

Quarterly Information (ITR)

Aegea Saneamento e Participações S.A.

Six-month period ended June 30, 2022 with Independent Auditor's
Review Report



Aegea

Earnings Release 2Q22

08/10/2022





EBITDA reaches R\$485.4 million in 2Q22 and R\$1.1 billion in 6M22, with a 66% EBITDA Margin in the first half

São Paulo, August 10th, 2022. Aegea Saneamento e Participações S.A. (“Aegea” or “Company”), which currently operates in 154 cities in 13 states across Brazil, announces today its results for the second quarter and first six months of 2022 (“2Q22” and “6M22,” respectively). The quarterly information also presents the Company’s performance in 2Q22 in comparison with the second quarter of 2021 (“2Q21”) and in 6M22 in comparison with the first six months of 2021 (“6M21”). Any and all non-accounting information or information based on non-accounting figures was not reviewed by the independent auditors.

HIGHLIGHTS

- ◆ **Net Revenue¹ grew 28.1%, or R\$194.2 million, in 2Q22 compared to 2Q21, to R\$884.5 million. In the same period, net revenue from water increased 14.0% and from sewage rose 28.4%. Also contributing to this growth was the 48.0% increase in government payments under Public-Private Partnerships (PPPs) revenues, reflecting the higher CAPEX in the period. In the first semester, Net Revenue came to R\$1.8 billion, up 31% from 6M21;**
- ◆ **EBITDA² reached R\$485.4 million in 2Q22, increasing 22.0% compared to 2Q21. Aegea’s consolidated EBITDA margin reached 54.9%, supported by the growth in households served by sewage services, the increases in water and sewage billed volume and the results of the associated company Águas do Rio, which started operations in the fourth quarter of 2021. In 6M22, EBITDA reached R\$1.1 billion, a growth of 53% compared to 6M21, with an EBITDA margin of 65.6%, up 9.4 p.p. from 6M21;**

¹ Excludes construction revenues with near-zero margins and includes revenue from government payments under contracts for the PPPs Ambiental Vila Velha, Ambiental Serra, Ambiental Metrosul and Ambiental Cariacica.

² Excludes construction revenues and construction costs with near-zero margins and includes revenue from government payments under PPPs and the construction costs of these agreements.

- **Financial Leverage**, measured by the ratio of Net Debt/EBITDA, was 2.57x in 2Q22, down from 2.88x in 2Q21;
- In 2Q22, the average debt term increased to 4.8 years, from 3.3 years in the prior quarter, after the following transactions in the Brazilian and international capital markets:
 - **Issue of Sustainability-Linked Bonds (SLB)**, in the amount of US\$500 million and with maturity in seven years;
 - **Prepayment of the 2017 Bonds due in October 2024**, in the amount of US\$400 million;
 - **4th issue of debentures of Águas de Teresina**, in the amount of R\$600 million, in two series, with maturity in 10 and 15 years;
- On May 23, we signed an agreement for the concession, and on August 1st we started the operations of basic sanitation and commercial management services in Crato, Ceará, where we will invest R\$250 million in expanding sewage collection and treatment services, with the plan to achieve 90% coverage by 2033;
- On June 22, Aegea published its **11th Annual Sustainability Report**. Its content, which was assured by EY, 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 on an integrated basis, reaffirming our commitment to transparency before all stakeholders.



Message from Management

The first half of 2022 represents an important milestone for the Aegea ecosystem, which surpassed the mark of 10,000 direct employees. We reached 11,178 employees, including Águas do Rio, who work every day to improve the health of people and the environment through the expansion of basic sanitation services. Through the joint efforts of these professionals, we also continued to make progress in our operational and financial aspects. In these six months, we delivered growth of 11% in billed volume, net revenue of R\$1.8 billion (+31% on 1H21), EBITDA of R\$1.1 billion (+53%) and EBITDA margin of 65.6% (+9.4 p.p.).

Focusing on cash and liability management, which is crucial for maintaining our investments in expanding water and sewage coverage in Brazil, in 2Q22, we concluded transactions in the local and international financial markets that increased our average debt term to 4.8 years, from 3.3 years in 1Q22. These transactions included the issue of US\$500 million in bonds due in 7 years by *Aegea Finance*, the prepayment of the bonds issued in 2017 and due in 2024, and the issue, by the concessionaire Águas de Teresina, of R\$600 million in infrastructure debentures due in 10 and 15 years. Note that these two new issues are linked to sustainability targets, once again confirming ESG as a core principle of our business and in our decision making process. The Sustainability-Linked Bonds (SLB) are subject to the fulfillment of the Company's ESG targets for reducing energy consumption in water and sewage

treatment and for increasing the number of women and Blacks in leadership positions. Meanwhile, the proceeds from the debentures of Águas de Teresina will be used specifically for expanding water and sewage coverage in the state capital of Piauí.

Wherever it goes, Aegea builds a legacy of development. According to data from the Sanitation Ranking of Instituto Trata Brasil, Manaus was the city that received the highest investments in sanitation in Brazil's North and Northeast regions, amounting to R\$500 million since June 2018. Manaus is also the country's city with the highest number of beneficiaries *per capita* of the Social Tariff: 100,000 families, around 500,000 people or 20% of the city's population. The programs Vem Com a Gente and Tarifa Social, which the Company implemented in Manaus, transforms the reality of the locations where we operate, and this is how we have been operating in Rio de Janeiro, bringing treated water to thousands of people for the first time. In the city of Rio de Janeiro, we concluded a pilot project in the Barreira do Vasco community, which resulted in over 20,000 people connected to the water and sewage supply network, at the social tariff of R\$40.52. For many families, connection to the Águas do Rio network represented their first proof of residence. At Barreira do Vasco, 85% of the customers paid their bill prior to the due date, which proves the effectiveness of our strategy in communities. Another highlight of the period was the launch of the first water treatment

plant in the city of Magé, expanding supply capacity to over 100,000 people in the region.

We work every day to protect and recover degraded ecosystems by expanding sewage coverage and treatment. In the last 12 months, we added over 100,000 new households served by the Company's sewage services, which means over 300,000 people with access to quality sanitation. The PPPs Ambiental Cariacica (ES), Ambiental MS Pantanal (MS) and Ambiental Metrosul (RS), which completed one year of full operations in 2022, alone accounted for 73,000 new households, 813.5 km of collection network built and 33 sewage treatment plants built and/or recovered.

At Águas do Rio, following the example of Prolagos (RJ) and major cities such as Paris, London and New York, we will implement Dry-Weather Sewage Intake, which is recognized worldwide as a fast solution for intercepting polluted effluent flow and diverting it to sewage treatment plants, contributing to the environmental recovery. In the city of Rio de Janeiro, investments have begun with the cleaning of pipelines and the ocean interceptor, from which over 800 tons of waste was removed. We also made other important interventions, such as efficient and regular withdrawal of water from the Banana Podre and Berquó rivers, stopping the discharging of wastewater directly on the shoreline of Botafogo on rainless days, which led to the water of Botafogo Beach to become crystal clear even during low tide, as observed on June 16 by biologist Mário Moscatelli. We also began the collection of water from the Carioca River and implemented

a sewage pumping station at Praça do Índio, in Flamengo, which pumps sewage to the marine outfall of Ipanema. These actions, combined with the drought, contributed to Botafogo Beach becoming suitable for bathing, according to the bulletins of June and July of the State Environmental Institute of Rio de Janeiro (Inea).

In sewage coverage expansion, on May 23, we signed an agreement for the concession, and on August 1st we started the operations of basic sanitation and commercial management services in Crato (CE), where we will invest R\$250 million, with the plan to achieve 90% coverage by 2033. With our eye on socially vulnerable communities, we will also expand the Social Tariff.

We believe that investments in sanitation can go beyond health and environmental issues. Seeking to increase income generation, we launched “Negócio Cultural”, one of the country's largest private programs to provide business training to over 14,000 youth and micro-entrepreneurs. The actions of the Aegea Institute are supported by the Special Culture Office, Ecotransforma Produções and NTICS Projetos.

We are a prosperity platform that seeks to create value shared with the entire chain, drive investments and promote equality, inclusion and income. The benefits of expanding basic sanitation are many and, at Aegea, we work every day to go beyond to leave a true legacy of development in the communities where we operate.

The Management



Aegee Proforma Results

Águas do Rio, which started up in November 2021, marks an important achievement for Aegee, which practically doubled its operations, adding about 10 million people to the population served. Aegee's interest in Águas do Rio is 52% of its total capital and 20% of its voting capital. Its results are not consolidated into Aegee's Financial Statements, but rather recognized under equity income.

Therefore, we present below selected highlights of Aegee Accounting, with Águas do Rio results recognized under equity income, and Aegee Proforma, which comprise the results of Aegee consolidating those of Águas do Rio.

6M22 Highlights	Aegee Financial Statements	Aegee Proforma	Águas do Rio
Employees	6,079	11,178	5,099
Active households (thousand)	3,740	7,349	3,609
EBITDA (R\$ million)	1,148	1,631	698
Net income (R\$ million)	204	259	270

Financial Highlights

The results of Aegea as consolidated in its Financial Statements are presented in the items below.

Aegea consolidated (R\$ '000)	2Q22	2Q21	Δ %	6M22	6M21	Δ %
Net operating revenue ¹	884,472	690,246	28.1%	1,750,837	1,336,512	31.0%
Water revenue	611,557	536,578	14.0%	1,245,489	1,064,686	17.0%
Sewage revenue ²	207,545	161,688	28.4%	407,246	315,289	29.2%
Outras receitas	65,344	0	0.0%	126,931	0	0.0%
PPP revenue ³	89,486	60,444	48.0%	144,832	91,478	58.3%
Deductions from revenue	(89,460)	(68,464)	30.7%	(173,661)	(134,941)	28.7%
Operating Costs and Expenses⁴	(448,989)	(292,206)	53.7%	(746,445)	(586,046)	27.4%
Equity income	49,956	-	0.0%	143,760	-	0.0%
EBITDA	485,439	398,040	22.0%	1,148,152	750,466	53.0%
EBITDA Margin	54.9%	57.7%	-2.8 p.p.	65.6%	56.2%	9.4 p.p.
Financial Result	(325,144)	(128,006)	154.0%	(562,144)	(236,036)	138.2%
Net Income non-recurring effect	7,364	126,916	-94.2%	244,408	222,631	9.8%
Net Income (Loss)	(32,831)	126,916	-125.9%	204,213	222,631	-8.3%

Net Revenue

In 2Q22, net operating revenue¹ amounted to R\$884.5 million, increasing 28.1% from 2Q21.

The main growth drivers in the second quarter were:

- (i) Tariff adjustments, with the highlights:
 - a. Águas Guariroba: (a) the ordinary annual tariff adjustment of 5.0% in Jan/22; (b) the extraordinary tariff adjustment of 3.64% in two portions of 1.82%, the first taking effect in May/22 and the second in Jun/22; (c) 3.24% of financial rebalancing approved in 2021, in two portions of 1.62%, the first taking effect in Jul/21 and the second in Jan/22;
 - b. Prolagos: the ordinary annual tariff adjustment of 10.0%;
 - c. Manaus: the annual tariff adjustment of 9.88%;
- (ii) The increase of 7.0% in billed volume, mainly due to the growth in households served by the Company's sewage services;
- (iii) The growth in government payments under PPPs given the higher CAPEX for expanding sewage coverage. Highlights: Serra Ambiental, responsible for 77.4% of the variation in the period; Ambiental Metrosul, responsible for 35.6% of the variation in the period; and R\$65.3 million in operating revenues, corresponding to revenue from the provision of operational and administrative services to the associated company Águas do Rio.
- (iv)

¹ Net operating revenue recorded in the Interim Financial Statements (ITR), Note 17, less the construction revenue with near-zero margin (OCP05) and no cash effects, came to (R\$176.5 million) in 2Q21 and (R\$213.8 million) in 2Q22 and (R\$319.7 million) in 6M21 and (R\$403.9 million) in 6M22.

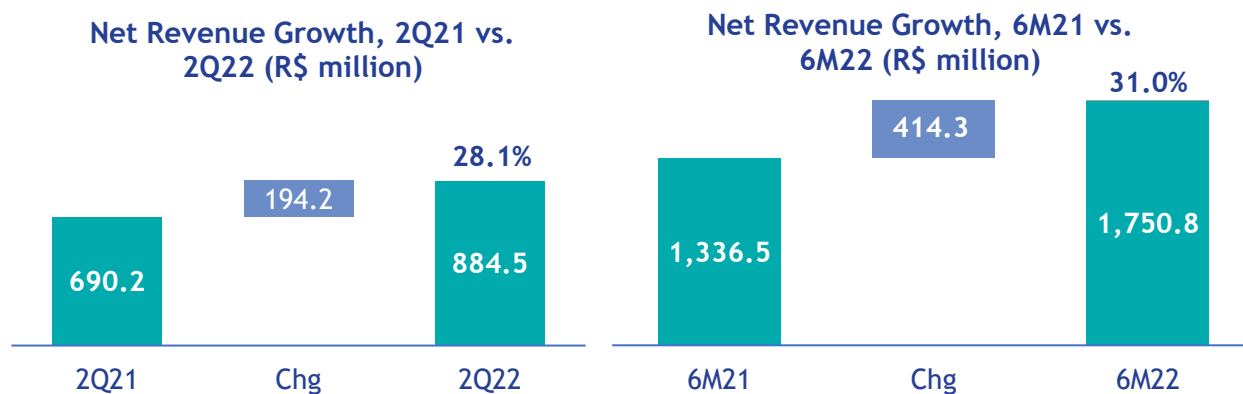
² Excludes intangible asset construction revenue with near-zero margins.

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

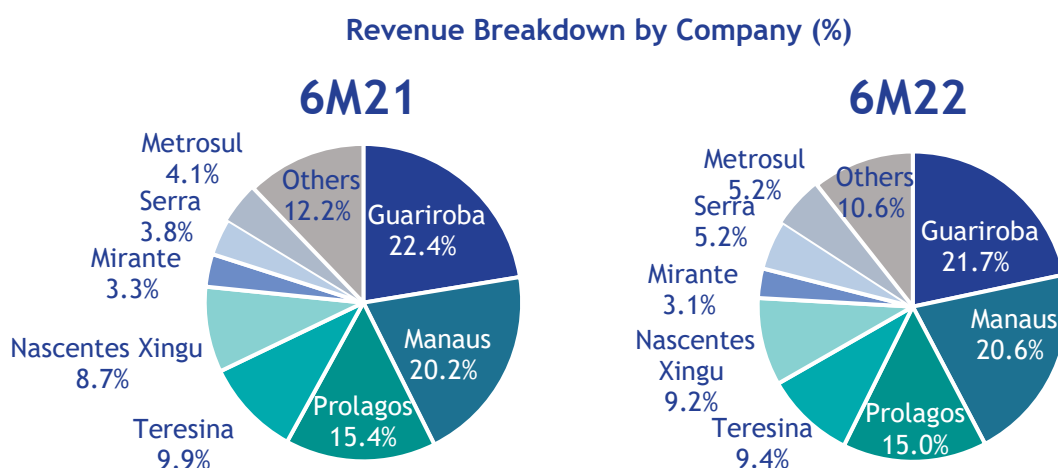
⁴ Excludes intangible asset construction costs with near-zero margins.

In 6M22, net operating revenue grew 31.0% compared to 6M21, to R\$1,750.8 million, with this growth mainly due to the aforementioned events.

The following charts present net revenue growth in the quarters and the semesters:



The following charts present a breakdown of revenue by SPE:



Consumption Units (Households)¹

In 2Q22, total active households served by Aegea reached 3.7 million, an increase of 2.6% from 2Q21, excluding the units served by our associated company Águas do Rio.

The number of households served by sewage collection and treatment services increased 6.3%, to 1.8 million. The growth in the client base is mainly associated with:

- (i) the network expansion in the PPPs, accounting for 66.8% of such increase, with Ambiental Metrosul, MS Pantanal and Serra accounting for 56.2% ; and

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. Ex: a building with 10 apartments has one connection and 10 consumption units.

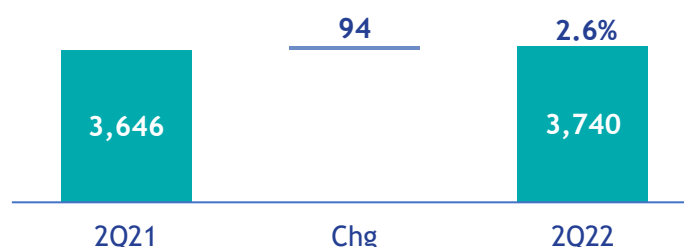
- (ii) the network expansion in Prolagos, Águas Guariroba, Águas de Teresina and Águas de Manaus, accounting for 17.5% of the increase.

The number of households with water service decreased 0.6% from 2Q21, to 1.9 million, reflecting the resumption of cuts connections in the second half of 2021 as a measure to reduce delinquency.

Total Active households	2Q22	2Q21	Δ %
Water	1,947,527	1,960,255	-0.6%
Sewage	1,792,271	1,685,267	6.3%
Total	3,739,798	3,645,522	2.6%

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

Growth in households with water and sewage services, 2Q21 vs. 2Q22 ('000)



Billed Volume

In 2Q22, total billed volume was 136,657 thousand m³, up 7.0% from 2Q21.

Sewage billed volume increased 16.6% compared to 2Q21, due to:

- (i) the network expansion in the new PPPs, which accounted for 97.3% of the growth in sewage billed volume in the quarter; and
- (ii) the network expansion and organic growth at other concessions.

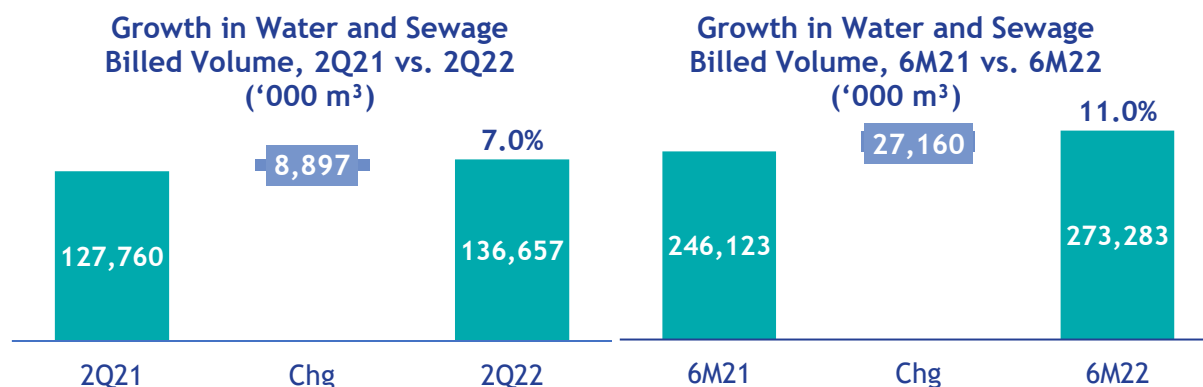
Water billed volume in 2Q22 grew 0.9%, with Prolagos and Águas de Manaus responsible for the highest contribution to such growth.

In 6M22, total billed volume was 273,383 thousand m³, up 11.0% from 6M21, due to the same events of the quarter. Sewage billed volume in 6M22 increased 27.0% in relation to 6M21, while water billed volume grew 1.9% in 6M22.

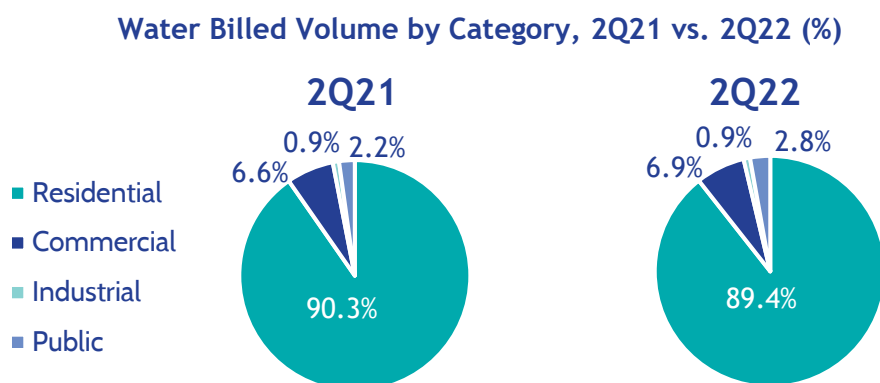
The following table compares billed volume in the quarters and the semesters:

Billed volume ('000 m ³)	2Q22	2Q21	Δ %	6M22	6M21	Δ %
Water	79,341	78,616	0.9%	159,277	156,335	1.9%
Sewage	57,316	49,144	16.6%	114,006	89,788	27.0%
Total	136,657	127,760	7.0%	273,283	246,123	11.0%

The following charts present the growth in water and sewage billed volume between the quarters and the semesters:



The following chart shows water billed volume by category. Customers remain concentrated in the residential segment, which accounted for 89.4% of billed volume.



