

Condensed Interim Financial Information

BRK Ambiental Participações S.A. and its Subsidiaries

September 30, 2021
and Independent Auditor's Review Report

BRK Ambiental Participações S.A. and its Subsidiaries

Condensed Interim Financial Information

September 30, 2021

Table of Contents

Independent auditor's review report on the interim financial information.....	1
Condensed Interim Financial Information	
Condensed balance sheets.....	3
Condensed statements of income (operations).....	5
Condensed statements of comprehensive income.....	7
Condensed statements of changes in equity.....	8
Condensed statements of cash flows.....	10
Condensed statements of value added.....	11
Notes to the condensed interim financial information	12

A free translation from Portuguese into English of Independent Auditor's Review Report on quarterly information prepared in Brazilian currency in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information - ITR

Independent auditor's review report on quarterly information

To the Board of Directors and Shareholders of
BRK Ambiental Participações S.A.
São Paulo - SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of BRK Ambiental Participações S.A. ("Company") for the quarter ended on September 30, 2021, comprising the statement of financial position as of September 30, 2021 and the related statements of profit or loss and of comprehensive income for the three and nine-month periods then ended, and of changes in equity and of cash flows for the nine-month period then ended, including the explanatory notes.

Management is responsible for preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 – Interim Financial Reporting, 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 the Quarterly Information Form (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 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 on the individual and consolidated interim financial information

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 are not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information Form (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Emphasis of matter

BRK Ambiental - Maranhão S.A. – Annulment of the concession contract

We draw attention to Note 1.1(a) to the individual and consolidated interim financial information, which describes the decision at 1st instance that annulled the concession contract entered into between the subsidiary BRK Ambiental - Maranhão S.A. and the municipalities of Paço do Lumiar and São José de Ribamar, and subsequent granting of the petition filed for injunction suspending the effects of this decision until judgment of the appeal filed by said subsidiary. The subsidiary BRK Ambiental - Maranhão S.A. will continue to operate normally, however, to date, it is not possible to determine whether said subsidiary and/or the Company will be impacted by any unfavorable decision upon final judgment of the process of annulment of the concession contract. Our conclusion is not modified in respect of this matter.

Other matters

Statements of value added

The abovementioned quarterly information includes the individual and consolidated statements of value added (SVA) for the nine-month period ended on September 30, 2021, prepared under Company's Management responsibility and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by 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, consistently with the overall individual and consolidated interim financial information.

São Paulo, November 11, 2021.

ERNST & YOUNG
Auditores Independentes S/S
CRC-2SP034519/O-6



Emerson Pompeu Bassetti
Accountant CRC-1SP251558/O-0

BRK Ambiental Participações S.A. and its Subsidiaries

Condensed Balance Sheets (In thousands of reais and U.S. dollars)

Assets	Note	Parent company		Consolidated	
		September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
		US\$	R\$	US\$	R\$
Current					
Cash and cash equivalents	6	58,747	319,550	784,437	197,502
Restricted funds	7				1,074,292
Trade accounts receivable, net	8	47	253	107,331	583,814
Related parties	20	44,078	239,758	1,875	10,200
Advances to suppliers		91	497	2,138	11,629
Taxes recoverable		2,426	13,197	5,697	12,186
Dividends and interest on capital receivable	9 (e)	5,719	31,108	998	5,429
Inventories				6,059	32,960
Prepaid expenses		1,776	9,661	2,555	13,896
Other assets		2,331	12,679	1,295	7,042
		115,215	626,703	1,073,414	331,939
Assets from discontinued operation	1.1 (b)		5,244		1,805,548
					3,118,145
Non-current					
Trade accounts receivable, net	8			582,249	3,167,087
Restricted funds	7			13,095	71,231
Taxes recoverable				15,632	85,028
Advances for future capital increase		833	4,530	38,209	
Related parties	20	238,933	1,299,653	1,126,020	914
Deferred income tax and social contribution	19 (a)			40,512	220,363
Dividends and interest on capital receivable	9 (e)	21,843	118,811	50,182	
Judicial deposits		78	422	379	
Prepaid expenses		1,348	7,330	12,965	4,206
Other assets				8,273	22,877
		263,035	1,430,746	1,227,755	665,964
					3,622,450
Investments in subsidiaries and jointly-controlled subsidiaries	9 (b)	395,021	2,148,676	1,720,632	14,569
Investment properties				8,277	45,023
Property and equipment		2,225	12,102	13,777	81,704
Contract assets	10			227,150	1,235,559
Right-of-use lease	11	4,349	23,655	26,480	25,009
Intangible assets	12	122,640	667,089	589,920	1,101,271
		787,270	4,282,268	3,578,564	2,057,261
					11,190,274
					10,364,674
Total assets		902,485	4,908,971	4,657,222	2,389,200
					12,995,822
					13,484,270

