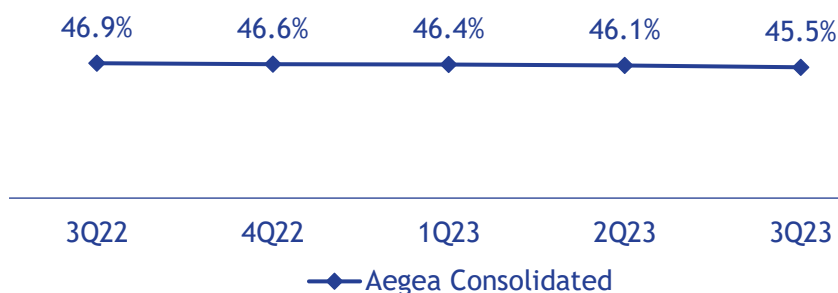
In 3Q23, Aegea's consolidated loss rate² came to 45.5%, down 1.4 p.p. from 3Q22, reflecting the Company's efforts to reduce physical and commercial losses, especially at Águas de Teresina and Águas de Manaus, whose loss rates are higher than those of more mature concessions, in addition to the effect of the acquisition of Corsan.

The following chart shows the evolution of Aegea's water loss rate, considering Corsan after the 3Q23.

¹ Calculation of delinquency: gross revenue excluding cancellations / costs and expenses with expected credit losses

² IN049 (SNIS) - Calculation of Percentage Loss in Distribution (%): $(\text{Water Production Volume (m}^3\text{)} + \text{Treated Water Imported Volume (m}^3\text{)} - \text{Water Service Volume (m}^3\text{)}) - \text{Water Consumption Volume (m}^3\text{)} / \text{Water Production Volume (m}^3\text{)} + \text{Treated Water Imported Volume (m}^3\text{)} - \text{Water Service Volume (m}^3\text{)})$

Water Distribution Loss Rate



Equity Income (Loss) and Dividends Declared – Águas do Rio

In 3Q23, Águas do Rio recorded Net Revenue of R\$1.5 billion, EBITDA of R\$445.0 million and Net Income of R\$122.2 million. Aegee recognized R\$32.4 million in 3Q23 under equity income (loss), and R\$15.7 million as interim dividends under Other Non-operating Revenues.

In 9M23, Águas do Rio recorded Net Revenue of R\$4.5 billion, EBITDA of R\$1.3 billion and Net Income of R\$436.2 million. Aegee recognized R\$138.6 million under equity income (loss) and R\$247.2 million as interim dividends.

Below is the breakdown of Águas do Rio's results recognized in Aegee's consolidated results:

Águas do Rio Results ('000)	3Q23	3Q22	Δ %	9M23	9M22	Δ %
Equity Income	32,379	64,510	-49.8%	138,580	208,270	-33.5%
Dividends Declared	15,693	-	0.0%	247,177	86,277	186.5%
Total	48,072	64,510	-25.5%	385,757	294,547	31.0%

In 9M23, the number of active households served by Águas do Rio increased 23.7%, while billed volume grew 20.3% compared to 9M22, thanks to the improvement in commercial programs and investments made in the concession. Below is a comparison of Águas do Rio-specific indicators:

Águas do Rio	9M23	9M22	Δ %	9T23	9T22	Δ %
Employees	3,887	5,415	-28.2%	3,887	5,415	-28.2%
Active households (thousand)	4,547	3,682	23.5%	4,547	3,682	23.5%
Billed volume ('000 m ³)	721,993	598,048	20.7%	243,991	198,658	22.8%
Net Revenue (R\$ million)	4,505.1	3,830.2	17.6%	1,538.7	1,308.4	17.6%
EBITDA (R\$ million)	1,303.0	1,072.1	21.5%	445.0	373.8	19.1%
EBITDA Margin	28.9%	28.0%	0.9 p.p.	28.9%	28.6%	0.4 p.p.
Net Income (R\$ million)	436.2	392.4	11.2%	122.2	122.1	0.0%
Capex LTM (R\$ million)	1,269.8	836.9	51.7%	1,269.8	836.9	51.7%
Net Debt (R\$ million)	7,678.4	7,672.5	0.1%	7,678.4	7,672.5	0.1%
Net Debt/EBITDA (x)	4.66	5.49	-0.83 x	4.66	5.49	-0.83 x

