



Aegea

Earnings Release 3Q22

November 9, 2022





EBITDA of R\$1.8 billion in 9M22, up 46.2%, with EBITDA margin of 66.4%

São Paulo, November 9, 2022 - Aegea Saneamento e Participações S.A. (“Aegea” or “Company”), currently operating in 178 municipalities across 13 states in Brazil, announces today its results for the third quarter of 2022 (“3Q22”) and the nine-month period from January to September 2022 (“9M22”). The information also presents comparisons of the Company’s performance in 3Q22 with the third quarter of 2021 (“3Q21”) and in 9M22 with the first nine months of 2021 (“9M21”). Any and all non-accounting information or information based on non-accounting figures was not reviewed by the independent auditors.

HIGHLIGHTS

- ◆ **Net Revenue¹ grew 21.6% (R\$168.7 million) in 3Q22 compared to 3Q21, reaching R\$948.7 million. In 9M22, Net Revenue came to R\$2.7 billion, up 27.5% from 9M21;**
- ◆ **EBITDA¹ reached R\$644.3 million in 3Q22, increasing 35.6% from 3Q21. Aegea’s consolidated EBITDA margin reached 67.9%, expanding 7.0 p.p., supported by the growth in households served by sewage services, the increase in water and sewage billed volume and the results of the associated company Águas do Rio, which started operations in the 4th quarter of 2021. In 9M22, EBITDA reached R\$1.8 billion, a growth of 46.2% compared to 9M21, with an EBITDA margin of 66.4%, up 8.5 p.p. from 9M21;**
- ◆ **On September 27, Aegea won the two blocks in the Cagece bid auction for sewage services in the state of Ceará. With this winning bid, Aegea, which already operates in Ceará through a sewage concession in Crato, will operate in 178 municipalities across 13 states, serving approximately 26.0 million people;**

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.

¹ Excludes construction revenues and construction costs with with near-zero margins and includes revenue from government payments under PPPs and the construction costs of these agreements.

- ◆ On October 19, Sustainalytics published an update on the Company's ESG rating: Aegea ranked 1st, among sanitation peers, in the world, i.e. it was the best ESG Risk Rating. Aegea also ranked 1st in the world ranking in the Corporate Governance, Business Ethics and Community Relations categories;
- ◆ On November 1st, Águas do Rio completed one year of operations, with investments of more than R\$800 million, hiring approximately 5,000 employees and serving 3.7 million Active Households;
- ◆ Aegea obtained the Gold Seal of the Brazilian GHG Protocol Program for the public registration of its 2021 audited inventory of greenhouse gas emissions. The Brazilian GHG Protocol Program is Latin America's largest database of corporate inventories and its Gold Seal is the highest category for inventories submitted to the Program;
- ◆ Aegea won the Project & Infrastructure Finance Award from Latin Finance in the "Water/Sanitation Financing of the Year" category for its issue of sustainability-linked bonds (SLBs) in April 2022.
- ◆ Aegea's concessionaires were recognized with the Incredible Places to Work 2022 award, instituted by a partnership between Fundação Instituto de Administração (FIA) and UOL. This year, 15 concessionaires were honored and received the Organizational Climate Certification from FIA;
- ◆ For the second year in a row, Aegea was ranked 1st in the water and sanitation sector and won the "Vision of the Future" challenge in the Época Negócios 360° yearbook.



Message from Management

We ended another quarter with consistent results combined with an expansion of our market share in Brazil's sanitation sector. In 3Q22, we registered Net Revenue of R\$948.7 million and EBITDA of R\$644.3 million, growth of 21.6% and 35.6%, respectively, compared to 3Q21. EBITDA margin reached 67.9%, advancing 7.0 p.p. compared to 3Q21. From January to September 2022, we registered net operating revenue of R\$2.7 billion and EBITDA of R\$1.8 billion, representing growth of 27.5% and 46.2%, respectively, year on year, with an EBITDA margin of 66.4%, up 8.5 p.p. from 2021.

Continuing our trajectory of sustainable growth, on September 27 we won the two blocks in the bid auction of sewage services of areas served by Cagece, in the state of Ceará. With this winning bid, we will operate 8 PPP agreements, underscoring our expertise in this model of partnership between the public and private sectors and contributing to universal access to sewage services by 2033, in 24 new cities across Ceará. Considering this achievement, Aegea will operate in 178 municipalities across 13 states, serving approximately 26.0 million people.

We believe that the Aegea Operating Model, combined with the synergies captured due to our scale, are some of the factors that drive our growth, reinforcing our purpose of contributing positively to the agenda of providing universal access to sanitation services in Brazil, always supported by financial discipline and the generation of sustainable results and returns to shareholders.

Note that our operational strategy is directly associated with our goal of creating shared value with society, going beyond contractual obligations, and ensuring access to sanitation services, especially to the vulnerable population. In this regard, considering the Aegea Ecosystem, which includes the associated company Águas do Rio, in the quarter we surpassed the mark of 450,000 families benefited by Social Tariff, i.e. over 1.5 million people accessing water and sewage services at a tariff discount of approximately 50%, which means more savings, health and dignity for the most needy through a social inclusion tool.

Still on the Social front, in September our program *Respeito Dá o Tom* completed five years. Its mission is to reflect in the Company the racial diversity in the cities where we operate by increasing opportunities and employability of black people. We are the first sanitation company in Latin America to set a target for racial diversity in leadership positions, a commitment we undertook in the issue of our sustainability-linked bond (SLB). To drive the initiatives under *Respeito Dá o Tom*, Águas do Rio has a hiring program in the communities focused on diversity, which has hired - including own and outsourced labor - over 3,500 people residing in slums, providing many of them with their first formal job.

On the Environmental front, we remain focused on protecting the environment by expanding sanitation services and efficiently using natural resources. Besides making significant progress in cleaning up the tourist spots of Rio de Janeiro

via Águas do Rio, we received the Gold Seal from the Brazilian GHG Protocol Program for our 2021 audited inventory of greenhouse gas emissions. It is an important tool to measure emissions and implement initiatives to reduce them, thus positively contributing to the climate agenda. During the quarter, we also inaugurated four solar power plants, operated by business partners, to meet the energy demand from our operations in Mato Grosso, underscoring our commitment to contracting renewable energy, which currently corresponds to more than 90% of the Company's electric power matrix.

To promote the circular economy, we have advanced in projects to reuse sludge, notably using 100% of the sludge from the Mato Grande Sewage Treatment Station (ETE) at the PPP Ambiental Metrosul-RS to produce organic compost for over 100 local farmers. These are a few examples of Aegea's ESG practices.

Finally, as recognition of our ESG efforts, we were ranked 1st worldwide among our sanitation peers by Sustainalytics in its ESG Ratings ranking. In addition to having the lowest ESG risk in our category, we were also ranked 1st in the Corporate Governance, Business Ethics and Community Relations categories. This is an important recognition of all our initiatives so far and underscores our commitment to creating consistent and positive impacts on society and the environment, and to adopting the best corporate governance practices. Our leadership is based on good example, our growth is based on financial discipline and our goal is to improve health, quality of life and prosperity by expanding basic sanitation throughout Brazil.

The Management



Aegea Proforma Results

Águas do Rio, which started operations in November 2021, marks an important achievement for Aegea, which practically doubled its operations, adding nearly 10 million people to the population served by the company. Aegea co-control Águas do Rio together with its investors and, for this reason, Águas do Rio results are not consolidated into Aegea's Financial Statements, but rather recognized under equity income.