The accompanying notes are an integral part of this condensed interim financial information.

Condensed Balance Sheets

(In thousands of reais and U.S. dollars)

The accompanying notes are an integral part of this condensed interim financial information.

BRK Ambiental Participações S.A. and its Subsidiaries

Condensed Statements of Income Nine-Month Periods Ended September 30 (In thousands of reais and U.S. dollars)

Note	3rd quarter of 2021		Year to September 30, 2021		Parent company 3rd quarter of 2020 Year to September 30, 2020	
	US\$	R\$	US\$			R\$
Continuing operations						
Net service revenue			18	99	94	1,219
Costs of services					(68)	(251)
23 (c)						
Gross profit			18	99	26	968
Operating income (expenses)						
General and administrative	23 (c)	(5,110)	(27,795)	(7,827)	(42,576)	(19,980)
Other income (expenses), net	23 (c)	(75)	(406)	(180)	(977)	1,161
Equity in the results of investees	9 (c)	5,335	29,017	13,264	72,146	35,189
						90,513
Profit from operations		150	816	5,275	28,692	16,396
						36,284
Finance result	23 (d)					
Finance income		7,931	43,139	19,448	105,785	20,795
Finance costs		(7,182)	(39,068)	(17,522)	(95,307)	(19,353)
						(60,203)
Finance result, net		749	4,071	1,926	10,478	1,442
						10,313
Profit before income tax and social contribution		899	4,887	7,201	39,170	17,838
						46,597
Current income tax and social contribution	19 (b)	69	377			
Deferred income tax and social contribution	19 (b)	262	1,423	1,390	7,562	2,273
						6,377
Profit from continuing operations		1,230	6,687	8,591	46,732	20,111
						52,974
Discontinued operations						
Equity in the results of investees				(381)	(2,075)	(1,323)
Write-down of provision for loss on investments				752	4,092	(4,867)
Profit for the period		1,230	6,687	8,962	48,749	18,788
						48,107
Basic earnings per share attributable to the Company's stockholders during the period (expressed in R\$ per share) from continuing operations	22 (b)	0.0177			0.0177	0.0384
Diluted earnings per share attributable to the Company's stockholders during the period (expressed in R\$ per share) from continuing operations	22 (c)	0.0176		0.0384	0.0176	0.0384
Basic and diluted loss per share attributable to the Company's stockholders during the period (expressed in R\$ per share) from discontinued operations	22 (b)	(0.0008)			(0.0008)	(0.0035)

The accompanying notes are an integral part of this condensed interim financial information.