Costs and Expenses

In 2Q22, costs and expenses, excluding the effects of amortization, depreciation and zero-margin construction costs, amounted to R\$449.0 million, increasing R\$156.8 million or 53.7% from 2Q21. The amount includes, under other non-operational revenues/expenses, the interim dividends declared by Águas do Rio, of R\$22.2 million. The following factors contributed to the increase in costs and expenses:

- Higher labor expenses due to the increase in headcount to meet the needs of new operations, wage increases in the period and the long-term provision for variable compensation, which was not allocated in 2Q21;
- Increase in expenses with outsourced services to meet the needs of the new operations;
- Higher construction costs due to the higher investments in PPPs Ambiental Serra and Ambiental Metrosul;
- Increase in electricity costs due to higher tariff bands and tariff adjustments; and
- Costs and expenses with new PPPs and pre-operating costs of the new concession Ambiental Crato, in the amount of R\$6.7 million, or 4.2% of the total variation.

Excluding the effects of the long-term provision for variable compensation, costs and expenses in 2Q22 would have increased 26.4%.

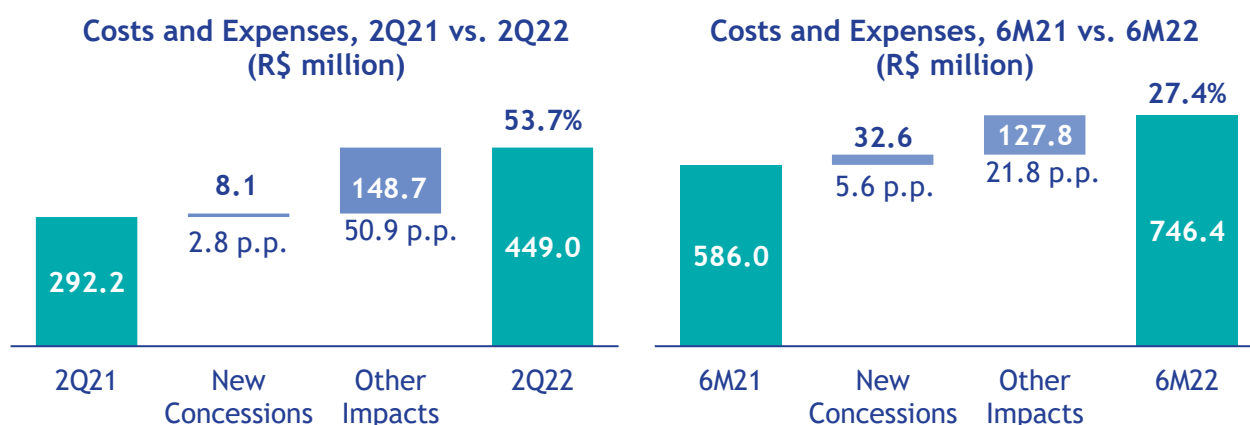
In 6M22, costs and expenses, excluding the effects of amortization, depreciation and zero-margin construction costs, came to R\$764.4 million, up 27.4%, or R\$160.4 million from 6M21. Excluding the interim dividends of Águas do Rio, of R\$86.3 million in 6M22, the increase is R\$246.7 million, or 42.1%, due to the same factors cited above.

Excluding the effects of the long-term provision for variable compensation, costs and expenses in 6M22 would have grown 13.8%.

The following table details the changes in costs and expenses in the quarters and the semesters:

Costs and expenses (R\$ '000)	2Q22	2Q21	Δ %	6M22	6M21	Δ %
Labor	(179,693)	(77,283)	132.5%	(275,563)	(154,140)	78.8%
Outsourced services ¹	(56,037)	(43,279)	29.5%	(115,525)	(87,473)	32.1%
Maintenance	(10,541)	(10,004)	5.4%	(20,872)	(19,348)	7.9%
Materials, equipment and vehicles	(8,856)	(11,527)	-23.2%	(16,397)	(18,639)	-12.0%
Concession costs	(8,911)	(7,488)	19.0%	(20,269)	(17,657)	14.8%
Electricity	(74,713)	(63,207)	18.2%	(157,615)	(125,913)	25.2%
Chemicals	(19,065)	(11,409)	67.1%	(34,458)	(23,831)	44.6%
PDA ²	(37,607)	(20,843)	80.4%	(72,624)	(53,465)	35.8%
Provisions for civil, labor, tax, and environmental risk	(5,128)	(5,615)	-8.7%	(10,565)	(8,303)	27.2%
Construction costs ³	(52,313)	(28,973)	80.6%	(65,156)	(43,743)	49.0%
Taxes, charges and social contributions	(1,951)	(3,042)	-35.9%	(4,074)	(4,305)	-5.4%
Rentals	(5,761)	(2,959)	94.7%	(20,324)	(12,127)	67.6%
Others	11,587	(6,577)	-276.2%	66,997	(17,102)	-491.7%
Subtotal	(448,989)	(292,206)	53.7%	(746,445)	(586,046)	27.4%
Depreciation and amortization	(103,821)	(82,528)	25.8%	(202,751)	(160,044)	26.7%
Total	(552,810)	(374,734)	47.5%	(949,196)	(746,090)	27.2%

The following charts show the changes in costs and expenses between the quarters and the semesters:

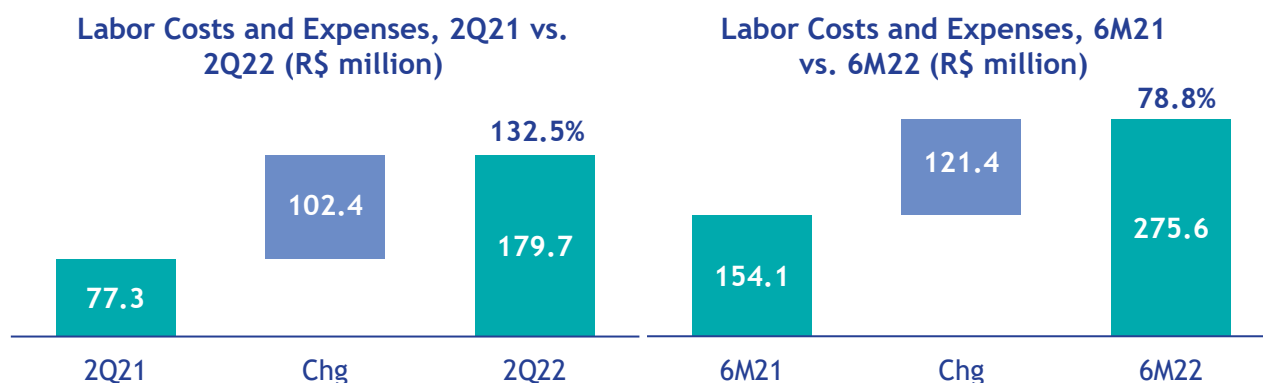


- Labor:**

In 2Q22, labor costs and expenses amounted to R\$179.7 million, up 132.5% from 2Q21, mainly due to: (i) the increase in the number of employees and wage increases in the period; and (ii) the long-term provision for variable compensation, which was not allocated in 2021. Excluding the effects

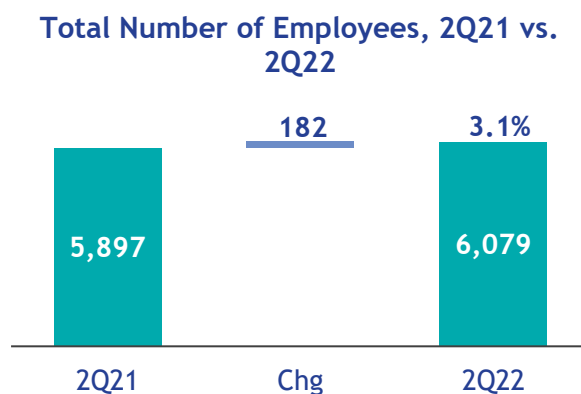
of the long-term provision for variable compensation, labor costs and expenses presented an increase of 29.6% in 2Q22.

In 6M22, labor costs and expenses amounted to R\$275.6 million, up 78.8% from 6M21, due to the same factors affecting the quarter. Excluding the effects of the long-term provision for variable compensation, labor costs and expenses presented an increase of 27.7% in 6M22.



The Company ended 2Q22 with 6,079 employees, 182 more than in 2Q21, mainly due to the 96 new employees at the Holding Company and Aegea Administrative Center (CSC) to meet administrative needs and perform other activities to support the new operations, Águas do Rio and PPPs.

Below are the changes in personnel under the labor costs and expenses line, as consolidated in the Financial Statements. Including Águas do Rio, the Aegea Ecosystem ended 2Q22 with 11,178 direct employees.



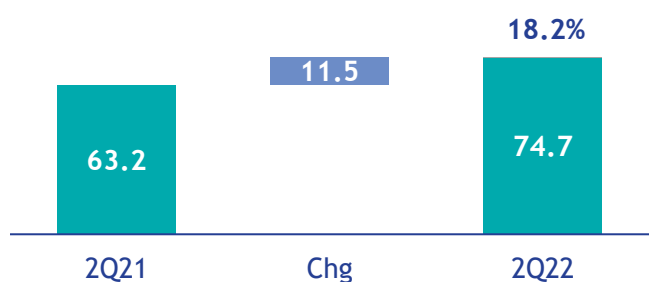
- **Electricity:**

In 2Q22, electricity expenses came to R\$74.7 million, increasing 18.2% from 2Q21, mainly due to the change in the tariff band and higher charges, and the tariff adjustments in the period.

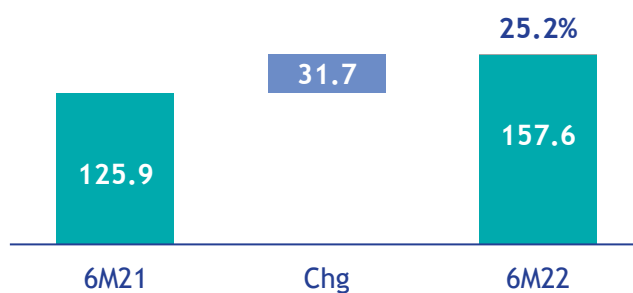
Note that these factors were partially offset by the reduction in specific energy consumption, as detailed below, and by the Company's strategy to increase the share of electricity purchased in the free market, which rose from 68.3% in 2Q21 to 75.2% in 2Q22. In the free market, the electricity purchase modes are supported by 100% renewable sources.

In 6M22, electricity expenses came to R\$157.6 million, increasing 25.2% from 6M21, due to the same factors affecting the result in the quarter.

Electricity Costs and Expenses, 2Q21 vs. 2Q22 (R\$ million)



Electricity Costs and Expenses, 6M21 vs. 6M22 (R\$ million)



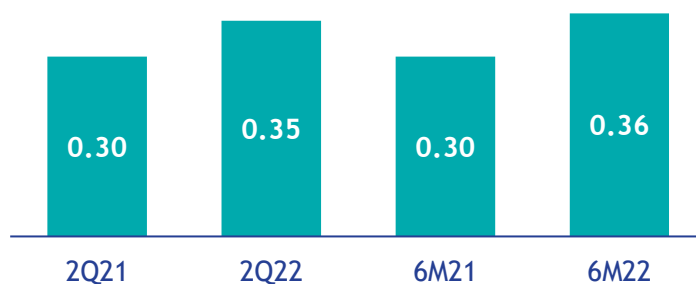
In 2Q22, specific electricity consumption remained stable compared to 2Q21, ending the quarter at 0.61 kWh/m³. In 6M22, specific electricity consumption decreased 1.6% from 6M21, ending the period at 0.61 kWh/m³, reflecting the measures to increase energy efficiency and reduce water losses.

Specific Energy Consumption (kWh/m³)



In 2Q22, a period during which the water scarcity tariff band prevailed until May, unit electricity costs and expenses¹ were R\$0.35/m³, 14.3% higher than in 2Q21, when the band was red. In 6M22, unit electricity costs and expenses were R\$0.36/m³, 16.7% higher than in 6M21, due to the same factors affecting the quarterly variation.

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



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

- **Outsourced Services**

In 2Q22, costs and expenses with outsourced services came to R\$56.0 million, 29.5% higher than in 2Q21, mainly due to expenses with IT and consulting services in connection with the expansion of the Company's activities, as well as costs and expenses of the new companies, which accounted for 9.2% of the variation in the period.

In 6M22, the costs and expenses with outsourced services came to R\$115.5 million, 32.1% higher than in 6M21, due to the same factors affecting 2Q22.

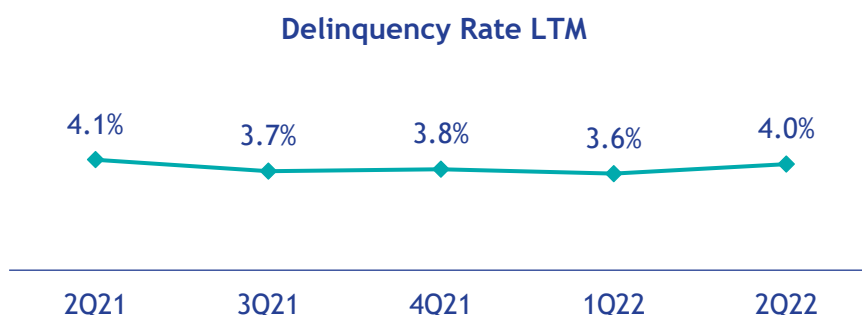
- **Expected Credit Losses (PECLD)**

In 2Q22, expected credit losses amounted to R\$37.6 million, increasing 80.4% from 2Q21, mainly due to the annual revision of the PECLD provision for Águas de Manaus, which increased in line with revenue growth over recent years. This increase was partially offset by the results of the customer recovery programs and the reduction in PECLD in other concessions.

In 6M22, expected credit losses were R\$72.6 million, up 35.8% on 6M21, due to the same factor affecting the quarter.

Delinquency Rate

In the 12 months to 2Q22, the delinquency rate¹ stood at 4.0%, down 0.1 p.p. from 2Q21. The highlights were the customer recovery programs, such as Vem com a Gente, Água Legal, Feirão Conta em Dia, Zera Dívida, and the resumption of cuts at concessionaires, which helped maintain the delinquency rate.



Water Distribution Loss Rate

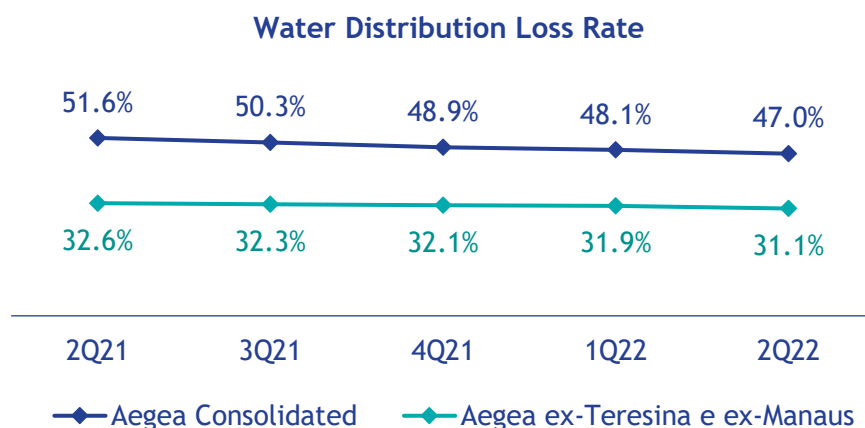
In 2Q22, Aegea's consolidated loss rate² fell to 47.0%, down 4.6 p.p. from 2Q21. The reduction reflects the efforts made by the Company to reduce physical and commercial losses in water distribution at its concessions, especially at Águas de Teresina and Águas de Manaus, which are concessions with a turnaround in progress and loss rates above those of more mature concessions.

¹ Calculation of delinquency: gross revenue excluding cancellations / PECLD costs and expenses. Excludes PPPs Serra, Vila Velha, Cariacica, Metrosul, MS Pantanal and Mirante.

² IN049 (SNIS) - Calculation of Percentage Loss in Distribution (%): $\frac{\text{Water Production Volume (m}^3\text{)} + \text{Treated Water Imported Volume (m}^3\text{)} - \text{Water Service Volume (m}^3\text{)}}{\text{Water Production Volume (m}^3\text{)} + \text{Treated Water Imported Volume (m}^3\text{)}} \times 100$

Considering only the more mature concessionaires, the Company's loss rate stood at 31.1% in 2Q22, down 1.5 p.p. from 2Q21.

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



Equity Income – Águas do Rio

Águas do Rio, which started operating in November 2021, recorded in 2Q22 Net Revenue of R\$1.3 billion, EBITDA of R\$275.5 million and Net Income of R\$80.2 million. Aegea recognized R\$50.0 million under equity income. In the second quarter, Águas do Rio registered a 52.2% increase in households served and a 22.8% increase in billed volume over what was originally planned.

In 6M22, Águas do Rio recorded Net Revenue of R\$2.5 billion, EBITDA of R\$698.3 million and Net Income of R\$270.2 million. Aegea recognized R\$143.8 million under equity income. In the first half of 2022, Águas do Rio registered a 51.8% increase in households served and a 22.7% increase in billed volume over what was originally planned.

The drivers of these results include an action plan focused on each customer category:

- For large consumers, which account for 10% of total households and contribute around 75% of Net Revenue, the concessionaire implemented a program dedicated to customer relations, installation of telemetry systems and replacement of water meters.
- For other consumers, the Company is focusing on strengthening customer relations, via the Afluentes and Vem com a Gente programs, providing service excellence with guarantee of normalization and eliminating fraud by growing the number of beneficiaries in the Social Tariff program. In the Barreira do Vasco community, for example, where Águas do Rio concluded the installation of water meters and the registration of families in the Social Tariff program, with 100% of customers added to the base, 85% of whom paid their water bills before the due date.

The good performance of Águas do Rio translates into lower need for capital injections. For 2Q22, we had planned capital injections of R\$235 million in Águas do Rio, which was not necessary. In 6M22, we had planned R\$687 million, of which R\$96 million, or 14% of the original plan, were effectively invested.

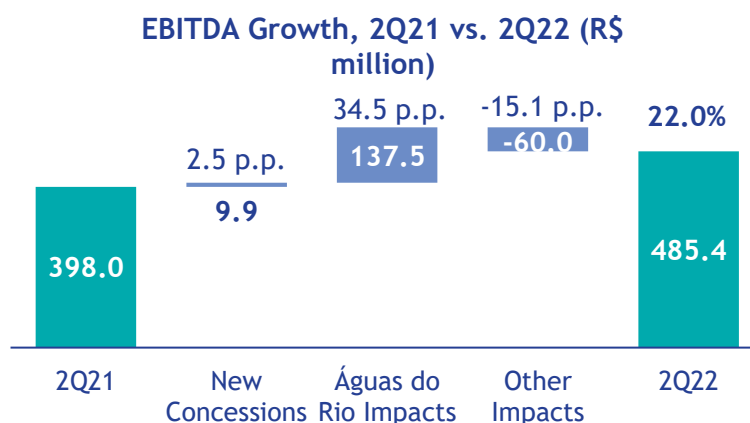
More information on the results of Águas do Rio 1 and 4 can be found in the *Earnings Releases* of these companies, which are available on the Aegea Investor Relations website: <https://ri.aegea.com.br/debentures-companhias-abertas/aguas-do-rio/> and <https://ri.aegea.com.br/debentures-companhias-abertas/aguas-do-rio-4/>.