Therefore, we present below the highlights of Aegea Accounting, with Águas do Rio's results recognized under equity income, and Aegea Pro forma, which refers to the results of Aegea if Águas do Rio were consolidated.

9M22 Highlights	Aegea Financial Statements	Aegea Proforma	Águas do Rio
Employees	6,252	11,667	5,415
Active households (thousand)	3,786	7,486	3,700
EBITDA (R\$ million)	1,792	2,569	1,072
Net income (R\$ million)	303	400	392

Financial Highlights

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

Aegea consolidated (R\$ '000)	3Q22	3Q21	Δ %	9M22	9M21	Δ %
Net operating revenue ¹	948,729	779,983	21.6%	2,699,566	2,116,495	27.5%
Water revenue	658,928	580,638	13.5%	1,904,417	1,645,324	15.7%
Sewage revenue ²	230,381	184,544	24.8%	637,627	499,833	27.6%
Other revenue	68,841	-	0.0%	195,772	-	0.0%
PPP revenue ³	86,048	92,150	-6.6%	230,880	183,628	25.7%
Deductions from revenue	(95,469)	(77,349)	23.4%	(269,130)	(212,290)	26.8%
Operating Costs and Expenses⁴	(368,905)	(301,367)	22.4%	(1,115,350)	(887,413)	25.7%
Equity income	64,510	(3,340)	2031.4%	208,270	(3,340)	6335.6%
EBITDA	644,334	475,276	35.6%	1,792,486	1,225,742	46.2%
EBITDA Margin	67.9%	60.9%	7.0 p.p.	66.4%	57.9%	8.5 p.p.
Financial Result	(333,241)	(156,707)	112.7%	(895,385)	(392,743)	128.0%
Net Income non-recurring effect	98,622	139,925	-29.5%	343,030	362,556	-5.4%
Net Income (Loss)	98,622	139,925	-29.5%	302,835	362,556	-16.5%

Net Revenue

In 3Q22, net operating revenue amounted to R\$948.7 million, increasing 21.6% from 3Q21.

The main growth drivers in the third quarter were:

- (i) Tariff adjustments and rebalancing, notably the following:
 - a. Águas Guariroba: (a) adjustment of 6.6% in January/22 and of 6.1% between May/22 and August/22;
 - b. Prolagos: 10.0% in January/22;
 - c. Manaus: 9.9% in January/22;
 - d. Teresina: 13.6% in July/22;
- (ii) Increase of 3.5% in billed volume, mainly due to the growth in households served by the Company's sewage services; and
- (iii) R\$68.8 million in other operating income, corresponding to revenue from the provision of operational and administrative services to Águas do Rio.

In 9M22, net operating revenue grew 27.5% in relation to 9M21 to R\$2,699.6 million. This growth was mainly driven by the events already described and by the 25.7% increase in PPPs revenues as a result of higher capex for expanding sewage coverage, mainly in Ambiental Metrosul and Serra Ambiental.

The following charts present net revenue growth in the quarter and in nine months:

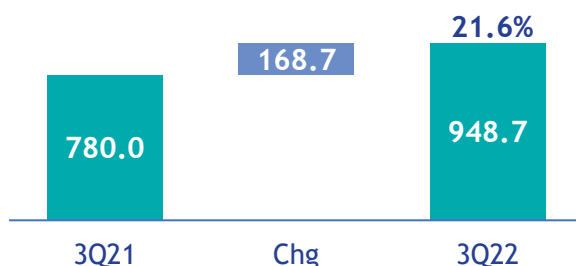
¹ Net operating revenue recorded in the Interim Financial Statements (ITR), Note 17, less construction revenues with near-zero margin (OCP05) and no cash effects, came to (R\$217.5 million) in 3Q21 and (R\$250.6 million) in 3Q22, and (R\$537.1 million) in 9M21 and (R\$654.5 million) in 9M22.

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

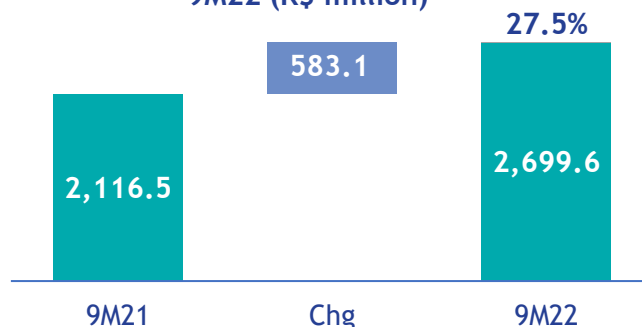
³ Construction Revenue - Public-Private Partnerships (PPP) of the concessionaires Ambiental Serra, Ambiental Vila Velha, Ambiental Cariacica and Ambiental Metrosul (CPC47): sum of the lines of financial asset remuneration and financial asset construction revenue from Note 17 in the Interim Financial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

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

Net Revenue Growth, 3Q21 vs. 3Q22 (R\$ million)

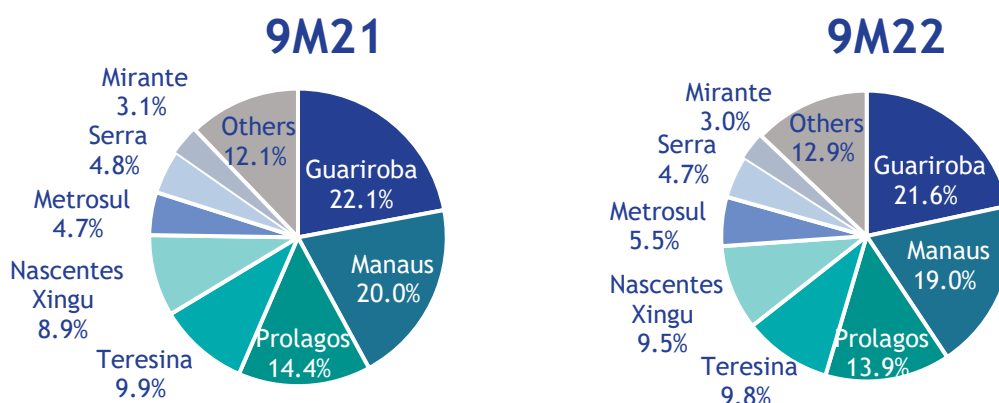


Net Revenue Growth, 9M21 vs. 9M22 (R\$ million)



The following charts present a breakdown of revenue by SPE:

Revenue Breakdown by Company (%)



Active Households

In 3Q22, active households served by Aegea reached 3.8 million, an increase of 3.4% from 3Q21, excluding the units served by our associated company Águas do Rio.

The number of households served by sewage collection and treatment services increased 6.7%, to 1.8 million. The growth of the client base is mainly associated with:

- (i) the network expansion in the PPPs, which accounted for 54.2% of the increase, notably the expansions of Ambiental Metrosul, MS Pantanal and Serra;
- (ii) the operational startup of the sewage concession (Ambiental Crato) in Ceará, on August 1st, which accounted for 10.4% of the increase; and

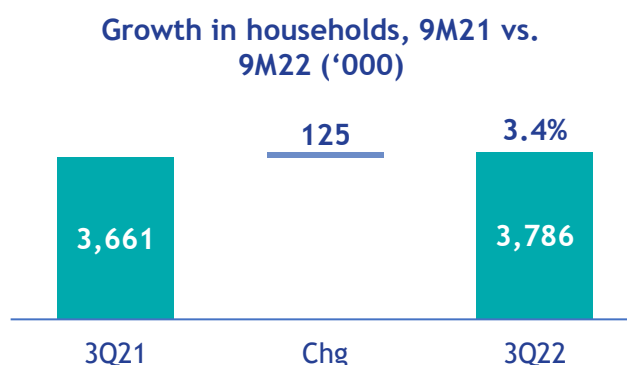
1 Households: A single occupancy property or a subdivision of a property with independent occupancy, with the purpose of its legal occupancy clearly identifiable, with private or communal facilities for the use of water supply and sewage collection services. E.g.: a building with 10 apartments has one connection and 10 households. Active Households: Households excluding those disconnected due to commercial actions or at the consumer's request.