BRK Ambiental Participações S.A. and its Subsidiaries

Condensed Statements of Income Nine-Month Periods Ended September 30 (In thousands of reais and U.S. dollars)

							Consolidated
Note	3rd quarter of 2021		Year to September 30, 2021		3rd quarter of 2020	Year to September 30, 2020	
	US\$	R\$	US\$			R\$	
Continuing operations							
Net service and sales revenue	23 (a)	169,217	920,438	428,914	2,333,037	568,972	1,638,173
Costs of services and sales	23 (c)	(113,013)	(614,724)	(267,958)	(1,457,532)	(353,488)	(1,030,463)
Gross profit		56,204	305,714	160,956	875,505	215,484	607,710
Operating income (expenses)							
General and administrative	23 (c)	(24,972)	(135,631)	(72,844)	(396,228)	(92,739)	(278,781)
Allowance for expected losses from doubtful accounts	23 (c)	(1,504)	(8,182)	(6,486)	(35,280)	(13,120)	(34,458)
Other income (expenses), net	23 (c)	300	1,634	2,110	11,477	(1,472)	(2,939)
Equity in the results of investees	9 (c)	383	2,083	(680)	(3,700)	4,083	12,118
Profit from operations		30,411	165,418	83,056	451,774	112,236	303,650
Finance result							
Finance income	23 (d)	4,978	27,079	13,597	73,960	13,765	45,711
Finance costs		(31,902)	(173,526)	(82,406)	(448,241)	(82,883)	(249,486)
Finance result, net		(26,924)	(146,447)	(68,809)	(374,281)	(69,118)	(203,775)
Profit before income tax and social contribution		3,487	18,971	14,247	77,493	43,118	99,875
Current income tax and social contribution	19 (b)	(3,131)	(17,030)	(7,934)	(43,154)	(8,522)	(14,352)
Deferred income tax and social contribution	19 (b)	1,272	6,918	2,974	16,178	(7,896)	(25,613)
Profit from continuing operations		1,628	8,859	9,287	50,517	26,700	59,910
Discontinued operations							
Profit (loss) from operations				(381)	(2,075)	(1,238)	(4,319)
Write-off of provision for loss on investments				752	4,092		
Deferred income tax and social contribution	19 (b)					28	(173)
Profit (loss) for the period from discontinued operations				371	2,017	(1,210)	(4,492)
Profit for the period from continuing and discontinued operations		1,628	8,859	9,658	52,534	25,490	55,418
Attributable to							
Company's stockholders		1,229	6,687	8,962	48,749	18,788	48,107
Non-controlling interests		399	2,172	696	3,785	6,702	7,311
		1,628	8,859	9,658	52,534	25,490	55,418
Basic earnings per share attributable to the Company's stockholders during the period (expressed in R\$ per share) from continuing operations							
22 (b)				0.0177	0.0177		0.0384
Diluted earnings per share attributable to the Company's stockholders during the period (expressed in R\$ per share) from continuing operations							
22 (c)				0.0384	0.0176		0.0384
Basic and diluted loss per share attributable to the Company's stockholders during the period (expressed in R\$ per share) from discontinued operations							
22 (b)				(0.0008)	(0.0008)		(0.0035)

The accompanying notes are an integral part of this condensed interim financial information.

BRK Ambiental Participações S.A. and its Subsidiaries

Condensed Statements of Comprehensive Income Nine-Month Periods Ended September 30 (In thousands of reais and U.S. dollars)

	3rd quarter of		Year to September		Parent company	
	2021		30, 2021		3rd quarter of	Year to September
	US\$	R\$	US\$		2020	30, 2020
Profit for the period	1,230	6,687	8,962	48,749	18,788	48,107
Other comprehensive income (loss)						
Total comprehensive income for the period	1,230	6,687	8,962	48,749	18,788	48,107

	3rd quarter of		Year to September		Consolidated	
	2021		30, 2021		3rd quarter of	Year to September
	US\$	R\$	US\$		2020	30, 2020
Profit for the period	1,628	8,859	9,658	52,534	25,490	55,418
Other comprehensive income (loss)						
Total comprehensive income for the period	1,628	8,859	9,658	52,534	25,490	55,418
Attributable to						
Company's stockholders	1,230	6,687	8,962	48,749	18,788	48,107
Non-controlling interests	398	2,172	696	3,785	6,702	7,311
	1,628	8,859	9,658	52,534	25,490	55,418

The accompanying notes are an integral part of this condensed interim financial information.