More information on the results of Águas do Rio 1 and 4 can be found in their earnings releases, which are available on the Aegee Investor Relations website:

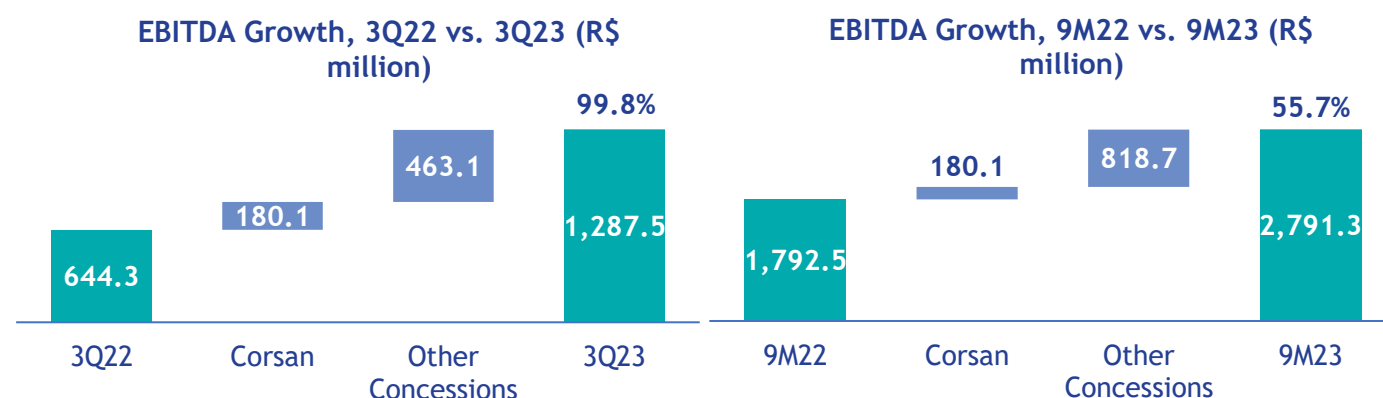
<https://ri.aegee.com.br/debentures-companhias-abertas/aguas-do-rio/>

<https://ri.aegee.com.br/debentures-companhias-abertas/aguas-do-rio-4/>

EBITDA – Aegea Financial Statements

In 3Q23, Aegea's EBITDA was R\$1,287.5 million, up R\$643.2 million from 3Q22, mainly due to the acquisition of Corsan, as well as the evolution in performance of other concessionaires and the positive impacts of Águas do Rio. Excluding the positive accounting impacts of Águas do Rio in both periods (equity income of R\$32.4 million and dividends declared in 3Q23 of R\$15.7 million, as well as equity income of R\$64.5 million in 3Q22), the EBITDA was R\$1,239.4 million in 3Q23 and R\$579.8 million in 3Q22.

In 9M23, EBITDA reached R\$2,791.3 million, up 55.7% (R\$998.9 million) from 9M22, mainly due to the acquisition of Corsan, the evolution of the performance in the concessions and the positive impacts of Águas do Rio.