- (iii) Network organic expansion at Prolagos, Águas Guariroba, Águas de Teresina and Águas de Manaus, which accounted for 18.4% of the increase.

In 3Q22, the number of households with water supply increased 0.5% from 3Q21.

Total Active households	3Q22	3Q21	Δ %
Water	1,959,530	1,949,308	0.5%
Sewage	1,826,541	1,712,078	6.7%
Total	3,786,071	3,661,386	3.4%

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



Billed Volume

In 3Q22, total billed volume was 140,016 thousand m³, up 3.5% from 3Q21.

Sewage billed volume increased 6.9% compared to 3Q21, due to:

- (i) network expansion at the Company's PPPs, which accounted for 60.3% of the growth in total sewage billed volume;
- (ii) the operational startup of the sewage concession Ambiental Crato, which accounted for 4.5% of the increase; and
- (iii) the network expansions and organic growth at other concessions.

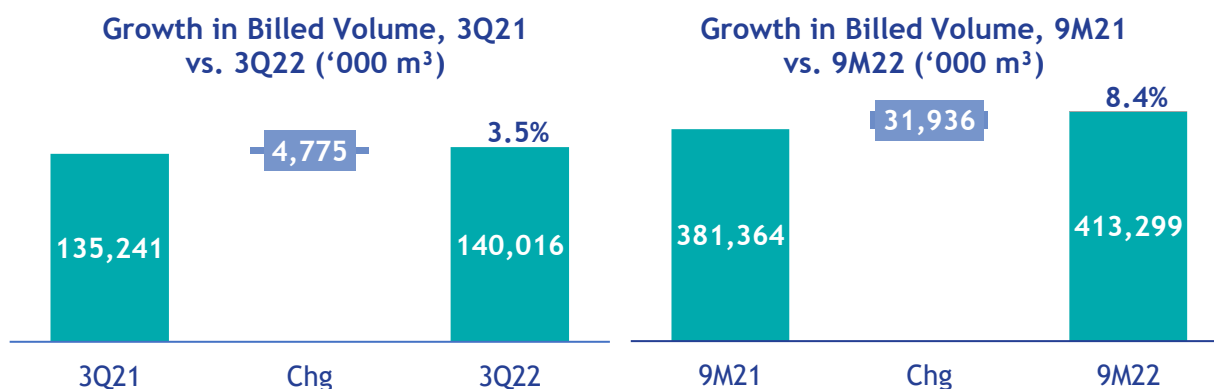
Water billed volume in 3Q22 grew 1.3%, with Águas de Manaus and Prolagos mainly responsible for the highest contribution to such growth.

In 9M22, total billed volume was 413,299 thousand m³, up 8.4% from 9M21, due to the same events of the quarter. Sewage billed volume grew 19.4% in 9M22 compared to 9M21, while water billed volume increased 1.7% in the period.

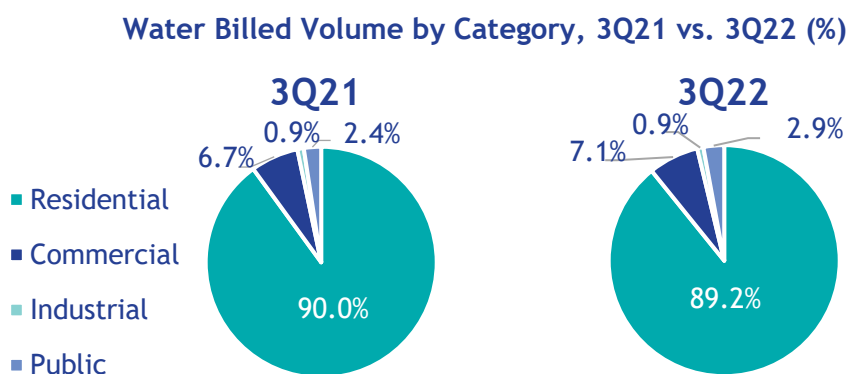
The following table compares billed volume in the quarters and nine-month periods:

Billed volume ('000 m ³)	3Q22	3Q21	Δ %	9M22	9M21	Δ %
Water	81,974	80,955	1.3%	241,251	237,290	1.7%
Sewage	58,042	54,285	6.9%	172,048	144,073	19.4%
Total	140,016	135,241	3.5%	413,299	381,364	8.4%

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



The following chart shows water billed volume by category. Customers remain concentrated in the residential segment, which accounted for 89.2% of billed volume.



Costs and Expenses

In 3Q22, costs and expenses, excluding the effects of amortization, depreciation and zero-margin construction costs, amounted to R\$368.9 million, increasing 22.4% from 3Q21.

The following factors contributed to the increase in costs and expenses:

- (i) Costs and expenses with new operations, which were responsible for 16% of the increase, affecting practically all lines; and
- (ii) Variation in expected credit losses, which accounted for 30% of the increase in costs and expenses, with a reduction in collections mainly caused by the conclusion of the *Vem com a Gente* program at Águas de Manaus.

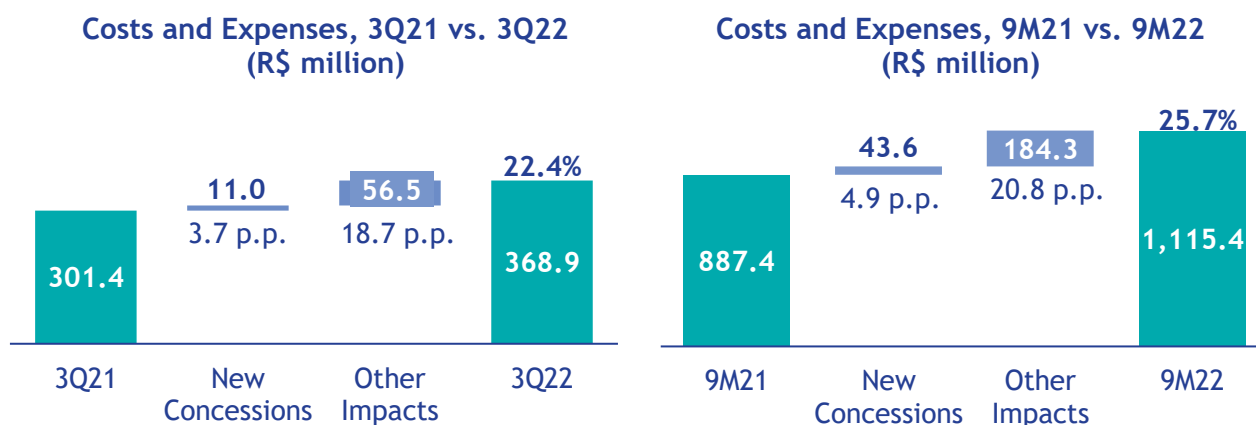
In 9M22, costs and expenses, excluding the effects of amortization, depreciation and zero-margin construction costs, amounted to R\$1,115.4 million, increasing 25.7% from 9M21. The amount includes, under Other non-operational revenues/expenses, the interim dividends of R\$86.3 million declared by Águas do Rio. Excluding the interim dividends of Águas do Rio, costs and expenses increased 35.4% in 9M22 mainly due to the new operations, higher construction costs as a result of

higher investments in PPPs, increase in electricity expenses due to tariff adjustments in the period, as well as the provision for long-term variable compensation, which was booked in the first half of 2022 but did not happen in 2021.

