

BRK Ambiental Participações S.A.**3Q25 Results****November 13th, 2025****Operator:**

Good morning. Welcome to BRK's earnings conference call for the discussion of the results for the 3Q25. Joining us today are Mr. Alexandre Thiollier, CEO and Mr. Felipe Cunha, CFO and Investor Relations Officer.

Please note that this event is being recorded and participants will be on a listen-only mode during the presentation. We will begin the Q&A session shortly after, at which point further instructions will be provided. Simultaneous translation into English is available by clicking on the 'interpretation' button and choosing your preferred language.

Before proceeding, we would like to clarify that any statements that may be made during the conference call regarding BRK's business prospects, such as projections and goals, are based on Company management's beliefs and assumptions and are not a guarantee of performance, as they involve risks, uncertainties and assumptions and refer to future events that may or may not materialize.

I will now turn it over to Mr. Alexandre Thiollier for his presentation.

Alexandre Thiollier:

Good morning everyone, and welcome to BRK's earnings conference call to discuss the results for 3Q25 and the 9M25.

Starting on slide four, I would like to highlight that two years after the implementation of the Next Level project, we remain steadfast in our vision to become efficiency leaders in the Brazilian sanitation sector.

Our business strategy is grounded on key pillars that reflect the clarity of our direction and the consistency of our results. We have built a platform that is well-positioned for organic growth, supported by remaining long average contractual terms and a portfolio largely operated for more than 10 years, with a proven track record of execution. A clear demonstration of which is the significant increase in our adjusted EBITDA between 2021 and 2024, 81% growth, driven by the maturation of our assets and our efficiency agenda.

It is also worth noting that our national presence mitigates hydrological and environmental risks as we operate across eight different river basins, which reduces exposure to adverse events. Furthermore, we work with 16 different regulatory agencies, thereby diversifying contractual risks.

Within this context, our main focus remains on the quality of our services. We achieved the highest ranking ever obtained by a private company in the 2025 Trata Brasil sanitation ranking, with the city of Limeira coming in second place in water and sewage services, and the city of Aparecida de Goiânia also ranking in the top 10. Operational focus, combined with our efficiency driven vision, has allowed us to achieve the highest adjusted EBITDA margin in BRK's history, 55.7% in 3Q25.

The sanitation sector continues to move toward universalization, with several projects expected to come to market over the coming years. At BRK, these opportunities are assessed through



disciplined capital allocation, backed by a proven track record in managing new concessions. For instance, our EBITDA margin in Maceió has already reached 32% this quarter.

All of this is underpinned by a solid capital structure composed of long-term debt, sanitation access for all and debt linked to IPCA+, which ensures greater predictability in the Company's interest rates.

On the next slide, we will present our strategic hierarchy. Our purpose is to transform people's lives by taking sanitation far beyond the basics. In our industry, and within BRK, every day we witness the impact the work we do has on offering health and dignity to the population.

The environmental impact of our operations is undeniable. Our vision, as mentioned on a previous slide, is to be the leaders in efficiency in the Brazilian sanitation sector. Our values begin with our commitment to our customers and our employees. To deliver on our vision, we foster a culture of ownership, project implementation and agile decision-making. Finally, we recognize that our people are our greatest asset. We know we are stronger together by combining our diverse perspectives.

Our strategy is based on a sustainable business model focused on long-term cash generation. We understand that small actions can yield great results.

As a recognition of this vision and strategy, in August, we were named the most innovative company in Brazil's infrastructure sector by Valor Econômico and Strategy&. This award celebrates the solutions created daily by our teams, particularly the use of technological tools such as AI, big data, IoT to reduce losses, reuse sludge, implement new treatment technologies, develop projects that minimize environmental impact, and promote water security in the communities where we operate.

Now moving on to slide six, bringing together all the points presented so far, this slide illustrates the materialization of our recent trajectory, marked by consistent and robust results. One clear example of this is the increase in our EBITDA, which has grown at an average annual rate of 26% in recent years.

Our EBITDA margin has advanced by more than 10 p.p. and continues to reach new record levels quarter after quarter. Finally, let me highlight the strengthening of our operating cash flow, which is reflected in continuous EBITDA minus CAPEX surplus.