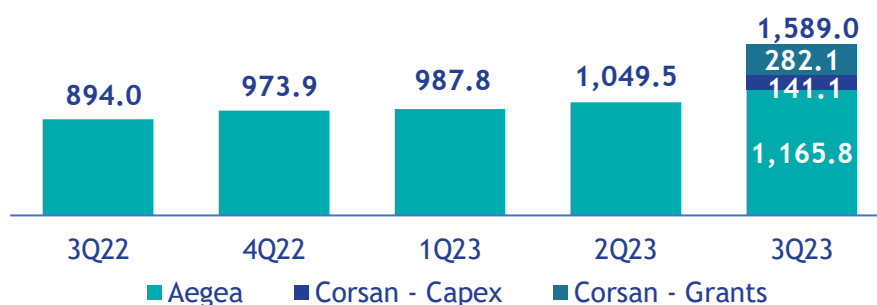
EBITDA (R\$ '000)	3Q23	3Q22	Δ %	9M23	9M22	Δ %
Net Income ex. non-recurring effect	436,706	98,622	342.8%	679,600	343,030	98.1%
(-) Financial expense - 2017 Bonds Early Redemption	-	-	0.0%	-	(40,195)	0.0%
Net Income	436,706	98,622	342.8%	679,600	302,835	124.4%
(+) Financial result	422,181	333,241	26.7%	1,215,003	895,385	35.7%
(+) Income taxes	220,574	97,883	125.3%	426,800	276,927	54.1%
(+) Depreciation and amortization	208,032	114,588	81.5%	469,934	317,339	48.1%
EBITDA	1,287,493	644,334	99.8%	2,791,337	1,792,486	55.7%
Águas do Rio Events	48,072	64,510	-25.5%	385,757	294,547	31.0%
EBITDA ex. Águas do Rio	1,239,421	579,824	113.8%	2,405,580	1,497,939	60.6%
EBITDA Margin	56.5%	67.9%	-11.4 p.p.	64.9%	66.4%	-1.5 p.p.
EBITDA Margin ex. Águas do Rio	54.4%	61.1%	-6.7 p.p.	55.9%	55.5%	0.4 p.p.

CAPEX – Aegea Financial Statements

In the 12 months ended in 3Q23, the Company invested R\$1,589.0 million, an increase of R\$694.9 million from the 12 months ended in 3Q22, mainly due to the acquisition of Corsan, which contributed with an increase of R\$423.2 million in the quarter.

In the CAPEX executed by Corsan in the 3Q23, R\$141.1 million refers to investments in the concession and R\$282.1 million are grants paid to the municipalities with which Corsan amended the concession contracts, postponing the expiration date to 2062.

CAPEX LTM (R\$ million)



Debt¹ - Aegea Financial Statements

Gross debt reached R\$13.0 billion in 3Q23, increasing R\$3.2 billion from 3Q22 as a result of the acquisition of Corsan and new funding operations in the period.

Cash balance totaled R\$1.9 billion in 3Q23, 1.2 times higher than the Company's short-term debt.

Net debt totaled R\$11.1 billion, increasing 66.6% year on year, mainly due to capital injections at Águas do Rio and for the acquisition of Corsan, and the increase in interest on loans and financing paid by the Company in the period.

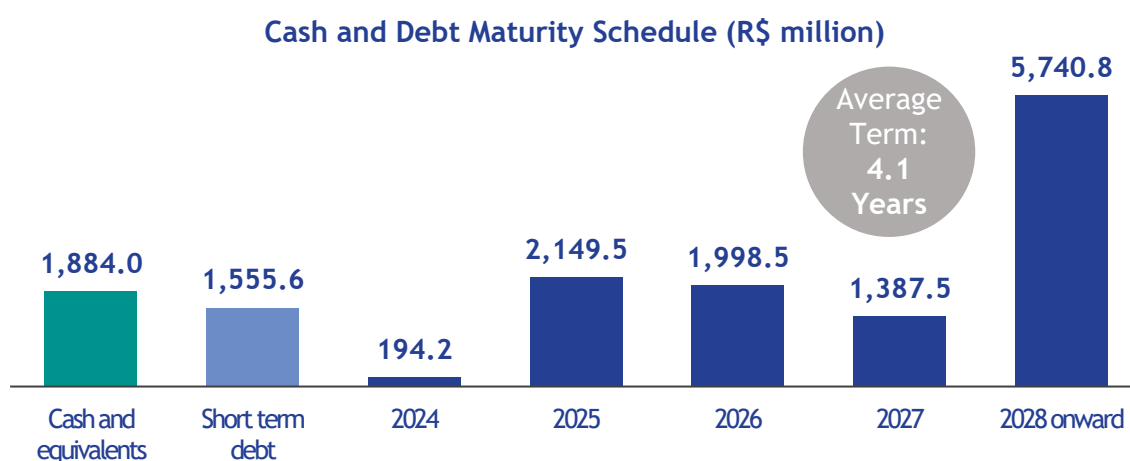
In the 12 months ended in 3Q23, Pro forma EBITDA was R\$4.5 billion, up 89.9% from 3Q22. Leverage, measured by the ratio of net debt to EBITDA, was 2.47 times, which is below the Company's most restrictive covenant of 3.5 times.