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

Costs and expenses (R\$ '000)	3Q22	3Q21	Δ %	9M22	9M21	Δ %
Labor	(84,876)	(82,616)	2.7%	(360,439)	(236,756)	52.2%
Outsourced services ¹	(47,878)	(47,500)	0.8%	(163,403)	(134,973)	21.1%
Maintenance	(12,201)	(10,921)	11.7%	(33,073)	(30,269)	9.3%
Materials, equipment and vehicles	(10,420)	(9,890)	5.4%	(26,817)	(28,529)	-6.0%
Concession costs	(9,763)	(8,455)	15.5%	(30,032)	(26,112)	15.0%
Electricity	(68,078)	(70,675)	-3.7%	(225,693)	(196,588)	14.8%
Chemicals	(16,717)	(12,009)	39.2%	(51,175)	(35,840)	42.8%
PDA ²	(36,586)	(16,381)	123.3%	(109,210)	(69,846)	56.4%
Provisions for civil, labor, tax, and environmental risk	(6,082)	(4,334)	40.3%	(16,647)	(12,637)	31.7%
Construction costs ³	(39,565)	(42,155)	-6.1%	(104,721)	(85,898)	21.9%
Taxes, charges and social contributions	(2,002)	(83)	2312.0%	(6,076)	(4,388)	38.5%
Rentals	(15,493)	(3,395)	356.3%	(35,817)	(15,522)	130.7%
Others	(19,244)	7,047	-373.1%	47,753	(10,055)	-574.9%
Subtotal	(368,905)	(301,367)	22.4%	(1,115,350)	(887,413)	25.7%
Depreciation and amortization	(114,588)	(83,781)	36.8%	(317,339)	(243,825)	30.2%
Total	(483,493)	(385,148)	25.5%	(1,432,689)	(1,131,238)	26.6%

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

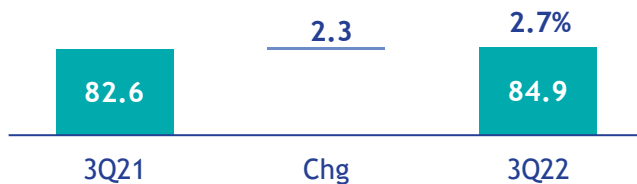


- **Labor:**

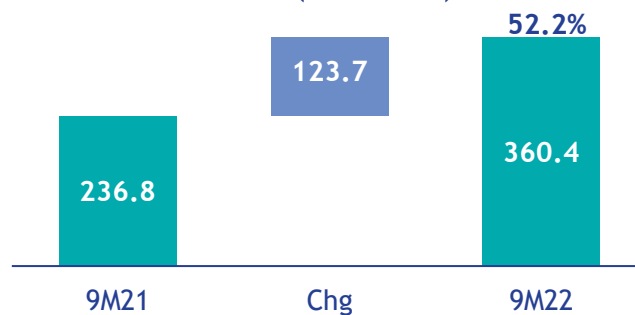
In 3Q22, labor costs and expenses amounted to R\$84.9 million, up 2.7% from 3Q21, mainly due to the increase in headcount and the wage increases on account of collective bargaining agreement during the period.

In 9M22, labor costs and expenses amounted to R\$360.4 million, up 52.2% from 9M21, due to the same factors affecting the quarter and the provision for long-term variable compensation in 2Q22, which did not happen in 2021. Excluding the effects of long-term variable compensation, labor costs and expenses increased 18.7% in 9M22.

Labor Costs and Expenses, 3Q21 vs. 3Q22 (R\$ million)



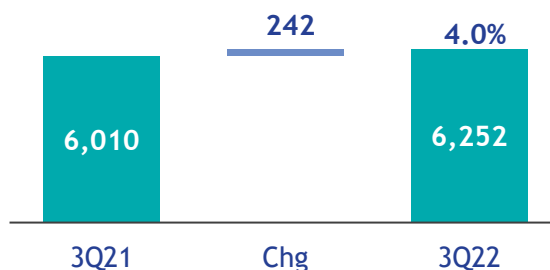
Labor Costs and Expenses, 9M21 vs. 9M22 (R\$ million)



The Company ended 3Q22 with 6,252 employees, 242 more than in 3Q21, mainly due to the 145 new employees at the Holding Company and at the Aegea Administrative Center (CSC) to meet administrative needs and perform other support services for the new operations.

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 3Q22 with 11,667 direct employees.

Total Number of Employees, 3Q21 vs. 3Q22

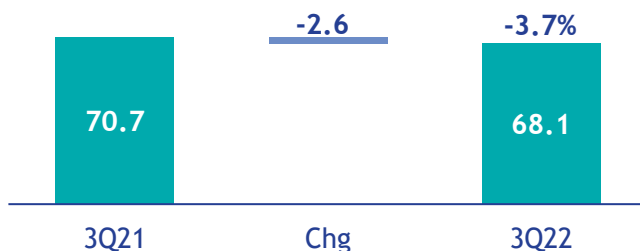


- Electricity:**

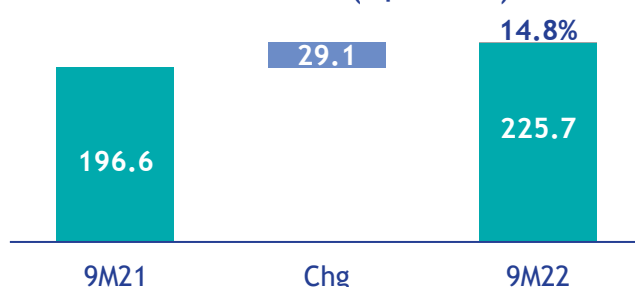
In 3Q22, electricity expenses came to R\$68.1 million, decreasing 3.7% from 3Q21, mainly due to the Company's strategy to increase the volume of electricity purchased in the free market, which rose from 67.7% in 3Q21 to 75.0% in 3Q22. In the free market, electricity purchase is supported by 100% renewable energy sources.

In 9M22, electricity expenses totaled R\$225.7 million, increasing 14.8% from 9M21, mainly due to the change in the tariff flag and charges, and tariff adjustments during the period.

Electricity Costs and Expenses, 3Q21 vs. 3Q22 (R\$ million)

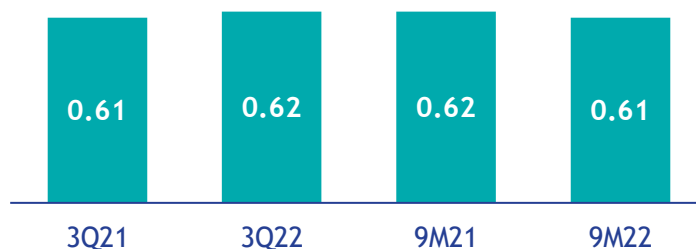


Electricity Costs and Expenses, 9M21 vs. 9M22 (R\$ million)



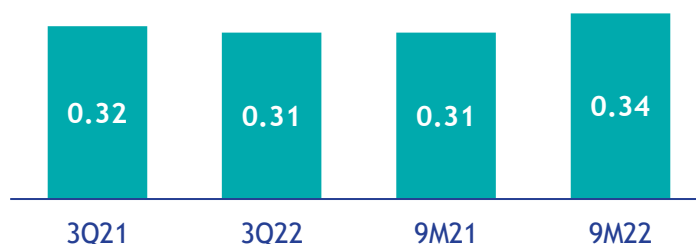
In 3Q22, specific energy consumption increased 1.6% from 3Q21 ending the quarter at 0.62 kWh/m³. In 9M22, specific energy consumption decreased 1.6% from 9M21 ending the period at 0.61 kWh/m³, reflecting the measures to increase energy efficiency and reduce water losses.