BRK Ambiental Participações S.A. and its Subsidiaries

Condensed Statements of Changes in Equity (In thousands of reais)

	Attributable to the parent company's stockholders							
	Capital	Capital reserve	Revenue reserve		Retained earnings	Carrying value adjustment (I)	Total	Non-controlling interests
			Legal reserve	Retention of profits				
At January 1, 2020	1,885,667		26,338	426,417		(37,863)	2,300,559	118,288
Profit for the period:								
Capital increase	2,123,140						2,123,140	
Investment program – Stock option		3,841					3,841	
Profit for the period from continuing operations					52,974		52,974	6,936
Profit (loss) for the period from discontinued operations					(4,867)		(4,867)	375
Capital transactions with owners:								
Capital reserve from the issue of shares		36,729					36,729	
Distribution of dividends and interest on capital from continuing operations								(3,524)
Goodwill on the acquisition of investments in subsidiaries						(1,215,447)	(1,215,447)	(1,215,447)
Effect of non-controlling interests on the disposal of investments in subsidiaries								(63,423)
At September 30, 2020	4,008,807	40,570	26,338	426,417	48,107	(1,253,310)	3,296,929	58,652
At January 1, 2021	4,008,807	40,570	28,320	454,661		(1,249,548)	3,282,810	58,069
Profit for the period:								
Profit for the period from continuing operations					46,732		46,732	3,785
Profit for the period from discontinued operations					2,017		2,017	
Capital transactions with owners:								
Reversal of mandatory minimum dividends				9,415			9,415	
Other transactions with non-controlling interests								1,666
At September 30, 2021	4,008,807	40,570	28,320	464,076	48,749	(1,249,548)	3,340,974	63,520

The accompanying notes are an integral part of this condensed interim financial information.

BRK Ambiental Participações S.A. and its Subsidiaries

Condensed Statements of Changes in Equity (In thousands of U.S. dollars)

	Attributable to the parent company's stockholders							
		Capital reserve	Revenue reserve		Carrying value adjustment (I)		Non-controlling interests	
	Capital		Legal reserve	Retention of profits	Retained earnings		Total	Total equity
At January 1, 2020	346,668		4,842	78,394		(6,961)	422,943	444,690
Profit for the period:								
Capital increase	390,326						390,326	390,326
Investment program – Stock option		706					706	706
Profit for the period from continuing operations					9,739		9,739	11,014
Profit (loss) for the period from discontinued operations					(895)		(895)	(826)
Capital transactions with owners:								
Capital reserve from the issue of shares		6,752					6,752	6,752
Distribution of dividends and interest on capital from continuing operations							(648)	(648)
Goodwill on the acquisition of investments in subsidiaries						(223,452)	(223,452)	(223,452)
Effect of non-controlling interests on the disposal of investments in subsidiaries							(11,660)	(11,660)
At September 30, 2020	736,994	7,458	4,842	78,394	8,844	(230,413)	606,119	616,902
At January 1, 2021	736,994	7,459	5,206	83,587		(229,722)	603,524	614,200
Profit for the period:								
Profit for the period from continuing operations					8,591		8,591	9,287
Profit for the period from discontinued operations					371		371	371
Capital transactions with owners:								
Reversal of mandatory minimum dividends				1,731			1,731	1,731
Other transactions with non-controlling interests							306	306
At September 30, 2021	736,994	7,459	5,206	85,318	8,962	(229,722)	614,217	625,895

- (i) This refers mainly to the goodwill on the additional acquisition in subsidiaries (Note 22 (d)).

The accompanying notes are an integral part of this condensed interim financial information.