Indebtedness (R\$ thousand)	3Q23	3Q22	Δ %
Net Debt	11,142,022	6,686,553	66.6%
(+) Gross debt	13,026,009	9,858,017	32.1%
(+) Loans, financing and debentures	12,967,632	9,969,218	30.1%
(-) Derivatives	(326,834)	(124,687)	162.1%
(+) Cash flow hedge and fair value	(268,456)	(235,888)	13.8%
(-) Cash and equivalents and financial investments	(1,883,987)	(3,171,464)	-40.6%
Consolidated EBITDA (12 months)	4,514,870	2,389,054	22.0%
Aegea EBITDA (12 months)	3,289,787	2,389,054	29.5%
Corsan EBITDA (12 months)	1,225,083	-	0.0%
Net Debt / EBITDA	2.47x	2.80x	-0.33x

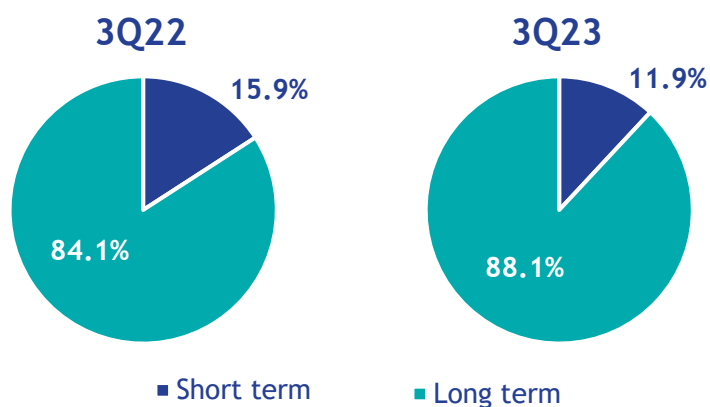
At the end of 3Q23, the average term of Aegea's debt was 4.1 years, with short-term debt corresponding to 11.9% of total debt.

¹ The balance of Cash and Cash Equivalents includes restricted cash of R\$59.0 million on the reporting date of the Financial Statements.

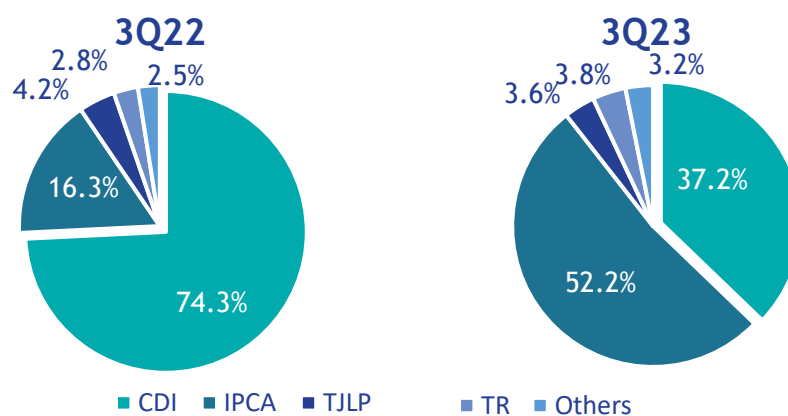
Following is the debt repayment schedule¹:



Debt Maturity Profile (%)



Gross Debt by Indexer (%)



¹ The amortization schedule includes gains and losses from derivative operations and excludes mark-to-market effects.