Specific Energy Consumption (kWh/m³)



In 3Q22, unit electricity costs and expenses¹ were R\$0.31/m³, that is, 3.2% lower than in 3Q21, mainly due to the contracting of electricity in the free market. In 9M22, unit electricity costs and expenses were R\$0.34/m³, 8.8% higher than in 9M21, mainly reflecting the tariff flag for water scarcity, which prevailed between January and May 2022.

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



- **Outsourced services:**

In 3Q22, costs and expenses with outsourced services amounted to R\$47.9 million, in line with 3Q21.

In 9M22, costs and expenses with outsourced services came to R\$163.4 million, 21.1% higher than in 9M21, due to costs and expenses with services at the new operations.

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

In 3Q22, expected credit losses amounted to R\$36.6 million, increasing 123.2% from 3Q21, mainly due to the reduction in recoveries caused by the termination of the *Vem com a Gente* program at Águas de Manaus, and by the annual revision of the PECLD provision rate.

In 9M22, expected credit losses were R\$109.2 million, up 56.4% from 9M21, due to the same factor affecting the quarter.

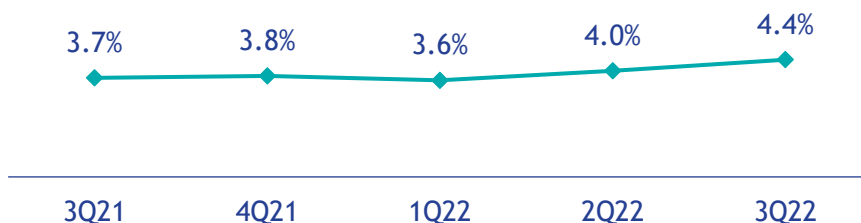
¹ The calculation base of unit cost (R\$/m³) includes only costs with electricity for water production and sewage treatment, i.e. excludes administrative electricity expenses.

Delinquency Rate

In the 12 months ended in 3Q22, delinquency rate¹ stood at 4.4%, up 0.7 p.p. from 3Q21, mainly due to the termination of the *Vem com a Gente* program at Águas de Manaus, which resulted in lower recoveries compared to previous periods, as well as the annual revision of the PECLD provision rate.

The *Vem com a Gente* program is a success story at Aegea, launched in Manaus and being adapted and replicated at other concessions, such as Águas do Rio. In Manaus, during the three years it was in effect, including the pandemic period, when many initiatives had to be suspended, the Company recovered R\$233 million in credits that had been considered losses. With approximately 106,000 new households with water services added to the client base, the investment cycle of *Vem com a Gente* came to an end in Manaus, with results surpassing expectations.

Delinquency Rate LTM



Water Distribution Loss Rate

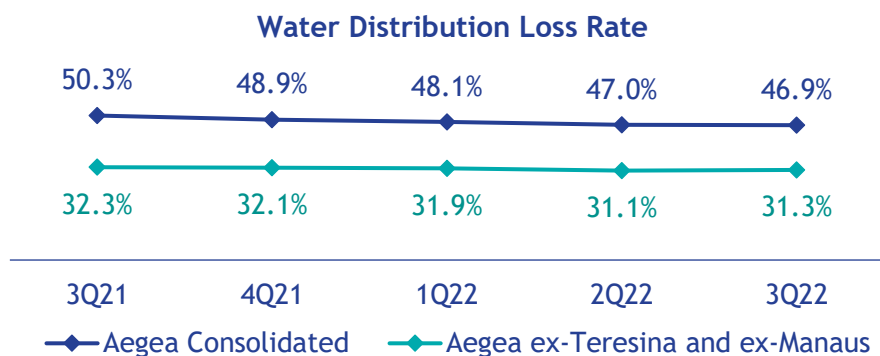
In 3Q22, Aegea's consolidated loss rate² fell to 46.9%, down 3.4 p.p. from 3Q21, reflecting the efforts made by the Company to reduce physical and commercial losses in water distribution at its concessions, especially at Águas de Teresina and Águas de Manaus, which are concessions with a turnaround in progress and loss rates above those of more mature concessions.

Considering only the more mature concessionaires, the Company's loss rate fell to 31.3% in 3Q22, down 1.0 p.p. from 3Q21.

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.

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

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



Equity Income – Águas do Rio

Águas do Rio, which started operating in November 2021, recorded in 3Q22 Net Revenue of R\$1.3 billion, EBITDA of R\$373.8 million and Net Income of R\$122.1 million. Aegee recognized R\$64.5 million under equity income.

In 9M22, Águas do Rio recorded Net Revenue of R\$3.8 billion, EBITDA of R\$1.1 billion and Net Income of R\$392.4 million. Aegee recognized R\$208.3 million under equity income. In the nine months between January and September 2022, Águas do Rio registered a 53% increase in the number of households and a 23% increase in billed volume over what was originally planned.

The drivers of these results include an action plan focused on each consumer 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 regularization 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, 100% of the consumers were added to the base, of whom 85% paid their water bills before the due date.

The solid performance by Águas do Rio translates into lower need for capital injections. In 9M22, we had planned capital injections of R\$1,500.9 million in Águas do Rio, of which R\$580.6 million, or 39% of the original plan, was effectively invested.

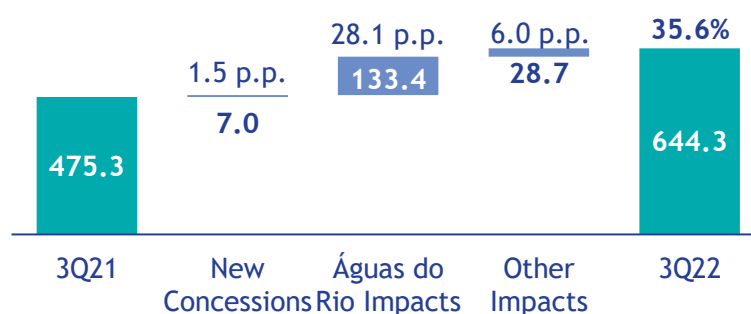
More information on the results of Águas do Rio 1 and 4 can be found in the Earnings Releases of these companies, which are available on the Aegee Investor Relations website: <https://ri.aegee.com.br/debentures-companhias-abertas/aguas-do-rio/> and <https://ri.aegee.com.br/debentures-companhias-abertas/aguas-do-rio-4/>.