Equity Income Result ('000)	2Q22	6M22
Águas do Rio 1	(377)	1,167
Águas do Rio 4	50,333	142,593
Total	49,956	143,760

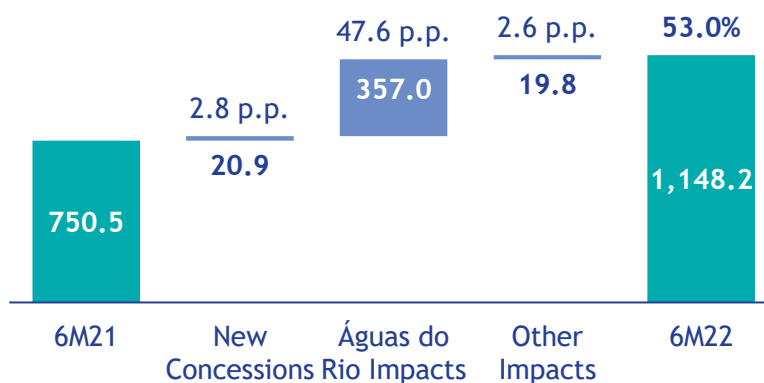
EBITDA

In 2Q22, EBITDA came to R\$485.4 million, up 22.0%, or R\$87.4 million from 2Q21. The main drivers of EBITDA growth were: (i) the higher billed volume, tariff adjustments in the period and higher revenue from government payments under PPPs; and (ii) the positive impacts from Águas do Rio, mainly the R\$50.0 million under Equity Income, R\$65.3 million in revenue from provision of operational and administrative services, as well as R\$22.2 million of interim dividends. Combined, these two effects more than offset the higher costs and expenses in the period. Aegea's consolidated EBITDA Margin reached 54.9% in 2Q22, contracting 2.8 p.p. in comparison with 2Q21, due to the impact of the provision for variable compensation, which did not occur in 2021.

In 6M22, EBITDA came to R\$1,148.2 million, advancing by 53.0% or R\$397.7 million compared to 6M21. EBITDA Margin reached 65.6% in 6M22, up 9.4 p.p. in comparison with 6M21. Excluding Águas do Rio impacts, EBITDA reached R\$791.2 million, increasing 5.4% compared to 6M21.



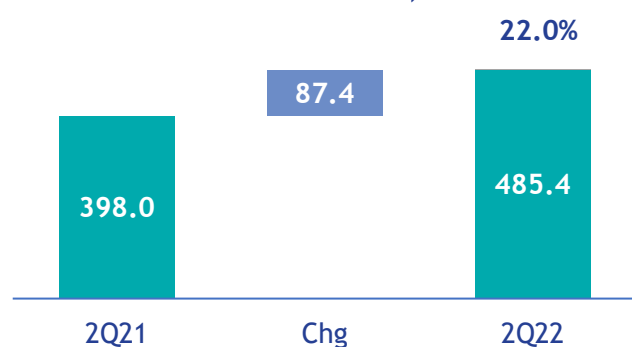
EBITDA Growth, 6M21 vs. 6M22 (R\$ million)



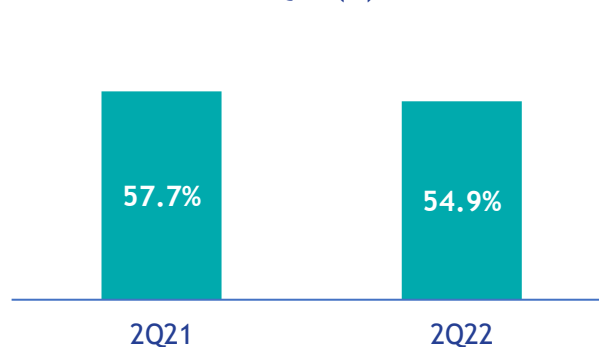
In 2Q22, Net Result was impacted by the provision for long-term variable compensation, by the non-recurring expense of early redemption of the 2017 Bond and by the increase in financial expenses (as detailed in the Financial Result section).

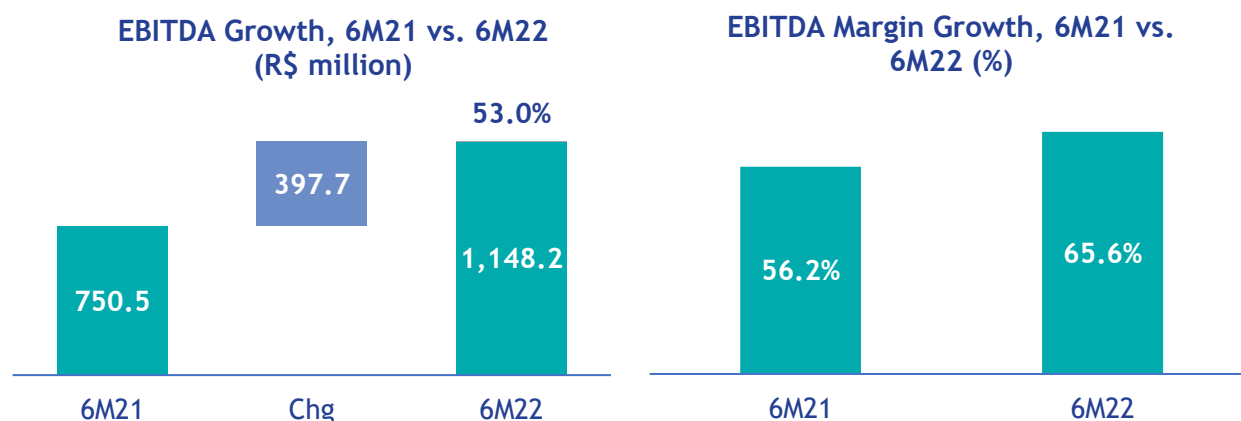
EBITDA (R\$ '000)	2Q22	2Q21	Δ %	6M22	6M21	Δ %
Net Income non-recurring effect	7,364	126,916	-94.2%	244,408	222,631	9.8%
(-) Financial expense - 2017 Bonds Early Redemption	(40,195)	-	0.0%	(40,195)	-	0.0%
Net Income (Loss)	(32,831)	126,916	-125.9%	204,213	222,631	-8.3%
(+) Financial result	325,144	128,006	154.0%	562,144	236,036	138.2%
(+) Income taxes	89,305	60,590	47.4%	179,044	131,755	35.9%
(+) Depreciation and amortization	103,821	82,528	25.8%	202,751	160,044	26.7%
EBITDA	485,439	398,040	22.0%	1,148,152	750,466	53.0%
EBITDA Margin	54.9%	57.7%	-2.8 p.p.	65.6%	56.2%	9.4 p.p.

EBITDA Growth, 2Q21 vs. 2Q22 (R\$ million)



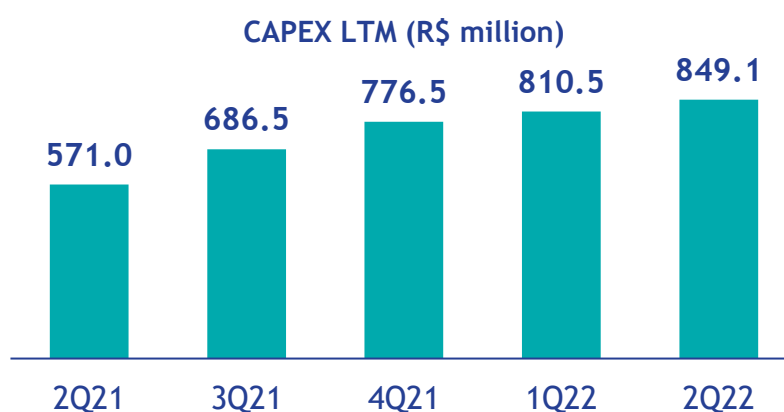
EBITDA Margin Growth, 2Q21 vs. 2Q22 (%)





CAPEX

In the 12 months to 2Q22, the Company invested R\$849.1 million, an increase of 48.7% in comparison to the last 12 months registered in 2Q21, reflecting the addition of new PPPs to Aegea's portfolio in 2021 and expansion in the coverage networks of the concessions.



Debt¹

The Company's gross debt, including derivative instruments, stood at R\$9.6 billion in 2Q22, an increase of R\$2.5 billion compared to 2Q21, due to the new funding operations in the period.

The balance of cash, cash equivalents and financial investments stood at R\$3.9 billion in 2Q22, 3.1x higher than the Company's short-term debt.

Net debt stood at R\$5.7 billion, 44.9% higher than a year earlier.

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

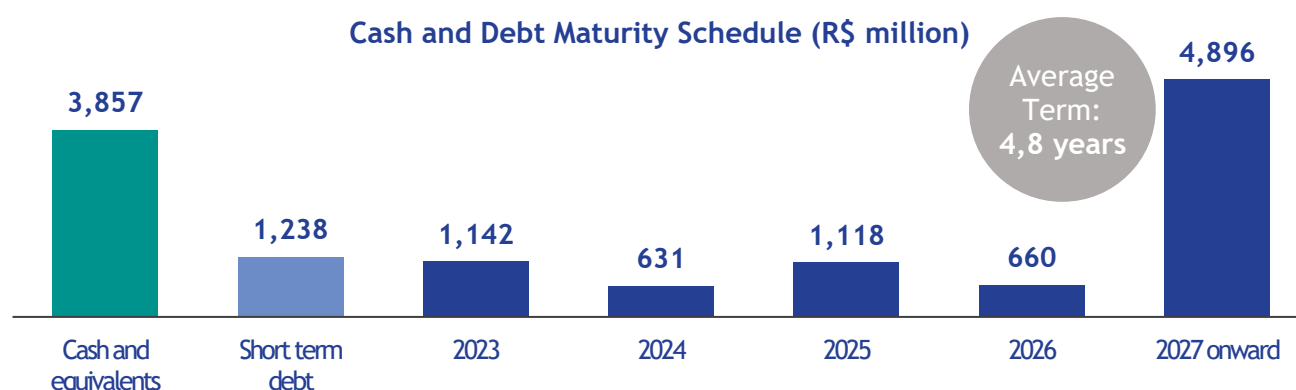
EBITDA in the 12 months to 2Q22 reached R\$2.2 billion, increasing 62.3% from a year earlier, which contributed to a reduction in the Company's leverage, measured by the Net Debt/EBITDA ratio, which fell from 2.88x in 2Q21 to 2.57x in 2Q22.

Indebtedness (R\$ thousand)	2Q22	2Q21	Δ %
Net Debt	5,702,380	3,936,678	44.8%
(+) Gross debt (including derivatives, without MtM impact) ¹	9,559,728	7,083,999	34.9%
(+) Loans, financing and debentures	9,672,749	7,853,330	23.2%
(-) Derivatives	(12,273)	1,015,886	-101.2%
(+) Cash flow hedge and fair value	(125,294)	246,555	-151.7%
(-) Cash and equivalents and financial investments	(3,857,348)	(3,147,321)	22.6%
EBITDA (12 months)	2,219,996	1,367,570	62.3%
Net Debt / EBITDA	2.57x	2.88x	-0.31x

In 2Q22, the average debt term increased to 4.8 years, from 3.3 years in the previous quarter. The lengthening of the average debt term is part of the liability management strategy of the Company, which carried out the following transactions in the local and international capital markets in 2Q22:

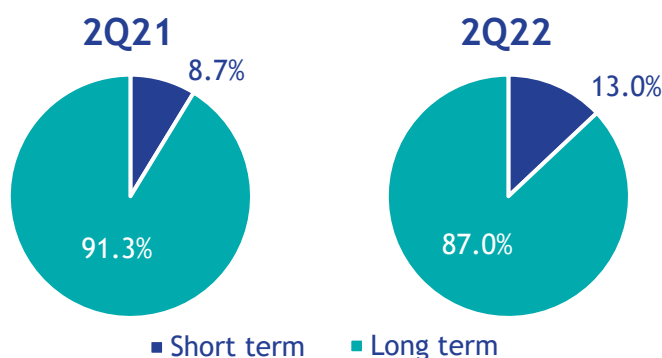
- May 6: Issue of Sustainability-Linked Bonds (SLB), in the amount of US\$500 million, at an interest rate of 6.75% p.a. and with maturity in 2029. The cost of this issue was fully converted into Brazilian real;
- May 27: We concluded the prepayment of the 2017 Bonds with original maturity in October 2024, in the amount of US\$400 million. The redemption was made via a tender offer and call option;
- June 1: Settlement of the 4th issue of debentures of Águas de Teresina, in the amount of R\$600 million. This issue was classified by the Ministry of Regional Development as Infrastructure Debentures and was carried out in two series: the first due in 10 years and cost of IPCA + 6.5163% p.a. and the second due in 15 years with cost of IPCA + 6.8516% p.a. This issue was hedged to CDI, at a cost of 111% of CDI or CDI + 1.94%.

The debt amortization schedule¹ is the following:

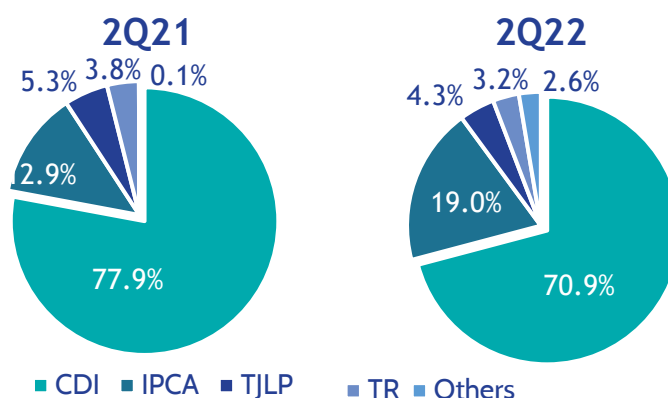


¹ The debt maturity schedule excludes gains and losses from derivative operations and includes the effects from mark-to-market adjustments in the amount of R\$127.4 million.

Debt Maturity Profile (%)



Gross Debt by Indexer (%)



Financial Result

In 2Q22, the financial result was an expense of R\$325.1 million, R\$197.1 million higher than in 2Q21. The increase in net financial expense is explained mainly by the higher rates of the indexers used to remunerate debt (e.g., CDI, IPCA and TJLP) and by the Company's higher balance of gross debt. In the period, the Company also booked an expense of R\$40.2 million, a non-recurring effect from the early redemption of 2017 Bonds. Excluding this effect, the net financial result was an expense of R\$284.9 million in 2Q22, R\$156.9 million higher than in 2Q21.

In 6M22, the financial result was an expense of R\$562.1 million, R\$326.1 million higher than in 6M21. This increase in the net financial expense is explained by the same factors cited for the quarter. Excluding the non-recurring effect from the early redemption of the 2017 bond, the net financial result was an expense of R\$521.9 million, R\$285.9 million higher than in 6M21.

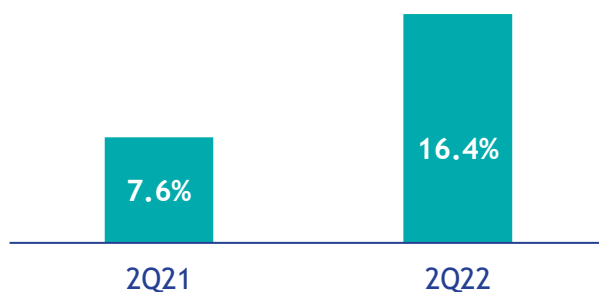
Financial Result ('000)	2Q22	2Q21	Δ %	6M22	6M21	Δ %
Financial income	397,900	157,951	151.9%	837,462	428,139	95.6%
Financial expense	(723,044)	(285,957)	152.9%	(1,399,606)	(664,175)	110.7%
Total non-recurring effect ¹	(284,949)	(128,006)	122.6%	(521,949)	(236,036)	121.1%
(-) Financial expense - 2017 Bonds Early Redemption	(40,195)	-	0.0%	(40,195)	-	0.0%
Total	(325,144)	(128,006)	154.0%	(562,144)	(236,036)	138.2%

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

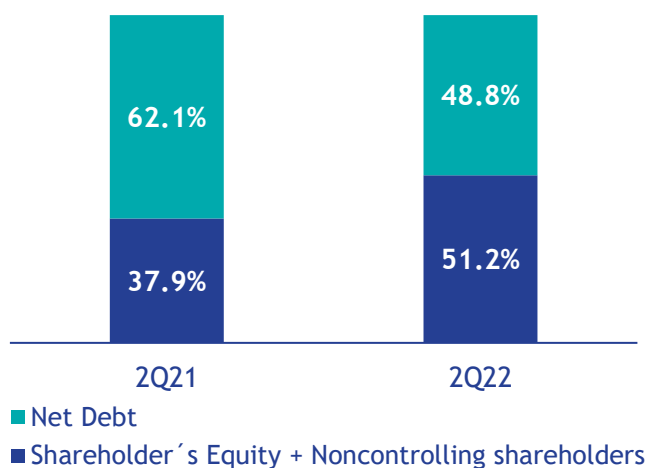
Financial Result PROFORMA ('000)	2Q22	2Q21	Δ %	6M22	6M21	Δ %
Financial income	35,027	(88,851)	-139.4%	474,589	181,337	161.7%
Financial expense	(360,171)	(39,155)	819.9%	(1,036,733)	(417,373)	148.4%
Total non-recurring effect ¹	(284,949)	(128,006)	122.6%	(521,949)	(236,036)	121.1%
(-) Financial expense - 2017 Bonds Early Redemption	(40,195)	-	0.0%	(40,195)	-	0.0%
Total	(325,144)	(128,006)	154.0%	(562,144)	(236,036)	138.2%

The average cost of Aegea's debt was 16.4% p.a., up 8.8 p.p. from the previous year, mainly due to the increases in the IPCA and CDI.

Average Cost of the Debt (% p.a.)



Capital Structure



Managerial Cash Flow

In 2Q22, Operating Cash Generation was R\$274.3 million, growing 37.3%, mainly due to the increase in revenues collected of 24.9%. The higher costs and expenses in the period are mainly related to the costs with labor, electricity and new operations previously mentioned in this document.

In 6M22, Operating Cash Generation was R\$518.6 million, growing 11.1%, due to the same factors affecting 2Q22. The variation in taxes paid was due to the change, in 1Q21, in the payment regime at Águas Guariroba, Prolagos and Águas de Teresina, from annual to quarterly payments.