BRK Ambiental Participações S.A. and its Subsidiaries

Condensed Statements of Cash Flows Nine-Month Periods Ended September 30 (In thousands of reais and U.S. dollars)

	Parent company		Consolidated	
	2021	2020	2021	2020
	US\$	R\$	US\$	R\$
Cash flows from operating activities				
Profit before income tax and social contribution	7,201	38,170	46,597	14,247
Profit (loss) before income tax and social contribution from discontinued operations	371	2,017	(4,867)	371
Adjustments				
Depreciação e amortização	4,088	22,236	20,879	36,534
Amortization of lease	845	4,599	3,422	5,904
Residual value of property and equipment and intangible asset disposals	156	851	120	651
Residual value of leases written down	135	735	(56)	(500)
Equity in the results of continuing operations	(13,284)	(72,148)	(90,513)	680
Equity in the results of discontinued operations	381	2,075	4,867	381
Profit from discontinued operations				2,075
Write-off of provision for loss on investments of discontinued operation	(752)	(4,092)	(752)	(4,092)
Allowance for expected losses from doubtful accounts				6,486
Provision for contingencies	131	710	91	(494)
Construction margin				(2,975)
Employee benefits	235	1,280	213	722
Adjustment to present value	459	2,496	2,263	3,150
Interest and monetary and foreign exchange variations, net	7,059	38,396	3,904	69,784
Other adjustments	21	115	(381)	(2,074)
	7,066	38,442	(13,200)	133,187
				724,451
				495,412
Adjustment for the reconciliation of profit for the year of discontinued operations				(4,451)
Changes in assets and liabilities				
Trade accounts receivable	(47)	(253)	(47,726)	(259,599)
Advances to suppliers	(10)	(54)	(287)	3,703
Taxes recoverable	(1,379)	(7,500)	(438)	(4,735)
Inventories			(1)	(6)
Dividends and interest on capital received	329	1,792	39,701	2,807
Judicial deposits	(8)	(43)	(322)	(8)
Prepaid expenses	1,327	7,219	1,817	(1,053)
Other assets	7	40	(3,048)	445
Trade payables	239	1,295	3,602	22,495
Salaries and payroll charges	784	4,157	3,531	3,869
Taxes payable	34	185	(1,045)	4,917
Deferred PIS, COFINS and ISS			(1,807)	(9,829)
Concession rights payable			(1,487)	(8,087)
Provisions for contingencies				12
Related parties	(19,889)	(108,186)	(117,792)	(1,398)
Other liabilities	495	2,676	(525)	(415)
	(11,073)	(60,230)	(88,006)	105,277
				572,637
				181,966
Income tax and social contribution paid			(383)	(8,214)
				(44,678)
				(14,764)
Net cash provided by (used in) operating activities	(11,073)	(60,230)	(88,389)	97,063
				527,959
				167,202
Net cash used in discontinued operating activities				(1,385)
Total net cash provided by (used in) operating activities	(11,073)	(60,230)	(88,389)	97,063
				527,959
				165,817
Cash flows from investing activities				
Advance for future capital increase	(4,050)	(22,031)	(33,613)	(1,002)
Increase in the capital of subsidiaries	(56,092)	(305,107)	(7,296)	(5,451)
Restricted funds				215,246
Acquisitions of property and equipment	(1)	(5)	(1,103)	(994)
Acquisitions of contract assets and intangible assets	(18,109)	(98,501)	(72,565)	(382,639)
	(78,252)	(425,644)	(114,577)	(169,389)
				(921,376)
				(343,491)
Net cash provided by (used in) investing activities				(15)
Net cash used in discontinued investing activities				(15)
Total net cash provided by (used in) investing activities	(78,252)	(425,644)	(121,777)	(169,389)
				(921,376)
				(343,506)
Cash flows from financing activities				
Dividends and interest on capital paid (i)			(820)	(3,373)
Proceeds from loans and financing		160,000	57,475	312,629
Transaction cost on proceeds from loans and financing		(1,558)	(179)	(979)
Repayment of debts		(196)	(36,541)	(199,303)
Interest paid on debts (i)		(2,198)	(33,532)	(182,392)
Proceeds from debentures	36,769	200,000	500,000	146,156
Transaction cost on proceeds from debentures	(273)	(1,483)	(7,222)	(11,912)
Amortization of debentures		(536,540)	(48,124)	(261,763)
Interest paid on debentures (i)	(12,330)	(67,066)	(22,865)	(36,295)
Amortization of lease	(1,159)	(6,306)	(5,283)	(8,111)
Capital increase		522,745		(44,117)
Investment program – Stock option		3,841		
Related parties	(19,149)	(104,158)	280,645	2,285
	3,859	20,987	881,379	40,502
				220,315
				521,938
Net cash provided by financing activities				(1,581)
Net cash used in discontinued financing activities				
Total net cash provided by financing activities	3,859	20,987	881,379	40,502
				220,315
				520,357
Cash and cash equivalents of subsidiaries excluded from consolidation, net				232
Cash and cash equivalents of subsidiaries included in consolidation, net				73,047
Net increase (decrease) in cash and cash equivalents	(85,467)	(464,867)	671,213	(31,824)
				(173,102)
				415,947
Cash and cash equivalents at the beginning of the period	144,214	784,437	357,624	229,326
				1,247,384
				850,670
Cash and cash equivalents at the end of the period	58,747	319,550	1,028,837	197,502
				1,074,292
				1,266,817