EBITDA

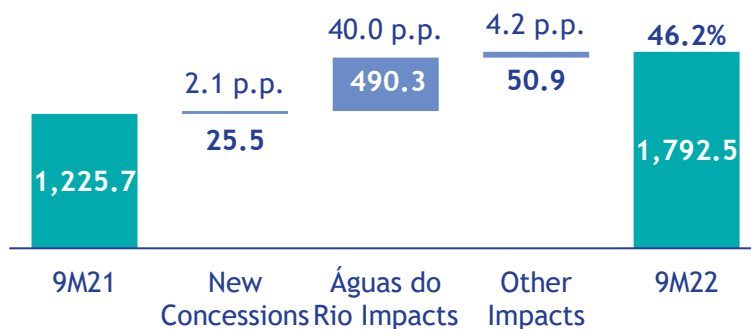
In 3Q22, EBITDA came to R\$644.3 million, increasing 35.6% from 3Q21, mainly due to the: (i) increase in billed volume and tariff adjustments; and (ii) positive impacts of Águas do Rio, with R\$64.5 million under Equity Income and R\$68.9 million in revenue from the provision of operational and administrative services. Combined, these two effects more than offset the higher costs and expenses in the period. Aegea's consolidated EBITDA Margin reached 67.9% in 3Q22, increasing 7.0 p.p. in comparison to 3Q21.

In 9M22, EBITDA came to R\$1,792.6 million, advancing by 46.2% compared to 9M21, with EBITDA Margin of 66.4%, increasing 8.5 p.p. Excluding the impacts from Águas do Rio, EBITDA was R\$1,302.2 million, increasing 6.2% from 9M21.

EBITDA Growth, 3Q21 vs. 3Q22 (R\$ million)

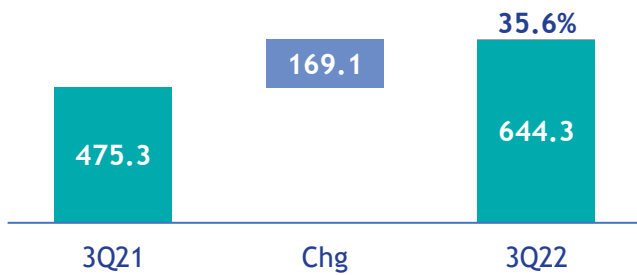


EBITDA Growth, 9M21 vs. 9M22 (R\$ million)

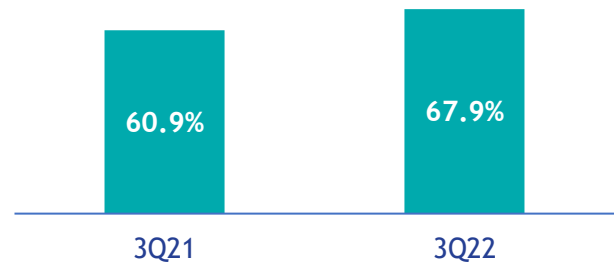


EBITDA (R\$ '000)	3Q22	3Q21	Δ %	9M22	9M21	Δ %
Net Income non-recurring effect	98,622	139,925	-29.5%	343,030	362,556	-5.4%
(-) Financial expense - 2017 Bonds Early Redemption	-	-	0.0%	(40,195)	-	0.0%
Net Income (Loss)	98,622	139,925	-29.5%	302,835	362,556	-16.5%
(+) Financial result	333,241	156,707	112.7%	895,385	392,743	128.0%
(+) Income taxes	97,883	94,863	3.2%	276,927	226,618	22.2%
(+) Depreciation and amortization	114,588	83,781	36.8%	317,339	243,825	30.2%
EBITDA	644,334	475,276	35.6%	1,792,486	1,225,742	46.2%
EBITDA Margin	67.9%	60.9%	7.0 p.p.	66.4%	57.9%	8.5 p.p.

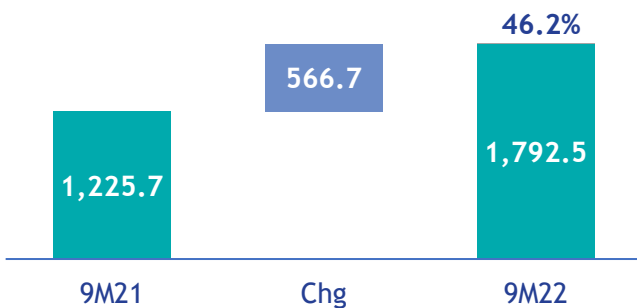
EBITDA Growth, 3Q21 vs. 3Q22 (R\$ million)



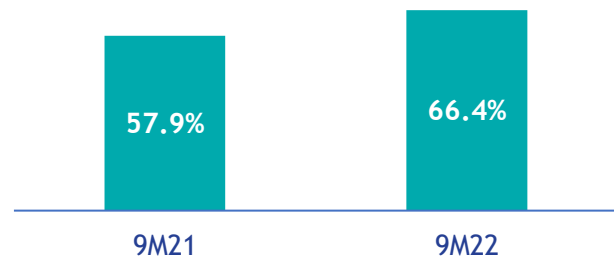
EBITDA Margin Growth, 3Q21 vs. 3Q22 (%)



EBITDA Growth, 9M21 vs. 9M22 (R\$ million)



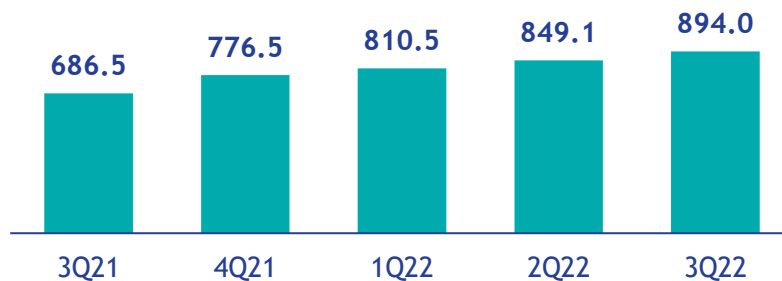
EBITDA Margin Growth, 9M21 vs. 9M22 (%)



CAPEX

In the 12 months to 3Q22, the Company invested R\$894.0 million, an increase of 30.2% in comparison to the last 12 months ended in 3Q21, reflecting the addition of new operations to Aegea's portfolio and the expansion in the coverage networks of the concessions.

CAPEX LTM (R\$ million)



Debt¹

The Company's gross debt stood at R\$9.9 billion in 3Q22, an increase of R\$3.0 billion from 3Q21, due to the new funding operations in the period.

The balance of cash, cash equivalents and financial investments stood at R\$3.2 billion in 3Q22, 2.0 times higher than the Company's short-term debt.

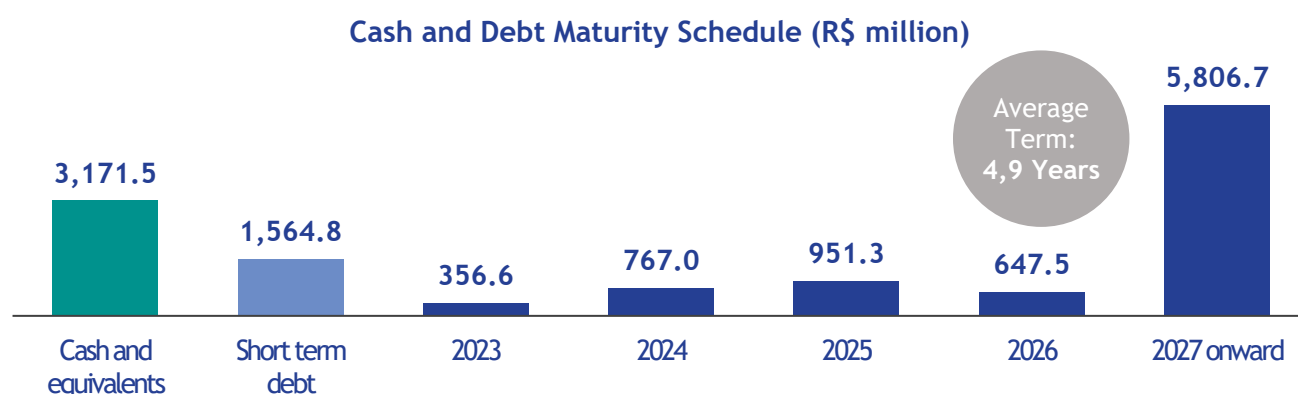
Net debt stood at R\$6.7 billion, 78.8% higher than a year earlier.