Financial Result

In 3Q23, the financial result was an expense of R\$422.2 million, up 26.7% from 3Q22. The increase in net financial expense is mainly due to the rise in the indexers used to remunerate debt and the increase in the Company's gross debt, a result of the Corsan's acquisition.

In 9M23, the financial result was an expense of R\$1,215.0 million, increasing 35.7% (R\$319.6 million) from 9M22, due to the same factors that impacted the quarter. Moreover, in 9M22 the Company booked a non-recurring expense of R\$40.2 million related to the early redemption of the 2017 bond. Excluding the non-recurring effect of 2Q22, the financial result in 9M23 was an expense 42.1% higher than in 9M22.

Financial Result ('000)	3Q23	3Q22	Δ %	9M23	9M22	Δ %
Financial income	273,306	268,930	1.6%	906,576	1,106,392	-18.1%
Financial expense	(695,487)	(602,171)	15.5%	(2,121,579)	(2,001,777)	6.0%
Total non-recurring effect ¹	(422,181)	(333,241)	26.7%	(1,215,003)	(855,190)	42.1%
(-) Financial expense - 2017 Bonds Early Redemption	-	-	-	-	(40,195)	-
Total	(422,181)	(333,241)	26.7%	(1,215,003)	(895,385)	35.7%

To exclude the effects from derivative operations and exchange variation on debt from Aegea's financial result, the following table shows the pro forma financial result:

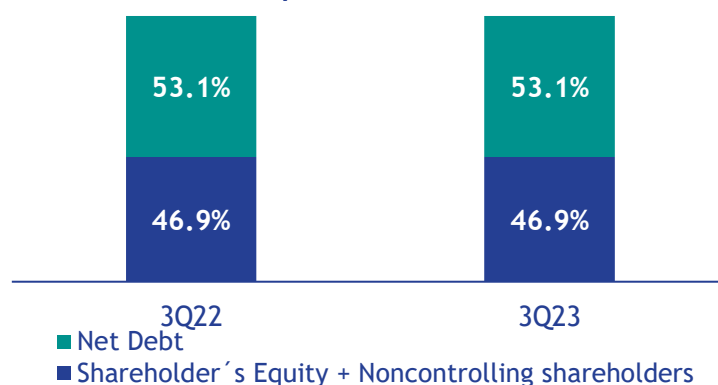
Financial Result PROFORMA ('000)	3Q23	3Q22	Δ %	9M23	9M22	Δ %
Financial income	162,516	110,350	47.3%	611,350	394,490	55.0%
Financial expense	(584,697)	(443,591)	31.8%	(1,826,353)	(1,289,875)	41.6%
Total non-recurring effect ¹	(422,181)	(333,241)	26.7%	(1,215,003)	(855,190)	42.1%
(-) Financial expense - 2017 Bonds Early Redemption	-	-	-	-	(40,195.00)	-100.0%
Total	(422,181)	(333,241)	26.7%	(1,215,003)	(895,385)	35.7%

In 3Q23, the average cost of Aegea's debt was the CDI rate + 1.9%, down 0.3 p.p. from 3Q22. In terms of fixed rate, the cost of debt was 14.8% in 3Q23 vs. 16.1% in 3Q22.

Average Cost of the Debt (CDI+)



Capital Structure



Managerial Cash Flow

In 3Q23, Operating Cash Generation was R\$286.9 million, an increase of 5.0% in relation to 2Q23. In 9M23, Operating Cash Generation was R\$837.0 million, up 5.7%, due to the 62.4% increase in revenue collection, more than offsetting the higher costs, expenses and taxes paid in the period.