Managerial Cash Flow ('000)	2Q22	2Q21	Δ %	6M22	6M21	Δ %
Revenue collected	753,600	603,402	24.9%	1,474,392	1,186,192	24.3%
Taxes paid	(127,863)	(141,045)	-9.3%	(242,973)	(141,045)	72.3%
Operating costs and expenses	(351,457)	(262,656)	33.8%	(712,788)	(578,486)	23.2%
Operational cash generation	274,280	199,700	37.3%	518,630	466,661	11.1%

ANNEXES

Financial Statements

Balance Sheet (R\$ '000)

	06/30/2022	12/31/2021
Total current assets	5,039,502	3,641,782
Cash and cash equivalents	37,979	105,689
Short-term investments	3,749,089	2,391,566
Trade accounts receivable	792,010	847,932
Inventories	26,412	22,845
Taxes recoverable	182,122	105,755
Dividends and interest on equity receivable	147,486	61,208
Derivative financial instruments	1,618	6,661
Other receivables	102,786	100,126
Total noncurrent assets	12,265,425	12,458,955
Long-term investments	70,280	40,176
Trade accounts receivable	971,965	732,183
Taxes recoverable	133,147	79,229
Deferred tax assets	45,492	62,268
Securities	4,339,361	4,243,361
Derivative financial instruments	128,580	1,187,351
Judicial deposits	47,276	46,863
Other receivables	21,610	15,604
Investments	731,555	587,795
Property, plant and equipment	298,323	235,710
Concession-related assets	448,869	408,512
Intangible assets	5,028,967	4,819,903
TOTAL ASSETS	17,304,927	16,100,737
Total current liabilities	2,162,996	1,055,621
Suppliers and contractors	206,933	209,548
Loans, financing and debentures	1,199,284	526,429
Labor and social obligations	103,084	107,654
Tax obligations	33,798	34,724
Income and social contribution taxes	65,211	64,340
Derivative financial instruments	41,000	-
Taxes payable in installments	621	604
Dividends payable	354,881	37,346
Other deferred taxes	11,346	11,917
Other accounts payable	146,838	63,059
Total noncurrent liabilities	9,155,935	8,641,370
Suppliers and contractors	23,529	26,128
Loans, financing and debentures	8,473,465	8,042,251
Taxes payable in installments	2,246	2,462
Provisions	103,594	103,278
Deferred tax liabilities	204,145	270,586
Derivative financial instruments	101,472	-
Other deferred taxes	27,022	21,031
Other accounts payable	220,462	175,634
Equity	5,985,996	6,403,746
Capital	1,266,439	1,266,439
New share issue costs	(50,511)	(50,511)
Capital reserve	3,497,160	3,497,160
Income reserves	783,382	783,382
Proposed additional dividends	-	356,704
Equity adjustments	(115,802)	128,889
Translation adjustments	2,732	11,650
Noncontrolling shareholders	476,276	410,033
Retained earnings	126,320	-
TOTAL LIABILITIES	17,304,927	16,100,737

Income Statement (R\$ '000)

	06/30/2022	06/30/2021
Gross revenue	2,328,427	1,791,146
Direct revenue (Water and Sewage)	1,779,666	1,379,975
Construction Revenue	548,761	411,171
Deduction from gross revenue	(173,661)	(134,941)
Net operating revenue	2,154,766	1,656,205
Cost of services	(1,035,580)	(841,014)
Operating costs	(566,495)	(477,578)
Construction costs	(469,085)	(363,436)
Operating expenses	(317,545)	(224,769)
General and administrative	(403,123)	(225,477)
Research and development	(8,814)	(2,505)
Other operating income	94,392	3,213
Equity income	143,760	-
Operating income (loss)	945,401	590,422
Financial result	(562,144)	(236,036)
Income tax and social contribution	(179,044)	(131,755)
Net income	204,213	222,631

Cash Flow Statement (R\$ '000)

	06/30/2022	06/30/2021
Income before taxes	383,257	354,386
Adjustments:	576,347	389,056
Amortization and depreciation	202,751	160,044
Provision for civil, labor, tax and environmental risks	10,565	8,303
Expected loss on allowance for doubtful accounts	23,127	72,188
Write-off (Recovery) of notes from accounts receivable	49,497	(18,723)
P&L from write-off of PP&E	3,577	-
P&L from write-off of intangible assets	4,118	220
Equity pickup	(143,760)	-
Income on financial investments and private debentures	(145,959)	(41,971)
Net loss on derivative financial instruments	162,051	34,746
Charges on loans and financing and debentures	465,751	235,728
Amortization of funding costs	22,506	15,638
Net exchange differences	(91,162)	(82,187)
Fair value of debt through profit or loss	(6,531)	0
Present value adjustment to trade accounts receivable	26,221	4,189
Dividend income	(86,277)	-
Provision for Executive Board's bonus	79,497	-
Monetary restatement of civil, labor, tax and environmental risks	374	91
Updating other accounts payable	1	790
Changes in assets and liabilities	(385,202)	(438,725)
(Increase)/decrease in other assets	(317,450)	(317,801)
Trade accounts receivable	(295,548)	(209,031)
Inventories	(3,567)	(9,032)
Taxes recoverable	(12,875)	12,593
Judicial deposits	584	(4,325)
Other receivables	(6,044)	(108,006)
Increase/(decrease) in liabilities	(67,752)	(120,924)
Suppliers and contractors	(13,615)	19,689
Labor and social obligations	(4,570)	5,263
Tax obligations	(798)	3,879
Taxes payable in installments	(199)	(511)
Payment of litigation - related amounts	(13,246)	(14,626)
Other deferred taxes	5,420	4,060
Other accounts payable	(40,744)	(138,678)
Interest paid	(323,097)	(179,838)
Income and social contribution taxes paid	(144,076)	(81,814)
Net cash flow (used in) provided by operating activities	107,229	43,065
Short-term investments and private debentures, net	(1,331,923)	(513,513)
Income from short-term investments and private debentures, net	69,783	19,458
Capital contribution in associates	(96,000)	(5)
Tax incentive reserve	-	146
Acquisition of property and equipment	(4,129)	83
Acquisition of concession-related assets	(383,158)	(308,514)
Acquisition of intangible assets	(11,726)	(18,037)
Net cash flow used in investing activities	(1,757,153)	(820,382)
Loans, financing and debentures raised	3,412,065	1,169,246
Borrowing costs of loans, financing and debentures	(185,218)	(15,723)
Loans, financing and debentures paid	(2,133,537)	(534,423)
Derivative financial instruments received	634,775	52,951
Derivative financial instruments paid out	(17,479)	(3,108)
Dividends paid out	(50,514)	(52,000)
Cash from capital contribution	-	121,547
New share issue costs	-	(8,592)
Net cash flow provided by financing activities	1,660,092	729,898
Net increase (decrease) in cash and cash equivalents	10,168	(47,419)
Cash and cash equivalents as at January 1	105,689	81,948
Translation adjustments	(77,878)	(368)
Cash and cash equivalents at June 30	37,979	34,161
Net increase (decrease) in cash and cash equivalents	10,168	(47,419)

Additional Information

Additional Information	2Q22
Volume produced (m ³)	157,570,603
Volume treated (m ³)	57,386,219
Active water connections	1,649,980
Active sewage connections	1,562,798
EBITDA Águas Guariroba (´1000)	120,920
EBITDA Prolagos (´1000)	79,578
EBITDA Águas de Manaus (´1000)	75,053
EBITDA Águas de Teresina (´1000)	39,117



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Aegea Saneamento e Participações S.A.

Quarterly Information (ITR)

Six-month period ended June 30, 2022

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INDEPENDENT AUDITOR'S REVIEW REPORT ON QUARTERLY INFORMATION

The 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, 2022, which comprises the statement of financial position as at June 30, 2022, and the related statements of profit or loss and 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 the preparation of the individual and consolidated interim financial information in accordance with NBC TG 21 – Interim Financial Information 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

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim 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.

Conclusion

Based on our review, 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).

Emphasis of matter

Restatement

As mentioned in Note 3, due to the correction of errors, the opening balances of the amounts corresponding to the statements of changes in equity as of June 30, 2021 have been adjusted and restated as provided for in NBC TG 23 – Accounting Policies, Changes in Accounting Estimates and Errors and IAS 8 — Accounting Policies, Changes in Accounting Estimates and Errors. Our conclusion is not qualified in respect of this matter.

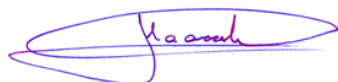
Other matters

Statements 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, 2022, 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, 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 10, 2022.

ERNST & YOUNG
Auditores Independentes S.S.
CRC 2SP027623/O



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

Agea Saneamento e Participações S.A.

Statements of financial position as at June 30, 2022 and December 31, 2021

(In thousands of reais)

Assets	Note	Parent Company		Consolidated	
		06/30/2022	12/31/2021	06/30/2022	12/31/2021
Cash and cash equivalents	5	1,774	63,113	37,979	105,689
Short-term investments	6	1,535,940	729,644	3,749,089	2,391,566
Trade accounts receivable	7	16,093	43,341	792,010	847,932
Inventories		-	-	26,412	22,845
Private debentures	8	4,760	-	-	-
Taxes recoverable		100,501	22,339	182,122	105,755
Dividends and interest on equity receivable	8	304,088	165,512	147,486	61,208
Derivative financial instruments	22	-	-	1,618	6,661
Other receivables		15,587	18,244	102,786	100,126
Total current assets		1,978,743	1,042,193	5,039,502	3,641,782
Long-term investments	6	12,458	-	70,280	40,176
Trade accounts receivable	7	121,527	-	971,965	732,183
Private debentures	8	289,106	280,375	-	-
Taxes recoverable		294	294	133,147	79,229
Accounts receivable from related parties	8	351,413	271,233	-	-
Deferred tax assets	21 b.	-	-	45,492	62,268
Future capital contribution	8	17,418	17,418	-	-
Derivative financial instruments	22	-	671,080	128,580	1,187,351
Judicial deposits	15	2,072	4,216	47,276	46,863
Securities	9 j.	4,339,361	4,243,361	4,339,361	4,243,361
Other receivables		15,286	8,499	21,610	15,604
Total long-term assets		5,148,935	5,496,476	5,757,711	6,407,035
Investments	9	3,968,104	3,248,096	731,555	587,795
Property, plant and equipment		30,686	73,978	298,323	235,710
Concession-related assets	10	-	-	448,869	408,512
Intangible assets	11	73,442	72,849	5,028,967	4,819,903
Total noncurrent assets		9,221,167	8,891,399	12,265,425	12,458,955
Total Assets		11,199,910	9,933,592	17,304,927	16,100,737

The explanatory notes are an integral part of the quarterly information - ITR

Aegea Saneamento e Participações S.A.

Statements of financial position as at June 30, 2022 and December 31, 2021

(In thousands of reais)

Liabilities and equity	Note	Parent Company		Consolidated	
		06/30/2022	12/31/2021	06/30/2022	12/31/2021
Suppliers and contractors	12	26,688	19,616	206,933	209,548
Loans, financing and debentures	13	284,620	290,303	1,199,284	526,429
Loans payable to related parties	8	-	19,403	-	-
Labor and social obligations		26,125	28,686	103,084	107,654
Tax obligations		6,198	5,927	33,798	34,724
Dividends payable	8	343,537	37,346	354,881	37,346
Income and social contribution taxes		-	-	65,211	64,340
Derivative financial instruments	22	24,385	-	41,000	-
Taxes payable in installments		-	-	621	604
Other deferred taxes		-	-	11,346	11,917
Other accounts payable	14	40,509	4,840	146,838	63,059
Total current liabilities		752,062	406,121	2,162,996	1,055,621
Suppliers and contractors	12	1	-	23,529	26,128
Loans, financing and debentures	13	4,693,771	2,124,486	8,473,465	8,042,251
Loans payable to related parties	8	-	1,274,809	-	-
Taxes payable in installments		-	-	2,246	2,462
Provisions	15	9,516	9,517	103,594	103,278
Deferred tax liabilities	21 b.	15,198	36,064	204,145	270,586
Derivative financial instruments	22	22,445	-	101,472	-
Provision for losses on investments	9	67,148	43,443	-	-
Other deferred taxes		-	-	27,022	21,031
Other accounts payable	14	13,613	45,439	220,462	175,634
Total noncurrent liabilities		4,821,692	3,533,758	9,155,935	8,641,370
Total liabilities		5,573,754	3,939,879	11,318,931	9,696,991
Equity	16				
Capital		1,266,439	1,266,439	1,266,439	1,266,439
New share issue costs		(50,511)	(50,511)	(50,511)	(50,511)
Capital reserve		3,497,160	3,497,160	3,497,160	3,497,160
Income reserves		783,382	783,382	783,382	783,382
Proposed additional dividends		-	356,704	-	356,704
Equity adjustments		634	128,889	(115,802)	128,889
Translation adjustments		2,732	11,650	2,732	11,650
Retained earnings		126,320	-	126,320	-
Equity attributable to controlling shareholders		5,626,156	5,993,713	5,509,720	5,993,713
Noncontrolling shareholders		-	-	476,276	410,033
Total equity		5,626,156	5,993,713	5,985,996	6,403,746
Total liabilities and equity		11,199,910	9,933,592	17,304,927	16,100,737

The explanatory notes are an integral part of the quarterly information - ITR

Aegea Saneamento e Participações S.A.

Statements of profit or loss

Six-month period ended June 30, 2022 and 2021

(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
		04/01/2022 a 06/30/2022	01/01/2022 to 06/30/2022	04/01/2021 a 06/30/2021	01/01/2021 to 06/30/2021	04/01/2022 a 06/30/2022	01/01/2022 to 06/30/2022	04/01/2021 a 06/30/2021	01/01/2021 to 06/30/2021
Net operating revenue	17	85,114	168,349	38,596	75,192	1,098,247	2,154,766	866,745	1,656,205
Costs of services	18	(88,425)	(123,562)	(20,746)	(43,494)	(548,450)	(1,035,580)	(439,369)	(841,014)
Gross profit		(3,311)	44,787	17,850	31,698	549,797	1,119,186	427,376	815,191
General and administrative expenses	18	(27,282)	(52,601)	(20,680)	(40,276)	(240,573)	(403,123)	(113,468)	(225,477)
Expenses with research and development	18	(6,403)	(8,814)	(1,403)	(2,505)	(6,403)	(8,814)	(1,403)	(2,505)
Other operating income	19	26,354	90,442	2,895	2,896	30,048	99,543	5,485	5,769
Other operating expenses		(85)	(88)	(263)	(263)	(1,207)	(5,151)	(2,478)	(2,556)
Equity pickup	9	81,232	284,922	134,570	257,225	49,956	143,760	-	-
Income before finance income (costs) and taxes		70,505	358,648	132,969	248,775	381,618	945,401	315,512	590,422
Finance income	20	208,452	430,442	75,176	211,751	397,900	837,462	157,951	428,139
Finance costs	20	(343,104)	(645,065)	(98,414)	(255,051)	(723,044)	(1,399,606)	(285,957)	(664,175)
Finance income (costs)		(134,652)	(214,623)	(23,238)	(43,300)	(325,144)	(562,144)	(128,006)	(236,036)
Income before taxes		(64,147)	144,025	109,731	205,475	56,474	383,257	187,506	354,386
Income and social contribution taxes	21 a.	(12,044)	(17,705)	6,229	1,237	(89,305)	(179,044)	(60,590)	(131,755)
Net income for the period		(76,191)	126,320	115,960	206,712	(32,831)	204,213	126,916	222,631
Income (loss) attributable to:									
Controlling shareholders		(76,191)	126,320	115,960	206,712	(76,191)	126,320	115,960	206,712
Noncontrolling shareholders		-	-	-	-	43,360	77,893	10,956	15,919
Net income for the period		(76,191)	126,320	115,960	206,712	(32,831)	204,213	126,916	222,631
Earnings per share									
Earnings per share - Basic (in R\$)	24	(0.08)	0.14	0.07	0.17	(0.08)	0.14	0.07	0.17
Earnings per share - Diluted (in R\$)	24	(0.08)	0.12	0.07	0.17	(0.08)	0.12	0.07	0.17
Average number of shares		1,019,113,125	1,019,113,125	691,602,245	691,602,599	1,019,113,125	1,019,113,125	691,602,245	691,602,599

The explanatory notes are an integral part of the quarterly information - ITR

Aegea Saneamento e Participações S.A.

Statements of comprehensive income

Six-month period ended June 30, 2022 and 2021

(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
		04/01/2022 a 06/30/2022	01/01/2022 to 06/30/2022	04/01/2021 a 06/30/2021	01/01/2021 to 06/30/2021	04/01/2022 a 06/30/2022	01/01/2022 to 06/30/2022	04/01/2021 a 06/30/2021	01/01/2021 to 06/30/2021
Net income for the period		(76,191)	126,320	115,960	206,712	(32,831)	204,213	126,916	222,631
Fair value of derivatives	22	(59,784)	(196,852)	(370,070)	(93,881)	(176,220)	(313,287)	(370,070)	(93,881)
Income and social contribution taxes on fair value of derivatives	22	21,994	68,597	125,823	31,919	21,994	68,597	125,823	31,919
Translation adjustments		(7,120)	(8,918)	(11,541)	108	(7,120)	(8,918)	(11,541)	108
Total comprehensive income		<u>(121,101)</u>	<u>(10,853)</u>	<u>(139,828)</u>	<u>144,858</u>	<u>(194,177)</u>	<u>(49,395)</u>	<u>(128,872)</u>	<u>160,777</u>
Comprehensive income attributable to:									
Controlling shareholders		(121,101)	(10,853)	(139,828)	144,858	(121,101)	(10,853)	(139,828)	144,858
Noncontrolling shareholders		-	-	-	-	(73,076)	(38,542)	10,956	15,919
Total comprehensive income		<u>(121,101)</u>	<u>(10,853)</u>	<u>(139,828)</u>	<u>144,858</u>	<u>(194,177)</u>	<u>(49,395)</u>	<u>(128,872)</u>	<u>160,777</u>

The explanatory notes are an integral part of the quarterly information - ITR

Aegea Saneamento e Participações S.A.

Statements of changes in equity

Six-month period ended June 30, 2022 and 2021

(In thousands of reais)

	Note	Attributable to controlling shareholders										Hedge Accounting	Noncontrolling shareholders	Total equity	
		Capital	Cost of issued shares	Capital reserve	Proposed additional dividends	Income reserves			Equity adjustment	Translation adjustments	Retained earnings				Total
						Legal	Tax incentive	Retained profits							
Balances at January 1, 2021		888,444	(22,937)	562,588	207,996	84,540	1,417	663	224,688	10,028	-	1,957,427	-	43,528	2,000,955
Adjustment		-	-	(243,328)	-	(57,925)	(10)	25,989	-	-	-	(275,274)	-	(17,061)	(292,335)
Balances at January 1, 2021-Restatement		888,444	(22,937)	319,260	207,996	26,615	1,407	26,652	224,688	10,028	-	1,682,153	-	26,467	1,708,620
Capital increase in cash in subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	500,000	500,000
Fair value of derivatives		-	-	-	-	-	-	-	(61,962)	-	-	(61,962)	-	-	(61,962)
Tax incentive		-	-	-	-	-	146	-	-	-	-	146	-	-	146
Translation adjustments		-	-	-	-	-	-	-	-	108	-	108	-	-	108
Gain from dilution of equity 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		-	-	-	(207,996)	-	-	-	-	-	-	(207,996)	-	-	(207,996)
Intercalary dividends		-	-	-	-	-	-	-	-	-	(37,000)	(37,000)	-	-	(37,000)
Balances at June 30, 2021 - Restatement		888,444	(22,937)	311,833	(0)	26,615	1,553	305,390	162,726	10,136	169,712	1,853,472	-	258,045	2,111,517
Balances at January 1, 2022		1,266,439	(50,511)	3,497,160	356,704	51,647	1,626	730,109	128,889	11,650	-	5,993,713	-	410,033	6,403,746
Fair value of derivatives	22	-	-	-	-	-	-	-	(128,255)	-	-	(128,255)	(116,436)	(307)	(244,998)
Translation adjustments		-	-	-	-	-	-	-	-	(8,918)	-	(8,918)	-	-	(8,918)
Net income for the period		-	-	-	-	-	-	-	-	-	126,320	126,320	-	77,893	204,213
Allocation:															
Interim dividends	16	-	-	-	(356,704)	-	-	-	-	-	-	(356,704)	-	(11,343)	(368,047)
Balances at June 30, 2022		1,266,439	(50,511)	3,497,160	-	51,647	1,626	730,109	634	2,732	126,320	5,626,156	(116,436)	476,276	5,985,996

The explanatory notes are an integral part of the quarterly information - ITR

Aegea Saneamento e Participações S.A.