Turning to slide eight, I would like to present the highlights of the 3Q. We have delivered yet another quarter of record results, with strong performance in net operating revenue, EBITDA and margins, reaffirming the soundness of our efficiency-driven strategy.

In the 9M25, the Company achieved adjusted net operating revenue of R\$2.7 billion, and adjusted EBITDA of R\$1.5 billion, up 6% and 10% year-over-year, respectively, on a comparable basis. The adjusted EBITDA margin ended the quarter at 55.7%, once again the highest level ever in BRK's history. These results underscore the importance of our ongoing efficiency journey, which is reflected in our continued cost control. Adjusted PMSO totaled R\$410 million in the quarter, compared to R\$425 million two years ago, even in the face of inflationary pressures and the expansion of our operational base over the period.

With respect to our investments, we continue to advance construction works, particularly in Maceió and Recife, in accordance with the contractual amendments and MOU signed in those locations. During the quarter, total consolidated investments amounted to approximately R\$278 million.

Regarding our financial strategy, BRK's AA- rating with a stable outlook was reaffirmed by Moody's. The assessment highlighted three key strengths: a geographically diversified portfolio



with long-term contracts, stable and predictable operating cash flow, and an adequate liquidity position and long-term debt profile.

During the quarter, we successfully executed a liability management transaction, further improving BRK's debt profile and reducing our financial cost. Two funding operations were carried out at the holding company level: a 4131 loan with Scotiabank in the amount of R\$795 billion, maturing in five years and fully swapped to CDI; and a corporate debenture issuance totaling R\$1.5 billion, also with a five-year term.

Some additional corporate highlights in the quarter include contractual agenda. In Recife, BRK and Compesa signed the second MOU updating contractual conditions. In compliance, BRK underwent a maintenance audit for ISO 37001, anti-bribery management system. The process was successfully completed with zero non-compliances identified, which reiterates the robustness of our compliance program. And on October 31st, we published a material fact announcing that BRK is studying the possibility of conducting an initial public offering of its shares.

I will now hand the floor over to Felipe, who will present BRK's operational and financial results in greater detail. Please, go ahead, Felipe.

Felipe Cunha:

Thank you, Alexandre. Good morning, everyone. Let's now turn to slide 10, where I will comment on our consolidated results. BRK posted 2% growth in active connections compared to the 3Q24, totaling approximately 3.2 million connections. This is a reflex of the ongoing expansion of our service coverage. Over the past 12 months, we added around 70,000 new active economies.

Regarding billed volume, the total of 117 million m³ represents a 1% increase year-on-year. This was driven by higher consumption in Saneatins and Goiás, despite the negative impact caused by greater rainfall and lower temperatures across our operations during the period.

On the bottom left-hand corner, we show our average nominal tariff, which increased from R\$6.38 to R\$6.67 per m³. As a result, and as shown on the chart on the right-hand side, adjusted net operating revenue totaled R\$926 million in the quarter and R\$2.7 billion year-to-date, which is an increase of 7% and 4% respectively compared to the same periods in 2024.

These results were mainly driven by the higher average tariff. However, on a comparable basis, excluding the impact of the termination of the Rio concession in May 2024, growth would have reached 6%.

Moving on now to slide 11, we will cover the Company's costs and expenses. Starting with adjusted delinquency, BRK posted 3.5% on 3Q25, compared to 3.3% in 3Q24. If we were to exclude Maceió from the calculation, delinquency would have been 2.4%, a 0.3 p.p. reduction, mainly due to our adopted delinquency mitigation strategy, particularly in AP5, intensified negotiations with delinquent public and private clients, and our initiatives promoting debt renegotiation campaigns and partnerships with credit management agencies.

The losses index shown on the bottom of the slide reached 35.1% in the quarter, a slight increase compared to the previous year, yet still the lowest level recorded throughout the year. As we have highlighted, the Company continues to implement its loss reduction program, which consists of a combination of commercial and operational initiatives.

Regarding our costs, as Alexandre has already mentioned, adjusted PMSO totaled R\$410 million in the quarter, remaining stable compared to 3Q24.