Managerial Cash Flow ('000)	3Q23	3Q22	Δ %	9M23	9M22	Δ %
Revenue collected	1,946,286	783,802	148.3%	3,666,243	2,258,194	62.4%
Taxes paid	(313,387)	(116,371)	169.3%	(587,706)	(359,344)	63.5%
Operating costs and expenses	(1,345,983)	(394,184)	241.5%	(2,241,526)	(1,106,972)	102.5%
Operational cash generation	286,916	273,247	5.0%	837,012	791,877	5.7%

APPENDICES

Financial Statements

Balance Sheet (R\$ '000)

	09/30/2023	12/31/2022
Total current assets	4,155,507	3,362,101
Cash and cash equivalents	174,192	74,054
Short-term investments	1,585,142	1,752,091
Trade accounts receivable	1,626,670	1,038,364
Inventories	172,525	33,520
Dividends and interest on equity receivable	0	147,486
Taxes recoverable	294,142	144,929
Contractual financial assets	183,215	81,012
Derivative financial instruments	3,826	1,806
Other receivables	115,795	88,839
Total noncurrent assets	24,429,337	13,818,631
Long-term investments	124,653	113,178
Contractual financial assets	734,120	507,032
Trade accounts receivable	520,881	446,174
Taxes recoverable	99,218	157,934
Dividends and interest on equity receivable	816,226	0
Deferred tax assets	658,390	42,588
Securities	6,489,836	5,293,435
Derivative financial instruments	126,120	25,104
Judicial deposits	514,194	53,486
Other receivables	426,925	38,738
Investments	558,199	827,857
Property, plant and equipment	658,571	412,255
Concession-related assets	2,518,071	602,199
Intangible assets	10,183,933	5,298,651
TOTAL ASSETS	28,584,844	17,180,732
Total current liabilities	3,561,266	1,997,003
Suppliers and contractors	446,539	188,445
Loans, financing and debentures	1,559,418	1,329,443
Labor and social obligations	788,237	131,623
Tax obligations	110,614	37,329
Income and social contribution taxes	181,909	66,743
Derivative financial instruments	-	81,629
Taxes payable in installments	653	638
Dividends payable	193,019	8,207
Other deferred taxes	20,601	11,233
Other accounts payable	260,276	141,713
Total noncurrent liabilities	15,183,510	9,228,421
Suppliers and contractors	52,351	54,334
Loans, financing and debentures	11,408,214	8,475,426
Taxes payable in installments	1,688	2,034
Provisions	1,932,672	68,883
Deferred tax liabilities	278,857	236,412
Derivative financial instruments	456,780	84,837
Post-Employment Benefit Provision	583,580	0
Other deferred taxes	51,953	33,153
Other accounts payable	417,415	273,342
Equity	9,840,068	5,955,308
Capital	1,266,450	1,266,439
New share issue costs	(50,511)	(50,511)
Capital reserve	3,497,160	3,497,160
Income reserves	796,289	794,332
Proposed additional dividends	-	185,211
Equity adjustments	(267,391)	(205,500)
Translation adjustments	2,732	2,732
Noncontrolling shareholders	4,446,401	465,445
Retained earnings	148,938	-
TOTAL LIABILITIES	28,584,844	17,180,732

Income Statement (R\$ '000)

	09/30/2023	06/30/2022
Gross revenue	5,782,399	3,623,192
Direct revenue (Water and Sewage)	4,519,654	2,737,816
Construction Revenue	1,262,745	885,376
Deduction from gross revenue	(508,064)	(269,130)
Net operating revenue	5,274,335	3,354,062
Cost of services	(2,686,194)	(1,634,726)
Operating costs	(1,568,902)	(875,509)
Construction costs	(1,117,292)	(759,217)
Operating expenses	(405,318)	(452,459)
General and administrative	(726,529)	(534,972)
Research and development	(21,266)	(13,813)
Other operating income	342,477	96,326
Equity income	138,580	208,270
Operating income (loss)	2,321,403	1,475,147
Financial result	(1,215,003)	(895,385)
Income tax and social contribution	(426,800)	(276,927)
Net income	679,600	302,835

Cash Flow Statement (R\$ '000)