Statements of cash flows

Six-month period ended June 30, 2022 and 2021

(In thousands of reais)

		Parent Company		Consolidated	
	Note	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Cash flows from operating activities					
Income before taxes		144,025	205,475	383,257	354,386
Adjustments:					
Amortization and depreciation	18	8,684	6,957	202,751	160,044
Provision for civil, labor, tax and environmental risks	15 e 18	667	-	10,565	8,303
Expected loss on allowance for doubtful accounts	7 e 18	-	-	23,127	72,188
Write-off (Recovery) of notes from accounts receivable	7 e 18	-	-	49,497	(18,723)
P&L from write-off of PP&E		3,587	-	3,577	-
P&L from write-off of Intangible assets	11	367	-	4,118	220
Equity pickup	9	(284,922)	(257,225)	(143,760)	-
Dividend income	19	(86,277)	-	(86,277)	-
Income on financial investments and private debentures	20	(67,346)	(17,769)	(145,959)	(41,971)
Net loss on derivative financial instruments	20	170,284	18,038	162,051	34,746
Charges on loans and financing and debentures	13 e 20	218,971	39,560	465,751	235,728
Interest on intercompany loans and private debentures	8 e 20	29,135	41,517	-	-
Amortization of funding costs		10,038	3,179	22,506	15,638
Net exchange differences	20	(110,332)	(43,660)	(91,162)	(82,187)
Fair value of debt through profit or loss	20	(43,021)	-	(6,531)	-
Present value adjustment to trade accounts receivable	7 e 20	-	-	26,221	4,189
Monetary restatement of civil, labor, tax and environmental risks	15	-	-	374	91
Updating other accounts payable		29	29	1	790
Provision for Executive Board's bonus	8	49,965	-	79,497	-
		43,854	(3,899)	959,604	743,442
Changes in assets and liabilities					
(Increase)/decrease in other assets					
Trade accounts receivable		(94,279)	(3,489)	(295,548)	(209,031)
Inventories		-	-	(3,567)	(9,032)
Taxes recoverable		(4,657)	(1,811)	(12,875)	12,593
Judicial deposits		2,144	1,265	584	(4,325)
Other receivables		(4,130)	(104,744)	(6,044)	(108,006)
Increase/(decrease) in liabilities					
Suppliers and contractors		7,073	(11,060)	(13,615)	19,689
Labor and social obligations		(2,561)	778	(4,570)	5,263
Tax obligations		271	740	(798)	3,879
Taxes payable in installments		-	-	(199)	(511)
Payment of litigation - related amounts	15	(668)	-	(13,246)	(14,626)
Other deferred taxes		-	-	5,420	4,060
Other accounts payable		(9,173)	(5,835)	(40,744)	(138,678)
Interest paid	13	(115,824)	(26,557)	(323,097)	(179,838)
Income and social contribution taxes paid	21 a.	-	-	(144,076)	(81,814)
Net cash flow (used in) provided by operating activities		(177,950)	(154,612)	107,229	43,065
Cash flow from investing activities					
Short-term investments and private debentures, net		(800,131)	(524,432)	(1,331,923)	(513,513)
Income from short-term investments and private debentures, net		29,301	3,846	69,783	19,458
Investment in funds for future investments		-	(60,090)	-	-
Dividends and interest on equity received		89,925	174,445	-	-
Capital contribution in subsidiaries		(618,175)	(752)	-	-
Capital contribution in associates	9 j	(96,000)	(5)	(96,000)	(5)
Tax incentive reserve		-	146	-	146
Acquisition of property and equipment		(1,642)	(608)	(4,129)	83
Acquisition of concession-related assets	10	-	-	(383,158)	(308,514)
Acquisition of intangible assets	11	(5,332)	(1,595)	(11,726)	(18,037)
Net cash flow used in investing activities		(1,402,054)	(409,045)	(1,757,153)	(820,382)
Cash flow from financing activities					
Loans, financing and debentures raised	13	2,780,000	778,453	3,412,065	1,169,246
Borrowing costs of loans, financing and debentures	13	(210,231)	(7,992)	(185,218)	(15,723)
Loans, financing and debentures paid	13	(75,000)	(75,000)	(2,133,537)	(534,423)
Loan paid to related parties		(1,213,016)	(43,179)	-	-
Derivative financial instruments received		377,256	28,315	634,775	52,951
Derivative financial instruments paid out		(9,650)	(3,108)	(17,479)	(3,108)
Dividends paid out	16 b.	(50,514)	(52,000)	(50,514)	(52,000)
New share issue costs		-	-	-	(8,592)
Cash from capital contribution		-	-	-	121,547
Checking account, net - related parties		(80,180)	(61,833)	-	-
Net cash flow provided by financing activities		1,518,665	563,656	1,660,092	729,898
(Decrease) Net increase in cash and cash equivalents		(61,339)	(1)	10,168	(47,419)
Cash and cash equivalents as at January 1	5	63,113	79	105,689	81,948
Translation adjustments		-	-	(77,878)	(368)
Cash and cash equivalents at June 30	5	1,774	78	37,979	34,161
(Decrease) Net increase in cash and cash equivalents		(61,339)	(1)	10,168	(47,419)

The explanatory notes are an integral part of the quarterly information - ITR

Agea Saneamento e Participações S.A.

Statements of value added

Six-month period ended June 30, 2022 and 2021

(In thousands of reais)

	Parent Company		Consolidated	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Revenues	280,131	87,619	2,384,413	1,704,056
Services	189,689	84,723	1,759,234	1,359,304
Revenue from construction	-	-	548,763	411,171
Other income	90,442	2,896	99,543	5,769
Allowance for expected credit loss	-	-	(23,127)	(72,188)
Bought-in inputs	(65,389)	(33,651)	(1,133,993)	(782,317)
(Include ICMS, IPI, PIS and COFINS)				
Construction cost	-	-	(469,085)	(363,436)
Costs of services	(30,557)	(12,697)	(274,211)	(254,499)
Materials, electricity, third-party services and other	(34,832)	(20,954)	(390,697)	(164,382)
Gross value added	214,742	53,968	1,250,420	921,739
Amortization and depreciation	(8,684)	(6,957)	(202,751)	(160,044)
Net value added produced by the Company	206,058	47,011	1,047,669	761,695
Value added received in transfer	715,364	468,976	981,222	428,139
Equity pickup	284,922	257,225	143,760	-
Finance income	430,442	211,751	837,462	428,139
Total value added to be distributed	921,422	515,987	2,028,891	1,189,834
Distribution of value added	921,422	515,987	2,028,891	1,189,834
Personnel	111,936	41,917	244,739	129,995
Direct compensation	101,180	34,809	200,844	95,058
Benefits	8,213	5,304	34,676	28,124
Unemployment compensation fund (FGTS)	2,543	1,804	9,219	6,813
Taxes, charges and contributions	53,219	17,162	369,916	271,359
Federal taxes	48,459	14,632	359,389	263,802
State taxes	-	10	852	369
Local taxes	4,760	2,520	9,675	7,188
Debt remuneration	629,947	250,196	1,210,023	565,849
Interest	628,988	249,561	1,189,699	553,722
Rent	959	635	20,324	12,127
Equity remuneration	126,320	206,712	204,213	222,631
Retained profits	-	37,000	-	37,000
Noncontrolling interests in retained profits	126,320	169,712	126,320	169,712
Non-controlling interests in retained earnings	-	-	77,893	15,919

The explanatory notes are an integral part of the quarterly information - ITR

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
Six-month period ended June 30, 2022
(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.

Operating segment

The Management of the Company evaluated the nature of the regulated environment in which its investees operate 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.

2. Group entities and associates

Other than the interests mentioned below, there was no change in the interests held by Company in the total shareholding structure of its subsidiaries and associates, as well as its activities described in Note No. 2 to the financial statements for the year ended December 31, 2021.

Subsidiaries	Business purpose	Concession contract or Bid document No.	End date of concession	%Ownership interest 06/30/2022	
				Direct	Indirect
Ambiental Crato Concessionária de Saneamento S.A. ("Ambiental Crato")	Sewage utility	2021.11.03.2	2057	-	100%

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).

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
Six-month period ended June 30, 2022
(In thousands of reais)

3. Basis of preparation (Continued)

a) Statement of compliance (Continued)

The issuance of the parent company and consolidated Quarterly Information (ITR) was authorized by Management on August 10, 2022.

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 opening balances of the amounts corresponding to the statements of changes in equity as of June 30, 2021, presented for comparison purposes, have been adjusted and are being restated as disclosed in the individual and consolidated financial statements for the year ended December 31, 2021.

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, 2021.

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 "r" disclosed in the parent company and consolidated financial statements for the year ended December 31, 2021.

The following describes the accounting policies that have become relevant in the context of the Quarterly Information for the period ended June 30, 2022, in addition to the policies already disclosed in the individual and consolidated financial statements as of December 31, 2021. These changes in accounting policies will also be reflected in the parent company and consolidated financial statements for the year ended December 31, 2022.

d) Financial Instruments

(vii) *Fair value hedges*

The Group uses swap contracts as a hedge to protect its exposure to the identified risk. The change in the fair value of a hedging instrument is recognized in the statement of profit or loss. The change in fair value of the hedged item attributable to the hedged risk is recorded as part of the carrying amount of the hedged item and is also recognized in the statement of profit or loss.

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
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4. Summary of significant accounting policies (Continued)

For fair value hedges related to items measured at amortized cost, any adjustment to the carrying amount is amortized through profit or loss over the remaining term of the hedge, using the effective interest rate method. Amortization of the effective interest rate may begin as soon as an adjustment exists and, at the latest, when the hedged item is no longer adjusted for changes in its fair value attributable to the hedged risk.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss.

When an unrecognized firm commitment is designated as a hedged item, the subsequent accumulated change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with recognition of the corresponding gain or loss in profit or loss

5. Cash and cash equivalents

	Parent Company		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Cash	34	4	158	142
Bank checking account	1,740	63,109	37,821	105,547
	<u>1,774</u>	<u>63,113</u>	<u>37,979</u>	<u>105,689</u>

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
Six-month period ended June 30, 2022
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6. Short-term investments

Type	Parent Company		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Bank deposit certificates (CDB)	1,220,761	609,046	2,372,337	1,650,349
Repurchase agreements	-	-	96,836	13,827
Safira Investment Fund	327,637	120,598	1,204,355	607,608
CEF Topázio Investment Fund	-	-	113,839	87,747
CEF Turquesa Investment Fund	-	-	-	68,047
FI BRL REF DI Investment Fund	-	-	2,257	2,357
Deposit SocGen	-	-	29,745	1,807
	<u>1,548,398</u>	<u>729,644</u>	<u>3,819,369</u>	<u>2,431,742</u>
Current	1,535,940	729,644	3,749,089	2,391,566
Noncurrent	12,458	-	70,280	40,176

The average yield pegged to the CDI of Bank Deposit Certificates (CDB) and investment funds is, on average, 102.47% of the CDI at June 30, 2022 (95.71% of the CDI at December 31, 2021).

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 Securities and Exchange Commission (Comissão de Valores Mobiliários – CVM).

The Deposit SocGen investment in the amount of R\$29,745 (equivalent to US\$5.679 considering the PTAX at June 30, 2022, of R\$5.238) at Banco Société Generale is highly liquid and does not have an established maturity date.

The amount presented in non-current assets is maintained to comply with related obligations, which have contractual clauses determining, in some cases, that a reserve account must be maintained throughout the term of the contract, with a balance equivalent to at least 3 monthly payments, as well as the obligation to maintain a sufficient balance to complement the margin with the banks related to contracted swaps.

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets are disclosed in Note 22 - Financial Instruments.

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
Six-month period ended June 30, 2022
(In thousands of reais)

7. Trade accounts receivable

	Parent Company		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Administrative services – related parties (Note 8)	137,620	43,341	129,606	34,004
Water and sewage services	-	-	1,559,251	1,538,297
Unbilled revenue from water and wastewater services	-	-	103,968	104,530
Concession related financial assets (a)	-	-	483,271	392,278
(-) Expected credit losses	-	-	(512,121)	(488,994)
	<u>137,620</u>	<u>43,341</u>	<u>1,763,975</u>	<u>1,580,115</u>
Current	16,093	43,341	792,010	847,932
Noncurrent	121,527	-	971,965	732,183

- (a) This balance refers to the portion of accounts receivable recognized on an accrual basis 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, 2022, mature as follows:

Type of consumer	Consolidated						Balance in 06/30/2022
	Overdue balances						
	Falling due	Within 180 days	181 to 365 days	366 to 730 days	More than 731 days	Total	
Residential	214,233	237,879	113,263	66,622	14,359	432,123	646,356
Commercial	27,692	36,896	20,886	22,203	9,738	89,723	117,415
Industrial	2,985	1,544	1,087	915	703	4,249	7,234
Public sector	22,306	22,626	16,888	4,562	152	44,228	66,534
Subtotal consumers	267,216	298,945	152,124	94,302	24,952	570,323	837,539
Renegotiations (i)	643,044	46,051	16,481	12,751	3,385	78,668	721,712
	910,260	344,996	168,605	107,053	28,337	648,991	1,559,251

- (i) As at June 30, 2022, the balance of renegotiations is net of the present value adjustment totaling R\$98,412 calculated individually for each invoice based on a rate of 5.62% p.a. (R\$ 72,192 and 4.23% at December 31, 2021). At June 30, 2022, a provision for present value adjustment in the amount liquid of R\$26,221 was recorded in profit or loss for the period (R\$ 4,189 at June 30, 2021).

Changes in expected credit losses as at June 30, 2022, are shown below:

Nature	Consolidated			
	Balance at 12/31/2021	P&L		Balance in 06/30/2022
		Additions	Reversals	
Private (ii)	(231,426)	(100,646)	86,006	(246,066)
Public	(14,672)	(4,838)	3,642	(15,868)
Renegotiations	(242,896)	(52,275)	44,984	(250,187)
	(488,994)	(157,759)	134,632	(512,121)

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
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7. Trade accounts receivable (Continued)

Changes in write-offs and recoveries of notes in P&L at June 30, 2022 are shown below:

	Consolidated		
	P&L		
Nature	Write-offs	Recoveries (iii)	Total in 06/30/2022
Private (ii)	(119,959)	71,886	(48,073)
Public	(3,237)	3,540	303
Renegotiations	(32,745)	31,018	(1,727)
	(155,941)	106,444	(49,497)

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

(iii) Securities previously written off to income, were recovered through actions through collections and agreements that resulted in new installments or cash receipts.

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, 2022, the remunerations totaled R\$ 15,611 (R\$ 16,300 as at June 30, 2021) and for the parent company and R\$ 31,103 (R\$ 35,960 as at June 30, 2021) for the consolidated.

The Board of Directors Meeting held on May 16, 2022 approved the recognition of a provision for additional payment of extraordinary premiums to the directors and senior management of the parent company in the amount of R\$ 49,965 and consolidated in the amount of R\$ 79,497.

Parent Company

The Company's ultimate parent is Arcos Saneamento e Participações Ltda., and its direct parent is Grua Investimento S.A., which hold 57.37% 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, 2022, and December 31, 2021, as well as the transactions that impacted profit or loss for the periods ended June 30, 2022 and 2021, relating to transactions with related parties, arise from transactions with shareholders and companies related thereto, companies of the same economic group and associates.

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)

Transactions carried out in the period are as follows:

	Parent Company	
	06/30/2022	12/31/2021
Current assets		
Receivables from related parties (a) (Note 7)		
Camboriú	147	137
Cariacica	128	122
Guariroba	2,940	2,803
Manaus	4,754	4,825
Matão	125	117
Metrosul	471	413
Mirante	435	411
MS Pantanal	692	651
Prolagos	1,716	1,618
Rio 1	-	8,173
Rio 4	-	19,586
Serra	354	330
Sinop	223	209
Teresina	2,237	2,155
Timon	161	155
Vila Velha	275	262
Other related parties	1,435	1,374
	<u>16,093</u>	<u>43,341</u>
Dividends and interest on equity receivable		
Bombinhas	9,310	9,310
Camastira	23,410	-
Camboriú	5,486	1,849
Igarapé Participações	-	11,908
Metrosul	8,368	-
Mirante	1,593	124
Rio 1	22,189	-
Rio 4	125,297	61,208
São Francisco do Sul	24,737	15,960
Serra	37,574	59,513
Teresina	37,013	-
Other related parties	9,111	5,640
	<u>304,088</u>	<u>165,512</u>
Financial investments		
Itaú Unibanco S.A.	<u>508,149</u>	<u>-</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)

	Parent Company	
	06/30/2022	12/31/2021
Other receivables (b)		
Manaus	-	347
Prolagos	-	42
Rio 1	-	2,808
Rio 4	4,747	8,063
Serra	-	79
Teresina	-	846
Other related parties	-	245
	<u>4,747</u>	<u>12,430</u>
Private debentures (c)		
Ariquemes	3,214	-
Bombinhas	1,546	-
	<u>4,760</u>	<u>-</u>
Noncurrent assets		
Accounts receivable from related parties (a) (Note 7)		
Rio 1	38,578	-
Rio 4	82,949	-
	<u>121,527</u>	<u>-</u>
Current accounts receivable – related parties (d)		
AESAN Engenharia	9,876	1,600
Buritis	43	43
Camboriú	1,522	1,522
Guarantã	3,865	2,896
Holambra	6,872	6,794
Igarapé Participações	17,872	-
Matão	29,539	29,539
Matupá	6,115	5,999
Metrosul	96,729	57,883
Nascentes do Xingú Investimentos	11,907	11,906
Nascentes do Xingú Participações	31,314	26,500
Paranatinga	2,584	2,585
Penha	282	282
Pimenta Bueno	4,856	4,856
Porto Esperidião	800	800
Primavera	15,967	15,967
São Francisco	45,135	37,930
São Francisco do Sul	41,524	41,524
Sinop	18,365	18,365
Other related parties	6,246	4,242
	<u>351,413</u>	<u>271,233</u>
Future capital contribution		
Nascentes do Xingú Investimentos	17,395	17,395
Paranatinga	23	23
	<u>17,418</u>	<u>17,418</u>

Aegea Saneamento e Participações S.A.

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

8. Transactions with related parties (Continued)

Other transactions with related parties (Continued)

	Parent Company	
	06/30/2022	12/31/2021
Private debentures (c)		
Ariquemes	50,000	50,021
Bombinhas	75,000	76,093
Buritit	17,028	16,007
Camboriú	26,629	25,032
Mirante	28,866	27,134
Penha	35,151	33,042
São Francisco do Sul	29,825	28,035
Timon	26,607	25,011
	<u>289,106</u>	<u>280,375</u>
	<u>1,617,301</u>	<u>790,309</u>
Current liabilities		
Trade accounts payable (b) (Note 12)		
Manaus	-	49
Other related parties	92	62
	<u>92</u>	<u>111</u>
Debêntures		
Aegea Finance (e)	<u>59,168</u>	<u>-</u>
Dividends payable		
Angelo Investment Private Limited (GIC)	118,119	10,748
Grua Investimentos S.A.	137,891	14,566
Itausa S.A.	42,373	4,407
Saneamento 100% Fundo de investimento	45,154	4,457
Verona Saneamento e Investimento S.A.	-	3,168
	<u>343,537</u>	<u>37,346</u>
Other bills to pay		
Manaus	39	-
Loans payable to related parties (e)		
Aegea Finance	<u>-</u>	<u>19,403</u>
Noncurrent liabilities		
Debentures		
Aegea Finance (e)	2,355,615	-
Itaú Unibanco S.A.	32,615	-
	<u>2,388,230</u>	<u>-</u>
Loans payable to related parties (e)		
Aegea Finance	<u>-</u>	<u>1,274,809</u>
	<u>2,791,066</u>	<u>1,331,669</u>

Aegea Saneamento e Participações S.A.

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

8. Transactions with related parties (Continued)

Other transactions with related parties (Continued)

	Parent Company	
	06/30/2022	06/30/2021
Profit or loss for the period		
Gross revenue from services (a) (Note 17)		
Camboriú	853	764
Guariroba	17,171	16,532
Manaus	28,361	25,311
Matão	727	696
Metrosul	2,692	2,277
Mirante	2,525	2,510
MS Pantanal	4,015	632
Prolagos	9,976	9,589
Rio 1	30,868	-
Rio 4	64,327	-
Serra	2,053	1,885
Sinop	1,295	1,192
Teresina	13,120	12,533
Timon	937	932
Vila Velha	1,607	1,533
Other related parties	9,162	8,337
	<u>189,689</u>	<u>84,723</u>

	Parent Company	
	06/30/2022	06/30/2021
Cost and expenses (f)		
LVE	(205)	(102)
Finance income (c)		
Ariquemes (c)	3,192	-
Bombinhas (c)	4,767	-
Buritis (c)	1,022	-
Camboriú (c)	1,598	-
Itaú Unibanco S.A. (h)	9,757	-
Mirante (c)	1,732	-
Penha (c)	2,109	-
São Francisco do Sul (c)	1,789	-
Teresina (c)	-	841
Timon (c)	1,596	-
	<u>27.562</u>	<u>841</u>
Finance costs		
Itaú Unibanco S.A. (g)	(33,520)	-
Aegea Finance (e) (Note 20)	(29,135)	(41,517)
	<u>(62.655)</u>	<u>(41.517)</u>
	<u>154,391</u>	<u>43,945</u>

Aegea Saneamento e Participações S.A.