EBITDA in the 12 months to 3Q22 reached R\$2.4 billion, increasing 59.5% from a year earlier. Financial leverage, measured by the ratio of Net Debt to EBITDA, stood at 2.80x, up 0.30x year on year, remaining at a comfortable level in relation to the Company's most restrictive covenant, which is 3.5x Net Debt/EBITDA ratio.

Indebtedness (R\$ thousand)	3Q22	3Q21	Δ %
Net Debt	6,686,553	3,742,735	78.7%
(+) Gross debt	9,858,017	6,885,169	43.2%
(+) Loans, financing and debentures	9,969,218	7,856,507	26.9%
(-) Derivatives	(124,687)	1,204,288	-110.4%
(+) Cash flow hedge and fair value	(235,888)	232,950	-201.3%
(-) Cash and equivalents and financial investments	(3,171,464)	(3,142,434)	0.9%
EBITDA (12 months)	2,389,054	1,497,956	59.5%
Net Debt / EBITDA	2.80x	2.50x	0.30x

At the end of 3Q22, the average term of Aegea's debt was 4.9 years, with short-term debt corresponding to 15.5% of total debt.

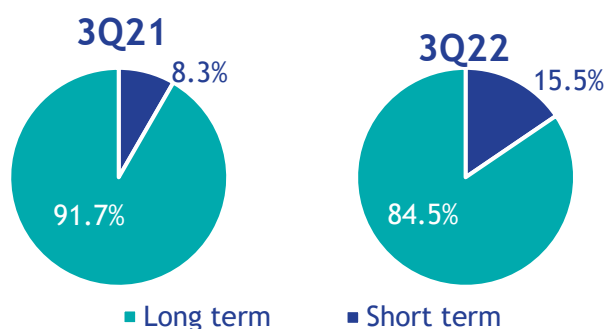
Following is the debt amortization schedule²:



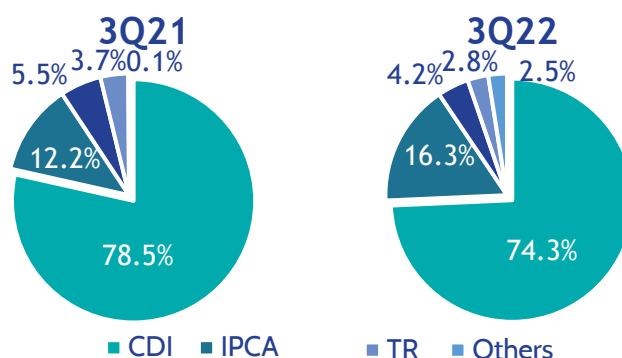
¹ The balance of Cash and Cash Equivalents includes restricted cash of R\$59.0 million on the reporting date of the Interim Financial Statements.

² The debt maturity schedule includes gains and losses from derivative operations and not includes the effects from mark-to-market adjustments.

Debt Maturity Profile (%)



Gross Debt by Indexer (%)



Financial Result

In 3Q22, the financial result was an expense of R\$333.2 million, R\$176.5 million higher than in 3Q21. The increase in net financial expense is explained mainly by the higher interest rates and Company's higher balance of gross debt.

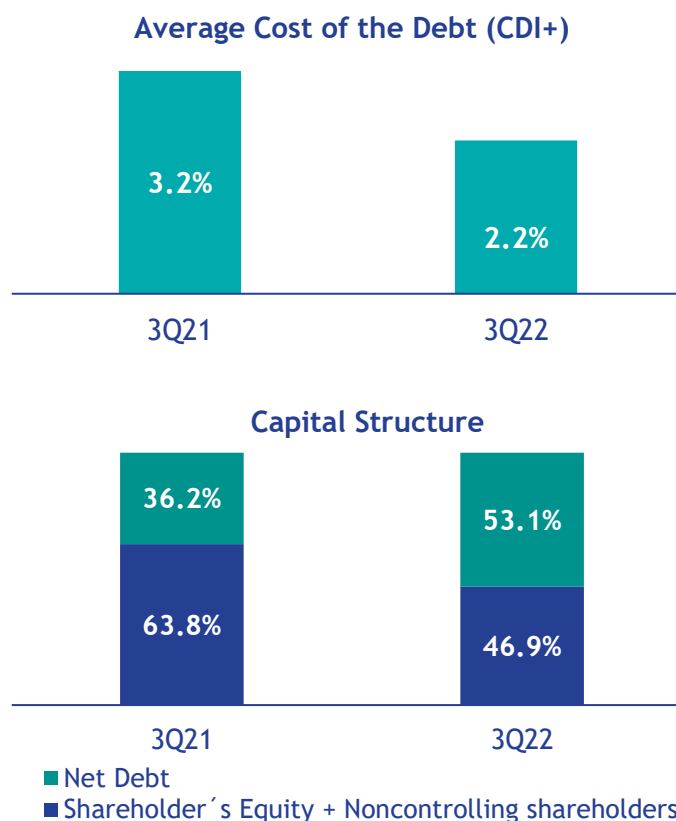
In 9M22, the financial result was an expense of R\$895.4 million, R\$502.6 million higher than in 9M21, due to the same factors cited for the quarter. In the period, the Company also booked an expense of R\$40.2 million, a non-recurring effect from the early redemption of 2017 Bonds.

Financial Result ('000)	3Q22	3Q21	Δ %	9M22	9M21	Δ %
Financial income	268,930	516,806	-48.0%	1,106,392	944,945	17.1%
Financial expense	(602,171)	(673,513)	-10.6%	(2,001,777)	(1,337,688)	49.6%
Total non-recurring effect ¹	(333,241)	(156,707)	112.7%	(855,190)	(392,743)	117.7%
(-) Financial expense - 2017 Bonds Early Redemption	0	-	0.0%	(40,195)	-	0.0%
Total	(333,241)	(156,707)	112.7%	(895,385)	(392,743)	128.0%

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)	3Q22	3Q21	Δ %	9M22	9M21	Δ %
Financial income	110,350	148,525	-25.7%	394,490	296,150	33.2%
Financial expense	(443,591)	(305,232)	45.3%	(1,289,875)	(688,893)	87.2%
Total non-recurring effect ¹	(333,241)	(156,707)	112.7%	(855,190)	(392,743)	117.7%
(-) Financial expense - 2017 Bonds Early Redemption	0	-	0.0%	(40,195)	-	0.0%
Total	(333,241)	(156,707)	112.7%	(895,385)	(392,743)	128.0%

In 3Q22, the average cost of Aegea's debt was the CDI rate + 2.2%. In terms of fixed rate, the cost of debt was 16.1% in 3Q22 vs. 9.6% in 3Q21.



Managerial Cash Flow

In 3Q22, Operating Cash Generation was R\$273.2 million, down 6.9%, mainly due to the 46.1% increase in costs and expenses with the new operations, previously mentioned in this document, and the increase in taxes paid.

In 9M22, Operating Cash Generation was R\$791.9 million, up 4.2%, mainly due to the 22.9% increase in revenue collection, which more than offset the higher costs, expenses and taxes in the period.