	09/30/2023	06/30/2022
Income before taxes	1,106,400	579,762
Adjustments:	1,049,469	923,148
Amortization and depreciation	469,934	317,339
Provision for civil, labor, tax and environmental risks	(80,953)	16,647
(Reversal of) allowance for expected credit losses on trade accounts receivable	(69,190)	25,206
Write-off of notes from accounts receivable	136,812	84,004
Write-off of contract assets	709	0
Post-employment benefit provision	(16,719)	0
Reversal of provisions for post-employment benefits	(96,679)	0
P&L from write-off of Intangible assets	1,486	7,743
Dividend income	(247,177)	(86,277)
Equity pickup	(138,580)	(208,270)
Income on financial investments and private debentures	(162,412)	(251,689)
Net (gain) loss on derivative financial instruments	290,105	149,643
Charges on loans and financing and debentures	933,466	711,858
Amortization of borrowing costs	45,856	42,694
Net exchange differences	(112,969)	(6,392)
Fair value of debt through profit or loss	51,091	8,788
Present value adjustment to trade accounts receivable	35,966	31,752
Monetary restatement of civil, labor, tax and environmental risks	18,500	605
Adjustment to the present value of customers on financial assets	(9,777)	0
Provision for executive board bonus	0	79,497
Changes in assets and liabilities	(511,432)	(628,899)
(Increase)/decrease in other assets	(206,750)	(499,127)
Trade accounts receivable	(235,244)	(476,197)
Contractual financial assets	81,677	0
Inventories	(14,517)	(2,934)
Taxes recoverable	(40,122)	(12,898)
Judicial deposits	7,895	(5,081)
Other receivables	(6,439)	(2,017)
Increase/(decrease) in liabilities	(304,682)	(129,772)
Suppliers and contractors	(220,357)	(23,866)
Labor and social obligations	(34,304)	41,337
Tax obligations	5,977	353
Taxes payable in installments	(331)	(292)
Payment of civil, labor, tax and environmental risks	(22,400)	(21,215)
Other deferred taxes	28,168	8,885
Other accounts payable	(61,435)	(134,974)
Interest paid	(857,975)	(483,721)
Income and social contribution taxes paid	(286,248)	(203,543)
Net cash flow (used in) provided by operating activities	500,214	186,747
Redemptions (investments) of short-term investments and private debentures, net	187,951	(623,652)
Income from redemptions of short-term investments and private debentures, net	157,672	145,214
Capital contribution in associates	(1,209,436)	(580,627)
Tax incentive reserve	161	-
Acquisition of financial assets	(6,761)	-
Acquisition of the subsidiary CORSAN, net of the cash obtained in the acquisition	391,137	-
Acquisition of property and equipment	(31,837)	(6,279)
Acquisition of concession-related assets	(1,154,888)	(622,369)
Acquisition of intangible assets	(88,271)	(31,275)
Net cash flow used in investing activities	(1,754,272)	(1,718,988)
Loans, financing and debentures raised	2,803,765	4,230,875
Borrowing costs of loans, financing and debentures	(47,468)	(203,772)
Loans, financing and debentures paid	(777,230)	(2,854,548)
Derivative financial instruments received	439	634,775
Derivative financial instruments paid out	(165,330)	(17,479)
Dividends paid out	(571,515)	(237,804)
Cash from capital contribution	111,527	0
Gain from dilution of equity interest	8	(145)
Net cash flow provided by financing activities	1,354,196	1,551,902
(Decrease) Net decrease in cash and cash equivalents	100,138	19,661
Cash and cash equivalents at January 1	74,054	105,689
Translation adjustments	0	(77,878)
Cash and cash equivalents at September 30	174,192	47,472
(Decrease) Net decrease in cash and cash equivalents	100,138	19,661

Additional Information

Additional Information	3Q23
Volume produced (m ³)	310,826,718
Volume treated (m ³)	69,244,636
Active water connections	1,736,912
Active sewage connections	1,570,275
EBITDA Águas Guariroba (´1000)	159,813
EBITDA Prolagos (´1000)	89,736
EBITDA Águas de Manaus (´1000)	92,743
EBITDA Águas de Teresina (´1000)	73,003



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