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

8. Transactions with related parties (Continued)

Other transactions with related parties (Continued)

	Consolidated	
	06/30/2022	12/31/2021
Current assets		
Accounts receivable from related parties (Note 7)		
Rio 1	4,103	11,758
Rio 4	3,976	22,246
	<u>8,079</u>	<u>34,004</u>
Current assets		
Other receivables (b)		
Rio 1	727	6,990
Rio 4	5,440	9,630
	<u>6,167</u>	<u>16,620</u>
Dividends receivable		
Rio 1	22,189	-
Rio 4	125,297	61,208
	<u>147,486</u>	<u>61,208</u>
Noncurrent assets		
Financial Investments		
Itaú Unibanco S.A.	<u>717,109</u>	<u>158,214</u>
	Consolidated	
	06/30/2022	12/31/2021
Accounts receivable from related parties (a) (Note 7)		
Rio 1	38,578	-
Rio 4	82,949	-
	<u>121,527</u>	<u>-</u>
	<u>1,000,368</u>	<u>270,046</u>
Currents liabilities		
Related party suppliers (b) (Note 12)		
Rio 4	<u>45</u>	<u>-</u>
Dividends payable		
Angelo Investment Private Limited (GIC)	118,119	10,748
Grua Investimentos S.A.	137,891	14,566
IFIN Participações S.A.	11,059	-
Itausa S.A.	42,373	4,407
Projeto Lake S.A.	285	-
Saneamento 100% Fundo de investimento	45,154	4,457
Verona Saneamento e Investimento S.A.	-	3,168
	<u>354,881</u>	<u>37,346</u>
Noncurrent liabilities		
Debentures		
Itaú Unibanco S.A.	<u>934,330</u>	<u>838,582</u>
	<u>1,289,256</u>	<u>875,928</u>

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
Six-month period ended June 30, 2022
(In thousands of reais)

8. Transactions with related parties (Continued)

Other transactions with related parties (Continued)

	Consolidated	
	06/30/2022	06/30/2021
Profit or loss for the period		
Gross revenue from service (Note 17)		
Rio 1	47,325	-
Rio 4	79,606	-
	<u>126,931</u>	<u>-</u>
Finance income (h)		
Itaú Unibanco S.A.	<u>15,610</u>	<u>-</u>
Finance costs (g)		
Itaú Unibanco S.A.	<u>(87,199)</u>	<u>-</u>
	<u>55,342</u>	<u>-</u>

- (a) The nature of these balances is linked to the provision of services by the Company and associates to its subsidiaries through the shared services center. The services in question basically comprise accounting, tributary, financial, human resources, personnel administration, revenue security center, information technology and administrative services that are calculated by means of active households and billed monthly.
- (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, support during the competitive phase of bidding 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.
- (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 of this transaction refer to interest on debentures raised by the subsidiary Aegea Finance with the Company in May 2022 and maturing in May 2029, at a rate of 16.76% p.a. The comparative amounts of this transaction refer to the internalization of funds raised in October 2017 through the subsidiary Aegea Finance maturing in October 2024, at a rate of 6.7647% p.a., settled in May 2022.
- (f) This refers to vehicle lease services.
- (g) This refers to the expense related to debentures services, other contractual expenses and interest incurred on the debentures and promissory notes.
- (h) This refers to income from financial investments.

Other transactions with associates

Aegea granted the statutory lien on all shares representing the capital of Rio 1 and Rio 4 to ensure compliance with all principal and accessory obligations to be assumed by Rio 1 and Rio 4 within the scope of the 1st issue of simple non-convertible debentures, with security interest, in two series.

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
Six-month period ended June 30, 2022
(In thousands of reais)

9. Investments, provision for losses on investments and securities

a) Balance breakdown

	Parent Company	
	06/30/2022	12/31/2021
Investments in subsidiaries	3,236,575	2,660,331
Investments in associates	731,520	587,760
Other investments	9	5
Total investments	<u>3,968,104</u>	<u>3,248,096</u>
Securities	<u>4,339,361</u>	<u>4,243,361</u>
Provision for losses on investments	<u>(67,148)</u>	<u>(43,443)</u>

Aegee Saneamento e Participações S.A.

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9. Investments, provision for losses on investments and securities (Continued)

b) Breakdown of investments in subsidiaries

	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, 2022	Investments	Other (i)	Investment as at June 30, 2022
Aegee Desenvolvimento	200,000	100.00%	200,582	828	5,551	199,754	199,754	-	199,754
Aegee Finance	12,255	100.00%	2,543,531	2,537,332	(8,136)	6,199	6,199	-	6,199
Ariquemes	7,751	100.00%	63,376	60,232	(2,506)	3,144	3,144	-	3,144
Bombinhas	4,147	100.00%	104,913	95,170	2,863	9,743	9,743	-	9,743
Camastira	1,795	67.92%	689,287	34,469	120,188	654,818	444,752	-	444,752
Camboriú	2,692	100.00%	47,113	42,376	1,432	4,737	4,737	-	4,737
Cariacica	25,000	99.90%	27,508	3,064	(500)	24,444	24,420	-	24,420
Fundo Guaíba	3,000	40.00%	2,647	476	(398)	2,171	868	-	868
Fundo Santense	500	40.00%	32	16	(375)	16	6	-	6
GSS	34,307	85.99%	66,352	10,156	8,367	56,196	48,323	(2,866)	45,457
Guarantã	5,344	100.00%	13,577	6,642	(462)	6,935	6,935	2,367	9,302
Holambra	1,166	100.00%	20,587	9,483	1,807	11,104	11,104	-	11,104
Igarapé Participações	1,120,432	100.00%	2,260,929	1,016,714	(72,435)	1,244,215	1,244,215	-	1,244,215
JSLA	52	100.00%	46	-	(1)	46	46	-	46
LVE	25,602	99.99%	215,382	180,275	(159)	35,107	35,103	146	35,249
Matão	37,433	100.00%	111,452	69,992	3,451	41,460	41,460	-	41,460
Matupá	2,139	100.00%	14,198	7,403	582	6,795	6,795	3,122	9,917
Meriti	19,783	51.00%	4,975	4	(107)	4,971	2,535	2,162	4,697
Metrosul	18,000	99.00%	221,715	154,543	22,036	67,172	66,500	-	66,500
Mirante	48,897	99.99%	369,721	298,741	14,271	70,980	70,973	33,228	104,201
MS Pantanal	36,615	100.00%	182,713	162,154	(7,771)	20,559	20,559	-	20,559
Nascentes do Xingú Participações	187,554	100.00%	520,450	366,363	(5,638)	154,087	154,087	-	154,087
Novo Progresso	5,887	100.00%	11,577	1,243	1,337	10,334	10,334	2,584	12,918
Paranatinga	3,240	51.00%	14,393	7,422	120	6,971	3,555	-	3,555
Penha	3,360	99.81%	52,150	47,152	511	4,998	4,989	-	4,989
Pimenta Bueno	2,228	100.00%	18,994	6,112	2,213	12,882	12,882	-	12,882

Aegea Saneamento e Participações S.A.

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

b) Breakdown of investments in subsidiaries (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, 2022	Investments	Other (i)	Investment as at June 30, 2022
Porto Esperidião	3,420	99.99%	7,034	2,589	163	4,445	4,445	-	4,445
R2 Engenharia	18	100.00%	3	1	(1)	4	4	-	4
R3 Engenharia	2,498	100.00%	3,239	121	57	3,118	3,118	(2,640)	478
Rolim de Moura	5,663	100.00%	20,114	4,433	2,347	15,681	15,681	-	15,681
São Francisco	39,376	100.00%	83,950	76,273	1,176	7,677	7,677	-	7,677
São Francisco do Sul	3,091	100.00%	145,612	128,346	11,084	17,266	17,266	-	17,266
Serra	66,926	100.00%	331,598	189,899	22,175	141,699	141,699	13,764	155,463
Sinop	18,480	100.00%	149,288	80,377	13,232	68,911	68,911	-	68,911
Teresina	12,988	100.00%	1,372,862	1,288,033	21,396	84,829	84,829	-	84,829
Tertúlia	1,675	57.00%	561,383	661	70,903	560,722	319,612	-	319,612
Timon	15,573	100.00%	146,041	130,458	(338)	15,583	15,583	-	15,583
Vila Velha	60,000	100.00%	85,871	14,006	4,523	71,865	71,865	-	71,865
Investment amount at June 30, 2022									3,236,575

(i) The Other column comprises the balances of: Business combinations, statement of financial position translation adjustment and unrealized profit.

Aegea Saneamento e Participações S.A.

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(In thousands of reais)

9. Investments, provision for losses on investments and securities (Continued)

c) Change in investments in subsidiaries

	Investment at December 31, 2021	Equity pickup	Unrealized income between companies	Capital increase and future capital contribution (g)	Dividends and interest on equity	Share in equity adjustments (h)	Other (i)	Investment at June 30, 2022
Aegea Desenvolvimento	194,202	5,552	-	-	-	-	-	199,754
Aegea Finance	11,020	(8,137)	-	-	-	4,645	(1,329)	6,199
Ariquemes	5,650	(2,506)	-	-	-	-	-	3,144
Bombinhas	6,881	2,862	-	-	-	-	-	9,743
Camastra	387,184	81,631	-	-	(23,411)	(652)	-	444,752
Camboriú	6,943	1,432	-	-	(3,638)	-	-	4,737
Cariacica	24,920	(500)	-	-	-	-	-	24,420
Fundo Guaíba	1,114	(159)	-	-	-	-	(87)	868
Fundo Santense	15	(150)	-	-	-	-	141	6
GSS	39,568	7,195	53	-	(1,359)	-	-	45,457
Guarantã	9,903	(601)	-	-	-	-	-	9,302
Holambra	9,297	1,807	-	-	-	-	-	11,104
Igarapé Participações	793,748	(72,435)	-	618,130	(46,092)	(49,136)	-	1,244,215
JSLA	2	(1)	-	45	-	-	-	46
LVE	36,528	(161)	48	-	(1,166)	-	-	35,249
Matão	39,860	3,451	-	-	(162)	(1,689)	-	41,460
Matupá	9,519	398	-	-	-	-	-	9,917
Meriti	4,842	(145)	-	-	-	-	-	4,697
Metrosul	53,052	21,816	-	-	(8,368)	-	-	66,500
Mirante	93,352	13,458	-	-	(2,609)	-	-	104,201
MS Pantanal	28,330	(7,771)	-	-	-	-	-	20,559
Nascentes do Xingú Participações	156,996	(1,951)	-	-	-	(958)	-	154,087
Novo Progresso	11,687	1,231	-	-	-	-	-	12,918
Paranatinga	3,494	61	-	-	-	-	-	3,555
Penha	4,407	509	-	-	73	-	-	4,989

Aegea Saneamento e Participações S.A.

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

9. Investments, provision for losses on investments and securities (Continued)

c) Changes in investments in subsidiaries (Continued)

		Equity pickup		Capital increase and future capital contribution (g)	Dividends and interest on equity	Share in equity adjustments (h)	Other (i)	Investment at June 30, 2022
	Investment at December 31, 2022	Equity pickup	Unrealized income between companies					
Pimenta Bueno	10,666	2,216	-	-	-	-	-	12,882
Porto Esperidião	4,283	162	-	-	-	-	-	4,445
R2 Engenharia	4	-	-	-	-	-	-	4
R3 Engenharia	423	57	36	-	(38)	-	-	478
Rolim de Moura	13,335	2,346	-	-	-	-	-	15,681
São Francisco	7,699	1,177	-	-	-	(1,199)	-	7,677
São Francisco do Sul	14,959	11,083	-	-	(8,776)	-	-	17,266
Serra	141,947	21,577	-	-	(8,061)	-	-	155,463
Sinop	55,679	13,232	-	-	-	-	-	68,911
Teresina	113,758	21,395	-	-	(37,013)	(13,311)	-	84,829
Tertúlia	279,574	40,414	-	-	(376)	-	-	319,612
Timon	15,920	(337)	-	-	-	-	-	15,583
Vila Velha	69,569	4,522	-	-	(2,226)	-	-	71,865
	<u>2,660,330</u>	<u>164,730</u>	<u>137</u>	<u>618,175</u>	<u>(143,222)</u>	<u>(62,300)</u>	<u>(1,275)</u>	<u>3,236,575</u>

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
Six-month period ended June 30, 2022
(In thousands of reais)

9. Investments, provision for losses on investments and securities (Continued)

d) Breakdown of provision for losses on investments in subsidiaries

	Capital	Equity interest	Total assets of subsidiaries	Total liabilities of subsidiaries	P&L of subsidiaries	Equity of investees as at June 30, 2022	Share of equity held	(-) Unrealized income between subsidiaries	Provision for loss on investment as at June 30, 2022
AESAN Engenharia	35,738	100.00%	47,548	36,052	(12,726)	11,496	11,496	(73,395)	(61,898)
Buritit	6,610	100.00%	17,547	18,640	(707)	(1,093)	(1,093)	-	(1,093)
Nascentes do Xingú Investimentos	3,657	51.00%	57,147	64,360	243	(7,213)	(3,679)	-	(3,679)
R1 Engenharia	520	100.00%	1,232	1	(7)	1,231	1,231	(1,709)	(478)
Allowance for investment loss as at June 30, 2022									(67,148)

e) Changes in provision for losses on investments in subsidiaries

	Provision for loss on investment as at December 31, 2021	Equity pickup	Unrealized income between companies	Capital increase and future capital contribution (g)	Dividends and interest on equity	Share in equity adjustments (h)	Other (i)	Provision for loss on investment as at June 30, 2022
AESAN Engenharia	(38,762)	(12,726)	(10,410)	-	-	-	-	(61,898)
Buritit	(386)	(707)	-	-	-	-	-	(1,093)
Nascentes do Xingú Investimentos	(3,803)	124	-	-	-	-	-	(3,679)
R1 Engenharia	(492)	(7)	21	-	-	-	-	(478)
	(43,443)	(13,316)	(10,389)	-	-	-	-	(67,148)

Aegea Saneamento e Participações S.A.

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

f) Investments in associates

	<u>Investment amount as at December 31, 2021</u>	<u>Equity Income</u>	<u>Investment amount as at June 30, 2022</u>
Rio 1	263,699	1,167	264,866
Rio 4	324,061	142,593	466,654
	<u>587,760</u>	<u>143,760</u>	<u>731,520</u>

Aegea Saneamento e Participações S.A.

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

g) Capital increase and future capital contributions in subsidiaries

<u>Date</u>	<u>Approval</u>	<u>Parent Company</u>	<u>Type of Payment</u>	<u>Value</u>
01/10/2022	AGE	JSLA	National Currency	45
04/29/2022	AGE	Igarapé Participações	National Currency	618,130
				<u>618,175</u>

h) Participation in the equity valuation adjustment

The Company recognized the effect of its share in the equity valuation adjustment, of its direct subsidiaries São Francisco, Matão, Igarapé Participações, Nascentes do Xingú Participações, Camastra, Aegea Finance and Teresina as described in Note 22.

The Company recognized participation in the statement of financial position translation adjustment, resulting from the statement of financial position translation until April 30, 2022, of its foreign subsidiary Aegea Finance.

i) Other

In the period ended June 30, 2022, the balance of R\$ 1,329 of the funding cost referring to the subsidiary Aegea Finance was written off in the statement of profit or loss for the period.

j) Securities

As of June 30, 2022, the balances of securities correspond to preferred shares held by the Company and are represented as follows:

	<u>Preferred shares Class B</u>	<u>Amount contributed</u>
Rio 1	180,841,442	2,203,081
Rio 4	265,695,463	2,136,280
	<u>446,536,905</u>	<u>4,339,361</u>

On January 28, 2022, the company paid into its associate Rio 4 the amount of R\$ 96,000, equivalent to 78,255,524 class B preferred shares.

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
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10. Concession-related assets

	Consolidated	
	06/30/2022	12/31/2021
Concession-related assets	448,869	408,512

	Consolidated		
	Balance in 12/31/2021	Additions(i)	Transfers
Concession-related assets	408,512	403,929	(363,572)

- (i) Interest on loans, financing and debentures is capitalized in qualifying assets, and in the period ended June 30, 2022, R\$20,770 was capitalized at an average rate of 5.42% p.a. (R\$ 23,805 and 8.76% at December 31, 2021).

11. Intangible assets

The amounts recorded as intangible assets refer substantially to the right to explore the concession's infrastructure and are broken down as follows:

a) Balance breakdown

Assets	Useful life (years)	Average annual rate	06/30/2022		Carrying amount	12/31/2021
			Cost	(-) Amortization		Carrying amount
Infrastructure exploration right						
Grant/Concession agreement	19 to 60	3.1%	1,110,170	(264,355)	845,815	867,750
Technical sanitation facilities	02 to 48	4.3%	3,553,461	(1,121,968)	2,431,493	2,228,755
Treatment plant buildings	02 to 47	4.2%	2,021,915	(660,288)	1,361,627	1,371,290
Machinery and equipment	03 to 48	6.7%	425,004	(176,244)	248,760	215,952
Other components	03 to 48	5.5%	10,208	(4,061)	6,147	5,800
			7,120,758	(2,226,916)	4,893,842	4,689,547
Software						
Software licenses	03 to 15	9%	209,119	(73,994)	135,125	130,356
			209,119	(73,994)	135,125	130,356
			7,329,877	(2,300,910)	5,028,967	4,819,903

Aegea Saneamento e Participações S.A.

Notes to Quarterly Information (ITR)
Six-month period ended June 30, 2022
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11. Intangible assets (Continued)

b) Changes in cost

Assets	12/31/2021	06/30/2022			
	Cost	Additions	Write-offs	Transfers	Cost
Infrastructure exploration right					
Grant/Concession agreement	1,112,077	-	(1,907)	-	1,110,170
Technical sanitation facilities	3,257,152	201,163	(861)	96,007	3,553,461
Treatment plant buildings	2,007,318	114,359	(1,231)	(98,531)	2,021,915
Machinery and equipment	379,657	46,176	(56)	(773)	425,004
Other components	9,644	1,874	-	(1,310)	10,208
	<u>6,765,848</u>	<u>363,572</u>	<u>(4,055)</u>	<u>(4,607)</u>	<u>7,120,758</u>
Software					
Software licenses	196,827	11,726	(367)	933	209,119
	<u>196,827</u>	<u>11,726</u>	<u>(367)</u>	<u>933</u>	<u>209,119</u>
	<u>6,962,675</u>	<u>375,298</u>	<u>(4,422)</u>	<u>(3,674)</u>	<u>7,329,877</u>

c) Changes in amortization expenses

Assets	12/31/2021	06/30/2022			
	Accumulated amortization	Additions	Write-offs	Transfers	Accumulated amortization
Infrastructure exploration right					
Grant/Concession agreement	(244,327)	(20,028)	-	-	(264,355)
Technical sanitation facilities	(1,028,397)	(81,927)	112	(11,756)	(1,121,968)
Treatment plant buildings	(636,028)	(39,300)	192	14,848	(660,288)
Machinery and equipment	(163,705)	(12,751)	-	212	(176,244)
Other components	(3,844)	(217)	-	-	(4,061)
	<u>(2,076,301)</u>	<u>(154,223)</u>	<u>304</u>	<u>3,304</u>	<u>(2,226,916)</u>
Software					
Software licenses	(66,471)	(7,901)	-	378	(73,994)
	<u>(66,471)</u>	<u>(7,901)</u>	<u>-</u>	<u>378</u>	<u>(73,994)</u>
	<u>(2,142,772)</u>	<u>(162,124)</u>	<u>304</u>	<u>3,682</u>	<u>(2,300,910)</u>

12. Suppliers and contractors

	Parent Company		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Suppliers of materials, services and contractors payable	26,597	19,505	230,417	235,676
Trade accounts payable – related parties (Note 8)	92	111	45	-
	<u>26,689</u>	<u>19,616</u>	<u>230,462</u>	<u>235,676</u>
Current	26,688	19,616	206,933	209,548
Noncurrent	1	-	23,529	26,128

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

Type	Charges	Final contract maturity	Amount contracted	Amount raised	Parent Company		Consolidated	
					06/30/2022	12/31/2021	06/30/2022	12/31/2021
Debentures	CDI + 0.65% to 3.0% p.a.	July/23 to April/27	3,592,400	3,592,400	2,291,521	2,255,282	3,576,583	3,522,068
Debentures	IPCA + 4.40% to 7.08% p.a.	August/24 to June/37	1,407,600	1,407,600	90,462	82,848	1,602,460	958,275
Debêntures	Pre 16.76% p.a.	May/29	2,780,000	2,780,000	2,596,408	-	218,116	-
Loan Proparco	Libor 6 months + 3.25% p.a.	December/26	136,232	136,232	-	-	97,419	115,604
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.	July/23 to July/40	981,415	668,249	-	-	480,691	472,599
Project CEF	TR + 8.5% to 8.7% p.a.	February/39 to February/43	482,597	239,403	-	-	278,972	282,009
Senior Notes (Bonds)	USD + 5.75% p.a.	October/24	1,266,920	1,266,920	-	-	-	2,247,669
Sênior Notes (Bonds)	USD + 6.75% a.a.	May/29	2,502,550	2,502,550	-	-	2,536,629	-
Finisa	Pre 3.50% p.a.	December/23	4,912	4,912	-	-	981	1,306
Working capital	SELIC + 2.53% p.a.	August/23	30,000	30,000	-	-	12,755	18,029
Promissory notes	CDI + 1.50% to 1.70% p.a.	January/23 to March/23	500,000	500,000	-	-	536,213	525,626
Project BNB	IPCA + 1.17% p.a.	September/38	73,718	33,631	-	-	33,883	33,969
Bank Credit Note	CDI + 3.80% to 3.90% p.a.	June/23 to October/23	350,000	350,000	-	76,659	298,047	391,526
					<u>4,978,391</u>	<u>2,414,789</u>	<u>9,672,749</u>	<u>8,568,680</u>
Current					284,620	290,303	1,199,284	526,429
Noncurrent					4,693,771	2,124,486	8,473,465	8,042,251

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, 2022:

	Parent Company	Consolidated
	06/30/2022	06/30/2022
Debt amortization schedule – loans and financing		
2023	-	169,179
2024	-	81,816
2025	-	81,555
2026	-	75,532
2027	-	47,554
2028 onwards	-	3,116,658
	-	3,572,294
Debt amortization schedule – debentures		
2023	566,750	994,603
2024	194,866	589,386
2025	328,186	1,071,658
2026	399,980	618,537
2027	400,020	513,443
2028 onwards	3,003,309	1,494,690
	4,893,111	5,282,317
Borrowing cost (noncurrent)	(199,340)	(381,146)
Total	4,693,771	8,473,465
Change in debts	Parent Company	Consolidated
	06/30/2022	06/30/2022
Opening balance	2,414,789	8,568,680
Funding	2,780,000	3,412,065
(-) Payment of principal	(75,000)	(2,133,537)
(-) Payment of interest	(115,824)	(323,097)
Provision for interest (Note 20)	218,971	465,751
Interest capitalized in concession assets	-	20,770
Translation adjustment - asset and liability accounts (i)	-	(269,916)
(-) Cost of funding for the period	(210,231)	(185,218)
Amortization of borrowing cost for the period	8,707	22,506
Exchange differences	-	101,276
Fair value of debt through profit or loss (Note 20)	(43,021)	(6,531)
Closing balance	4,978,391	9,672,749

(i) Translation adjustments of assets and liabilities refer to translation of the currency of subsidiary Aegea Finance into the Company's functional currency until April 30, 2022,

The balance of the funding cost at June 30, 2022 totals R\$ 405,812 (R\$ 119,029 at December 31, 2021).