The chart lower down on the slide compares adjusted PMSO to inflation over the corresponding periods. Once again, we demonstrate that BRK has managed to keep its costs in line with or below inflation over the past two years, even with a cumulative 6% increase in our customer base. This is a testament to the Company's efficient cost management supported by our ongoing efficiency program implemented across all of the SPCs.

Moving on to slide 12, BRK posted yet another quarter of record results, with EBITDA reaching R\$516 million in the quarter and R\$1.5 billion year-to-date. These figures represent growth of 13% and 7% respectively, compared to the same periods of the previous year.

Once again, if we were to perform the same exercise mentioned earlier for adjusted net operating revenue, excluding the impact of the termination of the Rio das Ostras concession, growth would have been 10% on a comparable year-to-date basis.

Adjusted EBITDA margin closed the quarter at 56%, also the highest in BRK's history, representing an increase of approximately 3 p.p. compared to 3Q24. If we were to exclude the results from Maceió, the margin would have been, at the end of the quarter, approximately 60%.

In addition to our ongoing efficiency agenda, these results continue to reflect the contribution of what we refer to as de-risked operations. More than 90% of the Company's EBITDA originates from assets operated by us for over 10 years, where we hold significant operational expertise and therefore, a lower execution risk.

Finally, the chart on the right shows the net result from continuing operations. Losses for the period were impacted by financial expenses, given the Company's debt volume and the increase in benchmark rates, particularly the CDI.

Moving on to slide 13, we will now cover our CAPEX trends and consolidated debt. In 3Q25, our investments totaled R\$278 million. The year-on-year increase is mainly due to the advance in construction works in Maceió and Recife, in line with the schedule established in the amendments and the MOU signed in 2024. As a result, the Company's EBITDA minus CAPEX indicator reached R\$238 million in the quarter, marking the 11th consecutive quarter with a positive result.

Turning now to the chart on the right-hand side of the slide, we can see the net debt ended the quarter at R\$12 billion, and the increase in debt is owned mainly to the effect of accrued interest and the execution of our investment plan, most of which is financed.

Leverage decreased by 0.2x since the beginning of the year, although this figure remains impacted by non-recurring expenses associated with the Next Level project over the past 12 months, totaling R\$24 million. If we exclude the effect of Maceió, which creates an asymmetry in this indicator, leverage would have been 5.2x.

Now moving on to slide 14, I will provide more detail on BRK's consolidated debt. The average debt maturity is currently approximately 10 years, while the consolidated average cost stands at 13.3% a year.

In September, BRK completed a transaction with Scotiabank at the holding company level of approximately R\$795 million, fully hedged and with a five-year maturity. With these funds, we prepaid the bilateral loan we previously held with the same bank in September, and in October, we made a partial extraordinary amortization of the 11th debenture issuance in the amount of R\$247 million, originally maturing in 2028. Also in October, we carried out the 14th simple debenture issuance, totaling R\$1.5 billion with a five-year bullet maturity. These proceeds will be used to settle the remaining balance of the 11th issuance and part of the 10th, allowing for an extension of the average maturity and a reduction in BRK's consolidated cost of debt.



As shown in the chart with the pro forma amortization schedule, consolidated cash stands at R\$2.2 billion, which is enough to cover the outstanding debt balance through to the end of 2027.

I will now turn the floor back over to Alexandre for his closing remarks.

Alexandre Thiollier:

Thank you, Felipe. On slide 15, let me conclude our presentation by reiterating BRK's main highlights and strategic direction. First, the results achieved this quarter reflect the strength of our operational efficiency strategy, which enabled us to reach the highest EBITDA margin in BRK's history. This trajectory is underpinned by consistent management efforts and the continuous pursuit for efficiency across all fronts.

Second, we successfully executed a liability management process, improving the quality of our debt profile and reducing the Company's financial cost.

And third, our operational culture continues to foster innovation as recognized by independent third-party institutions, a testament to our ability to turn challenges into opportunities and to generate sustainable value for all our stakeholders.

We are now available for the Q&A session. Thank you.

Participant (via webcast):

Congratulations on the 3Q results. From the cost agenda standpoint, can we see in the Company's P&L the full year results for the Next Level project?