Managerial Cash Flow ('000)	3Q22	3Q21	Δ %	9M22	9M21	Δ %
Revenue collected	783,802	650,704	20.5%	2,258,194	1,836,896	22.9%
Taxes paid	(116,371)	(87,311)	33.3%	(359,344)	(228,355)	57.4%
Operating costs and expenses	(394,184)	(269,850)	46.1%	(1,106,972)	(848,336)	30.5%
Operational cash generation	273,247	293,543	-6.9%	791,877	760,204	4.2%

APPENDICES

Financial Statements

Balance Sheet (R\$ '000)

	09/30/2022	12/31/2021
Total current assets	4,585,542	3,641,782
Cash and cash equivalents	47,472	105,689
Short-term investments	3,066,783	2,391,566
Trade accounts receivable	999,527	847,932
Inventories	25,779	22,845
Taxes recoverable	197,369	105,755
Dividends and interest on equity receivable	147,486	61,208
Derivative financial instruments	4,147	6,661
Other receivables	96,979	100,126
Total noncurrent assets	12,911,729	12,458,955
Long-term investments	57,208	40,176
Trade accounts receivable	902,963	732,183
Taxes recoverable	120,800	79,229
Deferred tax assets	49,164	62,268
Securities	4,823,988	4,243,361
Derivative financial instruments	62,724	1,187,351
Judicial deposits	53,321	46,863
Other receivables	24,529	15,604
Investments	796,065	587,795
Property, plant and equipment	358,253	235,710
Concession-related assets	579,745	408,512
Intangible assets	5,082,969	4,819,903
TOTAL ASSETS	17,497,271	16,100,737
Total current liabilities	2,371,449	1,055,621
Suppliers and contractors	190,184	209,548
Loans, financing and debentures	1,377,401	526,429
Labor and social obligations	148,991	107,654
Tax obligations	34,949	34,724
Income and social contribution taxes	72,900	64,340
Derivative financial instruments	191,558	-
Taxes payable in installments	631	604
Dividends payable	225,274	37,346
Other deferred taxes	11,508	11,917
Other accounts payable	118,053	63,059
Total noncurrent liabilities	9,224,405	8,641,370
Suppliers and contractors	30,027	26,128
Loans, financing and debentures	8,591,817	8,042,251
Taxes payable in installments	2,143	2,462
Provisions	102,967	103,278
Deferred tax liabilities	224,945	270,586
Derivative financial instruments	-	-
Other deferred taxes	30,325	21,031
Other accounts payable	242,181	175,634
Equity	5,901,417	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	783,237	783,382
Proposed additional dividends	-	356,704
Equity adjustments	(238,073)	128,889
Translation adjustments	2,732	11,650
Noncontrolling shareholders	471,191	410,033
Retained earnings	169,242	-
TOTAL LIABILITIES	17,497,271	16,100,737

Income Statement (R\$ '000)

	09/30/2022	09/30/2021
Gross revenue	3,623,192	2,865,933
Direct revenue (Water and Sewage)	2,737,816	2,145,157
Construction Revenue	885,376	720,776
Deduction from gross revenue	(269,130)	(212,290)
Net operating revenue	3,354,062	2,653,643
Cost of services	(1,634,726)	(1,356,788)
Operating costs	(875,509)	(733,742)
Construction costs	(759,217)	(623,046)
Operating expenses	(452,459)	(311,598)
General and administrative	(534,972)	(328,694)
Research and development	(13,813)	(3,467)
Other operating income	96,326	20,563
Equity income	208,270	(3,340)
Operating income (loss)	1,475,147	981,917
Financial result	(895,385)	(392,743)
Income tax and social contribution	(276,927)	(226,618)
Net income	302,835	362,556

Cash Flow Statement (R\$ '000)

	09/30/2022	09/30/2021
Income before taxes	579,762	589,174
Adjustments:	923,148	594,139
Amortization and depreciation	317,339	243,825
Provision for civil, labor, tax and environmental risks	16,647	12,637
Expected loss on allowance for doubtful accounts	25,206	128,052
Write-off (Recovery) of notes from accounts receivable	84,004	(58,206)
P&L from write-off of PP&E	3,596	-
P&L from write-off of Intangible assets	4,147	8,592
Equity pickup	(208,270)	3,340
Income on financial investments and private debentures	(251,689)	(82,770)
Net loss (gain) on derivative financial instruments	149,643	(167,291)
Charges on loans and financing and debentures	711,858	384,766
Amortization of funding costs	42,694	22,796
Net exchange differences	(6,392)	107,055
Fair value of debt through profit or loss	8,788	-
Present value adjustment to trade accounts receivable	31,752	5,680
Provision for Executive Board's bonus	79,497	-
Monetary restatement of civil, labor, tax and environmental risks	605	178
Updating other accounts payable	-	(14,515)
Changes in assets and liabilities	(628,899)	(509,811)
(Increase)/decrease in other assets	(499,127)	(398,463)
Trade accounts receivable	(476,197)	(363,297)
Inventories	(2,934)	(9,490)
Taxes recoverable	(12,898)	26,213
Judicial deposits	(5,081)	5,404
Other receivables	(2,017)	(57,293)
Increase/(decrease) in liabilities	(129,772)	(111,348)
Suppliers and contractors	(23,866)	9,103
Labor and social obligations	41,337	28,003
Tax obligations	353	2,388
Taxes payable in installments	(292)	(698)
Payment of civil, labor, tax and environmental risks	(21,215)	(20,691)
Other deferred taxes	8,885	7,798
Other accounts payable	(134,974)	(137,251)
Interest paid	(483,721)	(265,112)
Income and social contribution taxes paid	(203,543)	(134,323)
Net cash flow (used in) provided by operating activities	186,747	274,067
Short-term investments and private debentures, net	(623,652)	(497,140)
Income from short-term investments and private debentures, net	145,214	40,213
Capital contribution in associates	(580,627)	(3,734,085)
Tax incentive reserve	-	219
Acquisition of property and equipment	(6,279)	1,487
Acquisition of concession-related assets	(622,369)	(520,337)
Acquisition of intangible assets	(31,275)	(23,572)
Net cash flow used in investing activities	(1,718,988)	(4,733,215)
Loans, financing and debentures raised	4,230,875	1,499,246
Borrowing costs of loans, financing and debentures	(203,772)	(16,195)
Loans, financing and debentures paid	(2,854,548)	(795,591)
Derivative financial instruments received	634,775	52,951
Derivative financial instruments paid out	(17,479)	(3,108)
Dividends paid out	(237,804)	(183,355)
Cash from capital contribution	-	3,897,442
New share issue costs	-	(43,158)
Net cash flow provided by financing activities	1,551,902	4,408,232
Net increase (decrease) in cash and cash equivalents	19,661	(50,916)
Cash and cash equivalents as at January 1	105,689	81,948
Translation adjustments	(77,878)	(491)
Cash and cash equivalents at September 30	47,472	30,541
Net increase (decrease) in cash and cash equivalents	19,661	(50,916)

Additional Information

Additional Information	3Q22
Volume produced (m ³)	161,939,482
Volume treated (m ³)	57,119,663
Active water connections	1,699,755
Active sewage connections	1,552,495
EBITDA Águas Guariroba (´1000)	145,258
EBITDA Prolagos (´1000)	80,855
EBITDA Águas de Manaus (´1000)	91,978
EBITDA Águas de Teresina (´1000)	59,805



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