Aegea Saneamento e Participações S.A.

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

The main events in the period were:

a) Funding

					Dates of payment	
		Issue	Date of issue	Issue amount	Principal	Interest
Debentures	Aegea (ii)	10th issue	May/2022	2,780,000	Single installment	Semi-annual
Bonds	Aegea Finance (i)	2nd issue	May/2022	USD 500,000	Single installment	Semi-annual
Debentures	Teresina (i)	4th issue	June/2022	600,000	8 installments - May 2030, 2031, 2032, 2033, 2034, 2035, 2036 and 2037	Semi-annual

(i) These operations are supported by the Company

(ii) There are no guarantees for this operation.

b) Payments

In January 2022, the funding carried out with the Brazilian Development Bank ("BNDES"), in the total nominal value of R\$ 57,621, was fully settled by the indirect subsidiary Prolagos, according to the amortization schedule defined in the contract.

In April 2022, the bank credit note carried out with BTG Pactual in the total face value of R\$ 150,000 was fully settled by the Company, according to the schedule defined in the contract.

In May 2022, the 1st issue of Bonds in the total face value of USD 400,000 was fully settled by Aegea Finance, equivalent to BRL 2,017,917 considering PTAX on the settlement days of May 20 and 25, 2022 of BRL 4 ,8777 and R\$ 4,8359 respectively.

In the period ended June 30, 2022, there were no changes related to the contracting conditions of other loans, financing and debentures, as well as the guarantees already described in Note 14 to the financial statements for the year ended December 31, 2021.

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 fully complied with by the Group at June 30, 2022.

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14. Other accounts payable

	Parent Company		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Grant right payable (i)	-	-	13,299	26,501
Provision for social fund payable	-	-	337	361
Amount payable for acquisition of Mauá	-	-	-	885
Advances from customers	-	-	18,374	16,504
Provision for bonuses	49,965	-	79,497	838
Leases	3,043	47,414	239,801	178,598
Acquisition of aircraft	9	2,023	9	2,023
Other accounts payable	1,105	842	15,983	12,983
	<u>54,122</u>	<u>50,279</u>	<u>367,300</u>	<u>238,693</u>
Current	40,509	4,840	146,838	63,059
Noncurrent	13,613	45,439	220,462	175,634

- (i) The amount payable by indirect subsidiary Guariroba as at June 30, 2022, is broken down as follows: (a) R\$785 (R\$13,586 at December 31, 2021) payable to the city of Campo Grande – MS, the amount of R\$ 12,820 was offset against existing municipal debts and (b) R\$12,514 (R\$12,915 at December 31, 2021) payable to the state of Mato Grosso do Sul 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 indirect subsidiary 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.

15. Judicial deposits and provisions

The Group is a party to and is defending itself at the respective levels in relation to notices, administrative and/or judicial proceedings, notifications and claims arising from the normal course of operations, involving issues of civil, labor, tax and environmental natures.

Management, based on the assessments of the Group's internal and external legal advisors, has set up a provision in an amount considered sufficient to cover probable losses arising from the civil, labor, tax and environmental risks to which it is exposed, and has also maintained its commitments to deposit funds in court, when required in the course of the proceedings.

Nature	Parent Company			
	Judicial deposits		Provisions	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Civil	2,072	4,216	9,516	9,517
	<u>2,072</u>	<u>4,216</u>	<u>9,516</u>	<u>9,517</u>
Nature	Consolidated			
	Judicial deposits		Provisions	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Civil	9,424	12,844	10,362	10,593
Labor	4,040	4,025	8,527	7,921
Tax	33,812	29,994	83,829	83,455
Environmental	-	-	876	1,309
	<u>47,276</u>	<u>46,863</u>	<u>103,594</u>	<u>103,278</u>

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15. Judicial deposits and provisions (Continued)

Changes in provisions

Consolidated							
Natureza	Balance in 12/31/2021	P&L			Indemnification assets (i)	Monetary restatement	Balance in 06/30/2022
		Additions	Reversals	Payments			
Cíveis	10,593	12,131	(3,664)	(10,054)	1,356	-	10,362
Trabalhistas	7,921	3,349	(818)	(3,192)	1,267	-	8,527
Tributárias	83,455	-	-	-	-	374	83,829
Ambientais	1,309	119	(552)	-	-	-	876
Total	103,278	15,599	(5,034)	(13,246)	2,623	374	103,594

(i) Provisions to be reimbursed, in case of an effective loss, as established in the purchase and sale instrument of the business combination.

Lawsuits – contingent liabilities

The Company is a party to lawsuits and administrative proceedings related to civil, labor, tax and environmental matters, which are considered contingent liabilities in the financial statements, since it does not expect that outflows of resources will be required, or the amount of the obligations cannot be measured with sufficient reliability. Such lawsuits and/or proceedings were assessed by the legal advisors as having a possible risk of loss and amounted to R\$ 55,334 as of June 30, 2022 (R\$ 49,464 as of December 31, 2021), therefore, no provision was recorded to cover possible losses on these lawsuits and/or proceedings, considering that the accounting practices adopted in Brazil do not require their accounting.

In the period ended June 30, 2022, there were no significant changes in the contingent liabilities, as well as in the judicial deposits described in Note 16 to the individual and consolidated financial statements for the year ended December 31, 2021.

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16. Equity

a) Capital

As of June 30, 2022 and December 31, 2021, the paid-in capital is R\$ 1,266,439. The Company's corporate structure is as follows:

Number of shares

	Ordinary shares	Preferred shares		
		Class A	Class C	Class D
Grua Investimentos S.A.	407,331,200	-	-	530,605
Saneamento 100% Fundo de Investimento em Participações Multiestratégia	94,767,240	35,178,760	-	-
<i>Angelo Investment Private Limited</i>	135,442,474	103,653,713	-	110,909,162
Itaúsa S.A.	72,415,560	-	113	58,884,411
Verona Saneamento e Investimentos S.A.	-	-	1,000	-
	<u>709,956,474</u>	<u>138,832,473</u>	<u>1,113</u>	<u>170,324,178</u>

Shareholdings

	Ordinary shares	Preferred shares		
		Class A	Class C	Class D
Grua Investimentos S.A.	57.37%	-	-	0.31%
Saneamento 100% Fundo de Investimento em Participações Multiestratégia	13.35%	25.34%	-	-
<i>Angelo Investment Private Limited</i>	19.08%	74.66%	-	65.12%
Itaúsa S.A.	10.20%	-	10.15%	34.57%
Verona Saneamento e Investimentos S.A.	-	-	89.85%	-
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

b) Dividends

On January 21, 2022, the Company declared and subsequently paid interim dividends to its shareholders in the amount of R\$33,819.

On February 14, 2022, the Company declared and paid interim dividends to the holders of class C preferred shares in the amount of R\$ 16,695.

On April 28, 2022, an Ordinary General Assembly approved the destination of intermediate dividends in the amount of R\$ 343,537 referring to the remaining balance of the additional dividends proposed for December 31, 2021.

On July 5, 2022, the Company declared and paid interim dividends to shareholders holding class C preferred shares in the amount of R\$22,260.

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16. Equity (Continued)

On July 28, 2022 the Company paid dividends to its shareholders in the amount of R\$ 62,224.

There were no changes in the metrics for the establishment of the equity adjustment, capital reserve, tax incentive reserve, legal reserve, and retained profits reserve described in Note 17 to the financial statements for the year ended December 31, 2021.

17. Net operating revenue

	Parent Company		Consolidated	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Revenue from services rendered				
Water supply services	-	-	1,116,021	976,804
Other indirect water services	-	-	129,468	87,882
Sewage services	-	-	389,634	301,607
Other indirect sewage services	-	-	17,612	13,682
Revenue from services - related parties (Note 8)	189,689	84,723	126,931	-
Financial asset remuneration	-	-	121,320	82,245
Revenue from financial assets construction	-	-	23,512	9,233
Revenue from intangible assets construction	-	-	403,929	319,693
Total gross revenue	<u>189,689</u>	<u>84,723</u>	<u>2,328,427</u>	<u>1,791,146</u>
Deductions from gross revenue				
(-) Cancellations and rebates	-	-	(20,431)	(20,670)
(-) Taxes on services	(21,340)	(9,531)	(153,230)	(114,271)
Total operating revenue, net	<u>168,349</u>	<u>75,192</u>	<u>2,154,766</u>	<u>1,656,205</u>

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18. Costs and expenses by nature

	Parent Company		Consolidated	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Personnel	(121,787)	(49,006)	(275,563)	(154,140)
Maintenance and upkeep	(1,667)	(617)	(20,872)	(19,348)
Third-party services	(41,465)	(23,492)	(115,525)	(87,473)
Materials, equipment, and vehicles	(512)	(926)	(16,397)	(18,639)
Amortization and depreciation	(8,684)	(6,957)	(202,751)	(160,044)
Concession cost	-	-	(20,269)	(17,657)
Construction cost - financial assets	-	-	(65,156)	(43,743)
Construction cost - intangible assets	-	-	(403,929)	(319,693)
Expected loss on allowance for doubtful accounts	-	-	(23,127)	(72,188)
Write-off (Recovery) of accounts receivable	-	-	(49,497)	18,723
Provisions for civil, labor, tax, and environmental risks for legal claims	(667)	-	(10,565)	(8,303)
Taxes, charges, and social contributions	(953)	(802)	(4,074)	(4,305)
Electric power	(80)	(24)	(157,615)	(125,913)
Chemical products	-	-	(34,458)	(23,831)
Location	(959)	(635)	(20,324)	(12,127)
Other	(8,203)	(3,816)	(27,395)	(20,315)
	<u>(184,977)</u>	<u>(86,275)</u>	<u>(1,447,517)</u>	<u>(1,068,996)</u>
Cost of services	(123,562)	(43,494)	(1,035,580)	(841,014)
Expenses administrative and general	(52,601)	(40,276)	(403,123)	(225,477)
Expenses with research and development	(8,814)	(2,505)	(8,814)	(2,505)

19. Other operating income

	Parent Company		Consolidated	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Dividend income	86,277	-	86,277	-
Other income	4,165	2,896	13,266	5,769
	<u>90,442</u>	<u>2,896</u>	<u>99,543</u>	<u>5,769</u>

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20. Finance income (costs)

	Parent Company		Consolidated	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Short-term investment yield (i)	67,346	17,769	146,191	42,070
Interest and fine received or earned	-	3	34,559	21,485
Foreign exchange gains	196,700	160,288	364,873	300,030
Gains from derivative financial instruments (Note 22)	123,360	33,687	279,611	62,671
Fair value of debt through profit or loss	43,021	-	6,531	-
Other finance income	15	4	5,697	1,883
Finance income	430,442	211,751	837,462	428,139
Costs				
Charges on loans and financing and debentures (Note 13)	(218,971)	(39,560)	(465,751)	(235,728)
Interest with related parties (Note 8)	(29,135)	(41,517)	-	-
Discounts granted	-	-	(126,776)	(71,072)
Bank charges and commissions	(2,264)	(1,267)	(23,298)	(14,575)
Adjustment to present value of customers (Note 7)	-	-	(26,221)	(4,189)
Foreign exchange losses	(86,368)	(116,628)	(273,711)	(217,843)
Loss on derivative financial instruments (Note 22)	(293,644)	(51,725)	(441,662)	(97,417)
Other finance costs	(14,683)	(4,354)	(42,187)	(23,351)
Finance costs	(645,065)	(255,051)	(1,399,606)	(664,175)
Finance income (costs)	(214,623)	(43,300)	(562,144)	(236,036)

(i) Short-term investment yield in the consolidated statements includes interest incurred on cash and cash equivalents in the amount of R\$ 232 (R\$ 99 as of June 30, 2021).

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21. 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, 2022, and 2021, is as follows:

	Parent Company		Consolidated	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Book income before income and social contribution taxes	144,025	205,475	383,257	354,386
Combined tax rate	34%	34%	34%	34%
Income and social contribution taxes at combined rate	(48,969)	(69,862)	(130,307)	(120,491)
Gains (losses) on investments	96,873	87,457	48,878	-
Dividend income	29,334	-	29,334	-
Non-deductible expenses	(3,452)	(1,241)	(9,810)	(6,166)
Provision for Executive Board's bonus	(17,066)	-	(27,106)	-
Interest on equity received	(2,253)	(782)	-	-
Deferred income and social contribution taxes on temporary differences not recognized (i)	3,277	1,550	4,439	2,300
Deferred income and social contribution taxes on income and social contribution tax losses not recognized (i)	(75,449)	(15,885)	(89,271)	(20,932)
Decrease in rate – Profit from tax incentive activities (ii)	-	-	2,420	21,330
Workers' Meal Program (PAT)	-	-	1,701	1,779
Amortization of goodwill on acquisition of investments	-	-	(3,144)	(3,190)
Rate difference – subsidiary abroad	-	-	(10,881)	(8,662)
Donations - Rouanet Law and of a sporting nature	-	-	2,154	-
Technologic innovation	-	-	246	-
Subsidiaries tax determined based on the regime whereby taxable profit is computed as a percentage of gross revenue ("presumed profit")	-	-	1,107	1,911
Other permanent differences	-	-	1,196	366
Income and social contribution taxes:				
Current	-	-	(168,389)	(149,716)
Deferred	(17,705)	1,237	(19,089)	(2,665)
Profit from tax incentive activities	-	-	8,434	20,626
Income and social contribution taxes on P&L for the period	(17,705)	1,237	(179,044)	(131,755)
Effective rate	12%	(1%)	47%	37%

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Notes to Quarterly Information (ITR)
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21. 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 06/30/2022</u>
Total current income and social contribution taxes net of profit from tax incentive activities	(159,955)
Balance paid referring to prior years	(61,350)
Prepaid income and social contribution taxes	(459)
Non-cash items (breakdown below)	77,688
Total income and social contribution taxes paid as per statement of cash flow	(144,076)
Non-cash transactions that affected the taxes:	
Offsets referring to withholding taxes and negative balance of income and social contribution taxes	12,477
Income and social contribution taxes payable	65,211
Total	77,688

- (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 its indirect subsidiaries Diamantino, Poconé, São José, Cláudia, Nortelândia, Pedra Preta, Sorriso and Vera and direct subsidiaries Paranatinga, Timon, Teresina, Sinop, Guarantã and Novo Progresso up to calendar year 2027, The indirect subsidiaries Carlinda, Santa Carmem and União do Sul and direct subsidiary Matupá until calendar year 2029, The indirect subsidiaries Manaus, Pimenta Bueno, Jauru, Jangada and Ariquemes and Barra do Garças and the direct subsidiaries Porto and Rolim de Moura until calendar year 2030.

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>Parent Company</u>				
	<u>12/31/2021</u>	<u>P&L</u>	<u>Equity</u>	<u>Others</u>	<u>06/30/2022</u>
Foreign exchange gains	187,414	(37,513)	-	(149,901)	-
Contribution	15,457	(8,389)	-	-	7,068
Deferred tax Asset	<u>202,871</u>	<u>(45,902)</u>	<u>-</u>	<u>(149,901)</u>	<u>7,068</u>
Borrowing costs of loans, financing, and debentures	(10,769)	(12,791)	-	-	(23,560)
Gains or losses on swap transactions	(189,595)	55,616	-	149,901	15,922
Fair value financial liabilities	-	(14,628)	-	-	(14,628)
Derivative financial instrument	(38,571)	-	38,571	-	-
Deferred tax liabilities	(238,935)	28,197	38,571	149,901	(22,266)
Net deferred tax liability	<u>(36,064)</u>	<u>(17,705)</u>	<u>38,571</u>	<u>-</u>	<u>(15,198)</u>

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21. Income and social contribution taxes (IRPJ and CSLL) (Continued)

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

	Consolidated				
	12/31/2021	P&L	Equity	Others	06/30/2022
Expected allowance for doubtful accounts	91,330	3,365	-	-	94,695
Provision for profit sharing	8,283	(3,668)	-	-	4,615
Provisions for civil, labor, tax, and environmental risks	3,803	(42)	-	-	3,761
Fair value of assets acquired in business combinations	2,533	(89)	-	-	2,444
Present value adjustment	14,851	4,901	-	-	19,752
Deferred grants – prior years	4,645	(60)	-	-	4,585
Foreign exchange gains	337,677	(68,028)	-	(257,709)	11,940
Derivative financial instruments	-	-	2,419	-	2,419
Leases	910	(184)	-	-	726
Loss on trade accounts receivable	3,113	937	-	-	4,050
Income and social contribution tax losses	52,596	(13,488)	-	-	39,108
Write-off due to loss in installments	348	85	-	-	433
Surplus value – subsidiary Serra	(69)	(414)	-	-	(483)
to be offset	(457,752)	315,199	-	-	(142,553)
Ativo fiscal diferido	62,268	238,514	2,419	(257,709)	45,492
Fair value of assets acquired in business combinations	(20,046)	987	-	-	(19,059)
Interest capitalized	(53,416)	(3,138)	-	-	(56,554)
Borrowing costs of loans, financing and debentures	(28,640)	(15,114)	-	-	(43,754)
Amortization of intangible assets (i)	(97,168)	1,450	-	-	(95,718)
Derivative financial instruments	(400,823)	86,652	66,335	257,709	9,873
Deferred profit – government entities	(47,172)	(12,409)	-	-	(59,581)
Write-off of notes in accounts receivable	(81,073)	2,657	-	-	(78,416)
ISS - final court decision	-	(1,269)	-	-	(1,269)
Fair value financial liabilities	-	(2,220)	-	-	(2,220)
to be offset	457,752	(315,199)	-	-	142,553
Deferred tax liabilities	(270,586)	(257,603)	66,335	257,709	(204,145)
Deferred tax liabilities, net	(208,318)	(19,089)	68,754	-	(158,653)

In order to analyze the recording of deferred tax assets on tax losses, in the period, 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, 2022, the amount realized is R\$4,264 (R\$4,264 as at June 30, 2021).