Alexandre Thiollier:

Good morning, thank you for the question. The Next Level project started about two years ago and has already had significant impacts on the Company's cash generation, which is the metric that the Company manages. And we can see that very clearly when we look at our cost base in the past 24 months, which is below inflation, even with the increase in the number of economies and the Company's operational growth.

We have over 100 ongoing initiatives across the Company, always looking at the assets, not only at the concession level, but also operational assets. And we are very optimistic about how these projects will develop.

But let me take this opportunity to address another important topic, which is innovation and technology applied to sanitation. Here at BRK, we believe that the sanitation industry will be revolutionized by the use of technologies such as AI, IoT, network sensors, automation, and telecommunications advances.

Our assets are spread out across cities and we have thousands of customers. That's a data goldmine, which used to be hard to access, but now technologies can help bring highly relevant information to improve our operations and increase cash generation.

We believe this revolution will happen across all areas of our business. For instance, water and sewage treatment, efficacy, decisions will be made in real time and will reduce the cost of energy and chemical products, and also a very positive impact on our loss management and predictive maintenance of our network and our operation. That will also be affected by technology.

In engineering and projects, we are already using and will use even more Digital Twins with applied AI to engineering projects, ensuring the best projects with the highest return on capital. We also see an increase in productivity of the operational teams by automating processes, prioritizing, and using Company resources more efficiently, using AI and algorithms that will make it even more efficient.

And on the commercial side, we are also using all these new technologies and are already seeing extremely relevant results now and looking forward.

Roberto Dumke, Banco ABC (via webcast):

Good morning. Congratulations on the results. We see that the margins and results in Maceió are growing, but they are still different from the other assets in your portfolio. What is your plan to improve the financial performance of that asset?

Felipe Cunha:

Thank you, Dumke, for the question, and good morning. We are very happy with Maceió's results. We need to put things into context. We took over that asset three years ago with zero EBITDA. We made it stable, and now, only three years later of full operations, the margins are over 30%. And let me highlight, for instance, that last month we published our tariff readjustments with a 7.2% increase.

Also, these are extremely positive points about the asset. The asset is fully funded through very competitive funding lines, especially the BNB and the Saneamento Para Todos line. So, the asset is progressing according to the Company's plan, and will continue to do so.

Participant (via webcast):

Could you elaborate on how the dynamics of the average tariff increase took place over the last few years, please?

Felipe Cunha:

Thanks for the question. The average tariff increase comes from a combination of many factors, the first of which is, through investments, we have improved water availability in many of our operations, which can have an impact on the average tariff, given our tariff structure.

The second factor I would like to mention is our initiatives to measure consumption correctly, and our effective strategy to change the meters is key here. Let me remind you, as we said, we have replaced over 400,000 meters in the Company in the last couple of years.

Third factor worth mentioning is that we are updating our customer information on our base, and this is key so that we can apply the correct tariffs. And also, thanks to our team working on the contracts, we have been signed many important agreements in the last few months to rebalance it.

So, those four factors and our annual tariff readjustments have led to a tariff increase that has been significantly over inflation rates in the last four years.

Participant (via webcast):

Could you provide more color on the Company's view of the inorganic growth agenda, please?

Alexandre Thiollier:

Thank you for the question. The Company always looks into all projects that are brought to market. We always assess projects by using our capital allocation framework methodology, which looks into each project profoundly at a very granular level and considers risk and return metrics of each project. So, we map those opportunities and we look at them through the risk and return perspective.

Also, there are opportunities taking place in our own assets. And in partnership with the granting authorities, there are opportunities to provide even more services to our clients. An example of that is our Limeira concession, which was one of the first private sanitation concessions in 1995, and we were able to increase the number of services to the municipality together. It was elected the best private operation in the Brazilian sanitation industry, and there are many years to come on that contract, all the way through to 2039.

But let me highlight that every single investment opportunity is always looked into through our capital allocation framework methodology.

Operator:

This concludes the Q&A session. I will now turn it over to Mr. Alexandre Thiollier for his closing remarks.

Alexandre Thiollier:

Thank you for joining us today, and we are available at our Investor Relations channel.

Operator:

This concludes BRK's Ambiental earnings release call. Thank you for joining us and have a great day.