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21. Income and social contribution taxes (IRPJ and CSLL) (Continued)

Unrecorded deferred tax assets

Deferred tax assets were not recorded on the following items:

	Parent Company		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Expected allowance for doubtful accounts	-	-	1,084	1,135
Provisions for civil, labor, tax, and environmental risks	-	-	51	51
Provision for profit sharing	4,044	6,585	6,466	10,001
Present value adjustment	-	-	58	42
Income and social contribution tax losses	235,671	160,222	340,077	250,806
Foreign taxes	11,262	11,262	11,262	11,262
Other temporary differences	16	752	48	917
	<u>250,993</u>	<u>178,821</u>	<u>359,046</u>	<u>274,214</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.

22. 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

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

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22. Financial instruments (Continued)

Risk management framework (Continued)

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.

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

	Parent Company		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Bank checking account (Note 5)	1,740	63,109	37,821	105,547
Short-term investments	1,548,398	729,644	3,819,369	2,431,742
Trade accounts receivable	137,620	43,341	1,763,975	1,580,115
Private debentures	293,866	280,375	-	-
Dividends and interest on equity receivable	304,088	165,512	147,486	61,208
Accounts receivable from related parties	351,413	271,233	-	-
Derivative financial instruments	-	671,080	130,198	1,194,012
Securities	4,339,361	4,243,361	4,339,361	4,243,361
	<u>6,976,486</u>	<u>6,467,655</u>	<u>10,238,210</u>	<u>9,615,985</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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22. 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, 2022 is as follows:

Parent Company							
06/30/2022	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	26,689	26,689	26,688	1	-	-	-
Loans, financing and debentures	4,978,391	9,384,847	931,943	1,442,347	1,000,768	771,871	5,237,917
Derivative financial instruments	46,830	193,265	60,274	16,927	(10,734)	14,605	112,193
Dividends payable	343,537	343,537	343,537	-	-	-	-
Other accounts payable	54,122	56,576	42,727	12,272	732	638	207
	<u>5,449,569</u>	<u>10,004,914</u>	<u>1,405,169</u>	<u>1,471,547</u>	<u>990,766</u>	<u>787,114</u>	<u>5,350,317</u>
Consolidated							
06/30/2022	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	230,462	230,462	206,933	23,529	-	-	-
Loans, financing and debentures	9,672,749	21,254,265	2,429,897	2,924,334	2,280,103	1,426,076	12,193,855
Derivative financial instruments	142,472	(105,566)	108,713	54,225	19,307	46,181	(333,992)
Dividends payable	354,881	354,881	354,881	-	-	-	-
Other accounts payable	367,300	419,576	164,421	84,479	46,169	38,841	85,666
	<u>10,767,864</u>	<u>22,153,618</u>	<u>3,264,845</u>	<u>3,086,567</u>	<u>2,345,579</u>	<u>1,511,098</u>	<u>11,945,529</u>

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22. Financial instruments (Continued)

Risk management structure (Continued)

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

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, 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	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Instruments subject to floating rate				
<i>Financial assets</i>				
Short-term investments	1,548,398	729,644	3,819,369	2,431,742
Private debentures	293,866	280,375	-	-
Derivative financial instruments	-	671,080	130,198	1,194,012
	<u>1,842,264</u>	<u>1,681,099</u>	<u>3,949,567</u>	<u>3,625,754</u>
Instruments subject to floating rate				
<i>Financial liabilities</i>				
Loans, financing and debentures	4,978,391	2,414,789	9,672,749	8,568,680
Loans payable to related parties	-	1,294,212	-	-
Derivative financial instruments	46,830	-	142,472	-
Other accounts payable	3,052	49,437	253,293	207,352
	<u>5,028,273</u>	<u>3,758,438</u>	<u>10,068,514</u>	<u>8,776,032</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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22. 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 06/30/2022	I Probable	II 25%	III 50%	IV -25%	V -50%
1- Financial assets								
Short-term investments	1,548,398	CDI variation	13,15%	203,614	254,518	305,421	152,711	101,807
Private Debentures	293,866	CDI variation	13,15%	38,643	48,304	57,965	28,982	19,322
2- Financial liabilities								
Loans and debentures	(2,291,521)	CDI variation	13,15%	(301,335)	(376,669)	(452,003)	(226,001)	(150,668)
Debentures	(90,462)	IPCA variation	11,89%	(10,756)	(13,445)	(16,134)	(8,067)	(5,378)
1 + 2 – Net expose	<u>(539,719)</u>			<u>(69,834)</u>	<u>(87,292)</u>	<u>(104,751)</u>	<u>(52,375)</u>	<u>(34,917)</u>
Consolidated				Scenarios				
Equity exposure	Exposure	Risk	Effective interest rate p.a, at 06/30/2022	I Probable	II 25%	III 50%	IV -25%	V -50%
1- Financial assets								
Short-term investments	3,819,369	CDI variation	13,15%	502,247	627,809	753,371	376,685	251,124
2- Financial liabilities								
Debentures and loans	(4,410,843)	CDI variation	13,15%	(580,026)	(725,033)	(870,039)	(435,020)	(290,013)
Debentures and loans	(1,637,495)	IPCA variation	11,89%	(194,698)	(243,373)	(292,047)	(146,024)	(97,349)
Loans and financing	(278,972)	TR variation	0,57%	(1,590)	(1,988)	(2,385)	(1,193)	(795)
Financing	(72,900)	SELIC variation	13,15%	(9,586)	(11,983)	(14,379)	(7,190)	(4,793)
Financing	(416,175)	TJLP variation	6,82%	(28,383)	(35,479)	(42,575)	(21,287)	(14,192)
Grant payable	(13,483)	INPC variation	11,92%	(1,607)	(2,009)	(2,411)	(1,205)	(804)
1 + 2 – Net exposure	<u>(3,010,499)</u>			<u>(313,643)</u>	<u>(392,056)</u>	<u>(470,465)</u>	<u>(235,234)</u>	<u>(156,822)</u>

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22. Financial instruments (Continued)

Risk management structure (Continued)

Foreign exchange rate risk and interest rates

Exchange rate risks arise from the possibility of fluctuations in foreign currency exchange rates and interest rate risks arise from the possibility of interest rate fluctuations. Both rates are used by the Group for contracting financial instruments.

To mitigate such risks, these financial instruments of the Group are covered by contracting hedge operations through derivative financial instruments of the "swap" type.

The summary of quantitative data on the Group's exposure to these risks as provided to shareholders is based on its risk management policy as below:

Parent Company				Scenarios				
Interest rate risk	Exposure			I Probable scenario	II 25%	III 50%	IV -25%	V -50%
1- Derivatives instruments								
Loans and financing	(2,845,728)			2,845,728	3,557,160	4,268,592	2,134,296	1,422,864
Swap - receivables	2,845,379			(2,845,379)	(3,556,724)	(4,268,069)	(2,134,034)	(1,422,690)
Net exposure	(349)			349	436	524	262	174

Consolidated				Scenarios				
Currency risk	Exposure	Currency	Currency rate in 06/30/2022	I Probable scenario	II 25%	III 50%	IV -25%	V -50%
1- Derivatives instruments								
Loans and financing	(524,055)	USD	5,2380	179,489	224,361	269,233	134,617	89,744
Swap - receivables	524,048	USD	5,2380	(179,487)	(224,358)	(269,230)	(134,615)	(89,743)
Net exposure	(7)			2	3	3	2	1

Consolidated				Scenarios				
Interest rate risk	Exposure			I Probable scenario	II 25%	III 50%	IV -25%	V -50%
1- Derivatives instruments								
Loans and financing	(890,455)			890,455	1,113,068	1,335,682	667,841	445,227
Swap - receivables	890,105			(890,105)	(1,112,632)	(1,335,158)	(667,579)	(445,053)
Net exposure	(350)			350	436	524	262	174

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22. Financial instruments (Continued)

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.

Classification of financial Instruments

In the table below, we present the accounting and fair values, as well as the classification and hierarchy of financial instruments:

				Parent Company book value		Fair value	
	Note	Classification by category	Fair value hierarchy	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Assets							
Cash and cash equivalents (i)	5	Amortized cost	Level 2	1,774	63,113	1,774	63,113
Short-term investments (i)	6	Fair value through profit or loss	Level 2	1,548,398	729,644	1,548,398	729,644
Trade accounts receivable(i)	7	Amortized cost	Level 2	137,620	43,341	137,620	43,341
Dividends and interest on equity receivable (i)	8	Amortized cost	Level 2	304,088	165,512	304,088	165,512
Private debentures (i)	8	Amortized cost	Level 2	293,866	280,375	293,866	280,375
Accounts receivable from related parties (i)	8	Amortized cost	Level 2	351,413	271,233	351,413	271,233
Derivative financial instruments (i)		Fair value - Hedging instruments	Level 2	-	671,080	-	671,080
Securities (i)	9	Fair value through other comprehensive income	Level 3	4,339,361	4,243,361	4,339,361	4,243,361
Total				<u>6,976,520</u>	<u>6,467,659</u>	<u>6,976,520</u>	<u>6,467,659</u>
Liabilities							
Suppliers and contractors (i)	12	Amortized cost	Level 2	26,689	19,616	26,689	19,616
Loans, financing and debentures (ii)	13	Amortized cost	Level 2	2,381,983	2,414,789	2,535,599	2,591,408
	13	Valor justo - Instrumentos de hedge	Level 2	2,596,408	-	3,415,517	-
Debentures (ii)							
Loans payable to related parties (i)	8	Amortized cost	Level 2	-	1,294,212	-	1,294,212
Dividends payable (i)	8	Amortized cost	Level 2	343,537	37,346	343,537	37,346
Derivative financial instruments (i)		Fair value - Hedging instruments	Level 2	46,830	-	46,830	-
Other accounts payable (i)	14	Amortized cost	Level 2	54,122	50,276	54,122	50,275
Total				<u>5,449,569</u>	<u>3,816,239</u>	<u>6,422,294</u>	<u>3,992,857</u>

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22. Financial instruments (Continued)

Classification of financial Instruments (Continued)

				Consolidated book value		Fair value	
	Note	Classification by category	Fair value hierarchy	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Assets							
Cash and cash equivalents (i)	5		Level 2				
		Amortized cost		37,979	105,689	37,979	105,689
Short-term investments (i)	6	Amortized cost	Level 2	70,280	40,176	70,280	40,176
Short-term investments (i)	6	Fair value through profit or loss	Level 2	3,749,089	2,391,566	3,749,089	2,391,566
Trade accounts receivable (i)	7	Amortized cost	Level 2	1,763,975	1,580,115	1,763,975	1,580,115
Dividends and interest on equity receivable (i)	8	Amortized cost	Level 2	147,486	61,208	147,486	61,208
Derivative financial instruments (i)		Fair value - Hedging instruments	Level 2	130,198	1,194,012	130,198	1,194,012
	9	Fair value through other comprehensive income					
Securities (i)			Level 3	4,339,361	4,243,361	4,339,361	4,243,361
Total				<u>10,238,368</u>	<u>9,616,127</u>	<u>10,238,368</u>	<u>9,616,127</u>
Liabilities							
Suppliers and contractors (i)	12	Amortized cost	Level 2	230,462	235,676	230,462	235,676
Loans, financing and debentures (ii)	13	Amortized cost	Level 2	9,491,124	8,568,680	10,429,963	9,247,826
	13	Valor justo - Instrumentos de hedge	Nível 2	181,625	-	330,600	-
Debêntures (ii)							
Dividends payable (i)	8	Amortized cost	Level 2	354,881	37,346	354,881	37,346
Derivative financial instruments (i)		Fair value - Hedging instruments	Level 2	142,472	-	142,472	-
Other accounts payable (i)	14	Amortized cost	Level 2	367,300	238,693	367,300	238,693
Total				<u>10,767,864</u>	<u>9,080,395</u>	<u>11,855,678</u>	<u>9,759,541</u>

(i) For some of the operations, the Company's Management considers that the fair value is equivalent to the book value, since for these operations the book value reflects the settlement value on that date, due to the short maturity of these operations.

(ii) Fair values were calculated by projecting cash flows until the maturity of the operations based on future rates obtained through public sources (eg, BM & F Bovespa and Bloomberg) plus contractual spreads and brought to present value by the risk-free rate (pre-DI).

Derivative financial instruments

The Company and its subsidiaries made 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, 2022 and December 31, 2021, the Company maintains derivative financial instruments – swap for hedging exchange and rate risk, as follows:

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22. Financial instruments (Continued)

Derivative financial instruments (Continued)

Parent Company						Assets	
Derivative	Notional	Assets	Liabilities	Market	Maturity	06/30/2022	12/31/2021
Swap – Intercompany loan	USD 230,000	USD + 6,7647% p,a,	CDI + 142,80% p,a,	CETIP	Oct/10/24	-	658,602
Swap - Intercompany loan	R\$ 316,730	142,80% from the CDI p,a,	CDI + 2,86% p,a,	CETIP	Oct/10/24	-	12,478
						-	671,080
Noncurrent						-	671,080
						Liabilities	
Derivative	Notional	Assets	Liabilities	Market	Maturity	06/30/2022	12/31/2021
Debentures	R\$ 2,780,000	16,76% p,a,	CDI + 136,37% p,a,	CETIP	May/16/29	46,830	-
						46,830	-
Current						24,385	-
Noncurrent						22,445	-

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22. Financial instruments (Continued)

Consolidated						Assets	
Derivative	Notional	Assets	Liabilities	Market	Maturity	06/30/2022	12/31/2021
Swap – Intercompany loan	USD 400,000	USD + 6,7647% p.a.	CDI 141,95% to 142,80% p,a,	CETIP	Oct/10/24	-	1,130,090
Swap - Intercompany loan	R\$ 316,730	142,80% from the CDI p.a.	CDI + 2,86% p,a,	CETIP	Oct/10/24	-	12,478
Swap - Loan Proparco	USD 25,263	USD + 4,89% p.a.	CDI + 2,70% p,a,	CETIP	Dec/15/26	32,836	51,444
Swap – Bond Senior Notes	USD 500.000	USD + 6,75% p.a.	16,76% a.a.	CETIP	May/16/29	97.362	-
						<u>130,198</u>	<u>1,194,012</u>
Current						1,618	6,661
Noncurrent						128,580	1,187,351
						Liabilities	
Derivative	Notional	Assets	Liabilities	Market	Maturity	06/30/2022	12/31/2021
Swap - Debentures	R\$ 2,780,000	16,76% p.a.	CDI + 136,37% p,a,	CETIP	May/16/29	126,774	-
Swap - Debentures	R\$ 600,000	6,62% Of the IPCA	110,81% of the CDI	CETIP	May/15/37	15,698	-
						<u>142,472</u>	<u>-</u>
Circulante						41,000	-
Não circulante						101,472	-

The Group recorded gains and losses from derivative financial instruments designated as cash flow hedge and fair value hedge at June 30, 2022 and 2021. The impacts on the P&L for the period were:

Derivative	Market	Risk	Parent Company		Consolidated	
			06/30/2022	06/30/2021	06/30/2022	06/30/2021
Swap	CETIP	CDI	<u>(170,284)</u>	<u>(18,038)</u>	<u>(162,051)</u>	<u>(34,746)</u>
Net effect on P&L (Note 20)			(170,284)	(18,038)	(162,051)	(34,746)

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22. Financial instruments (Continued)

Hedge Accounting

The Group assesses the need to adopt Hedge Accounting for the operations used in its financial risk management. As such, the Group designated the operations presented below for cash flow hedge accounting and fair value hedge accounting, which present a hedge index equivalent to 1,0.

The 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 is recorded in P&L.

The change in the fair value of derivative financial instruments designated for fair value hedge is recognized in the of profit or loss.

	Parent Company		
	Equity 12/31/2021	Variation	Equity 06/30/2022
Derivative financial instruments designated as cash flow hedge			
Currency risk	113,447	(113,447)	-
Deferred IR/CS	(38,572)	38,572	-
Net gains recorded in other comprehensive income	74,875	(74,875)	-
	P&L		P&L
	06/30/2022		06/30/2022
Derivative financial instruments designated as cash flow hedge and fair value			
Net losses recorded in P&L for the period (Note 20)	(18,038)		(170,284)
	Consolidated		
	Equity 12/31/2021	Variation	Equity 06/30/2022
Derivative financial instruments designated as cash flow hedge			
Currency risk	195,287	(313,287)	(118,000)
Deferred IR/CS	(66,398)	68,597	2,199
Net gains recorded in other comprehensive income	128,889	(244,690)	(115,801)
	P&L		P&L
	06/30/2022		06/30/2022
Derivative financial instruments designated as cash flow hedge and fair value			
Net losses recorded in P&L for the period (Note 20)	(34,746)		(162,051)

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22. Financial instruments (Continued)

The method used to test the effectiveness of the hedge compares the critical terms of the derivatives contracted and the hedged items, showing that changes in interest rates and exchange differences affect the fair value or cash flows of the hedging instruments and hedged items in a proportional and inverse manner. The method is in line with the Company's risk management strategy. Effectiveness will be measured using a comparison of the critical terms of the hedged item and hedging instrument.

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,

Fair value

Sensitivity analysis of derivative financial instruments

The Group discloses a table showing a sensitivity analysis for each type of market risk considered significant by management, derived from financial instruments derivatives, to which the Group is exposed at the statement of financial position date.

Management considers the base scenario dollar of \$5,238/US\$, Scenario I is a dollar rate at \$4,1904/US\$, scenario II is a dollar rate at \$2,9931/US\$ and scenario III is a dollar rate at \$2,6190/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, 2022, 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, 2022, 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.

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22. Financial instruments (Continued)

Therefore, the sensitivity analysis is as follows:

Parent Company – 06/30/2022					
Instrument	Exposure	Risk	Scenario		
			I	II	III
Swap	(46,830)	Increase in CDI curve	(445,502)	(1,018,365)	(1,226,023)

Consolidated – 06/30/2022					
Instrument	Exposure	Risk	Scenario		
			I	II	III
Swap	(12,273)	USD variation	(155,970)	(320,194)	(371,514)
		Increase in CDI curve	(482,166)	(1,195,998)	(1,469,206)
		Decrease in CDI curve	(431,581)	(1,573,368)	(2,355,524)
		Increase in exchange coupon curve	(157,595)	(407,823)	(516,425)
		Increase in IPCA Curve	(74,513)	(176,102)	(217,655)

23. 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, 2022 and December 31, 2021 are as follows:

	Parent Company		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Property damage	111,000	124,000	112,538	124,000
Civil liability	100,000	100,000	120,500	100,000
Concessionary performer	2,093	76,221	1,575,225	1,048,022
Equipment and vehicles	216,683	216,594	1,103,997	1,341,582
D&O - Directors and Officers Liability Insurance	80,000	80,000	80,000	80,000
Engineering risks	-	-	125,789	465,517
Cyber	40,000	40,000	40,000	40,000

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24. Earnings per share

Basic and diluted earnings per share	Consolidated	
	06/30/2022	06/30/2021
Profit attributable to holders of common shares (i)	96,318	120,618
Weighted average of common shares (in thousands)	709,956	691,603
Basic earnings per share - R\$	0,14	0,17
Company's net income		
Weighted average of common shares (in thousands) (ii)	126,319	169,712
Diluted earnings per share - R\$	1,019,113	830,436
	0,12	0,20

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

(ii) Of this number of shares, class C preferred shares were not considered, as these are not convertible into common shares.

25. Commitments linked to concession agreements

There was no change for the Company and its subsidiaries in the obligations described in Note No. 25 to the financial statements for the year ended December 31, 2021.

26. 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.

27. Subsequent Events

On August 1, 2022, the Company carried out the 11th issue of simple, non-convertible debentures, with a floating guarantee to be converted into unsecured, in the total amount of R\$800,000, in a single series, maturing on August 1, 2029.

On August 1, 2022, Companhia Ambiental Crato, an indirect subsidiary of the Company, started its operations in the city of Crato, state of Ceará.

On July 25 and 28, 2022, the Company contributed R\$ 20,000 and R\$ 94,292 to its associate Rio 4, respectively, as payment of Class B preferred shares. On the same date, the paid-in capital of associate Rio 4 is R\$ 2,348,171, divided into 79,440,239 common registered shares, 317,760,956 Class A preferred registered shares and 265,695,463 Class B preferred registered shares, all of them with no par value.

On July 28, 2022, the Company also made future capital contributions to its associates Rio 1 and Rio 4 in the amounts of R\$107,765 and R\$236,640, respectively.