- (i) The Company classifies dividends, interest received and interest paid as cash flows from financing activities.

The accompanying notes are an integral part of this condensed interim financial information.

BRK Ambiental Participações S.A. and its Subsidiaries

Condensed Statements of Value Added Nine-Month Periods Ended September 30 (In thousands of reais and U.S. dollars)

	Parent company		Consolidated	
	2021	2020	2021	2020
	US\$	R\$	US\$	R\$
Revenue				
Gross sales of goods, products and services	20	109	1,343	467,519
Other revenue (expenses)	(180)	(977)	2,110	11,477
(-) Rebates and cancellations			(5,644)	(30,702)
(-) Allowance for expected losses from doubtful accounts			(6,486)	(35,280)
	(160)	(868)	3,183	457,499
			2,488,522	1,736,403
Inputs acquired from third parties				
Construction cost			(142,313)	(774,101)
Materials, electric energy, outsourced services and other	(18,044)	(98,145)	(89,562)	(487,156)
	(18,044)	(98,145)	(231,875)	(1,261,257)
			(823,599)	
Gross value added	(18,204)	(99,013)	(46,027)	225,624
Depreciation and amortization	(4,933)	(26,835)	(24,301)	(42,439)
			(230,840)	(172,343)
Net value added generated by the entity	(23,137)	(125,848)	(70,328)	183,185
			996,425	740,461
Value added received through transfer				
Equity in the results of continuing operations	13,264	72,146	90,513	(680)
Equity in the results of discontinued operations	(381)	(2,075)	(4,867)	(381)
Profit from discontinued operations			(381)	(2,075)
Reversal of provision for loss on investments	752	4,092	752	4,092
Transfer of expenses	34,822	189,409	140,308	2,192
Finance income	19,448	105,785	70,516	13,597
			73,960	45,711
Total undistributed value added	44,768	243,509	226,142	198,665
			1,080,625	827,303
Distribution of value added				
Personnel	19,210	104,491	101,605	63,349
Direct compensation	16,276	88,534	85,770	46,499
Benefits	1,881	10,232	10,148	13,435
Government Severance Pay Fund (FGTS)	1,053	5,725	5,687	3,415
Taxes, fees and contributions	(1,388)	(7,552)	13,512	38,846
Federal	(1,388)	(7,552)	13,465	37,543
State			46	669
Municipal			1	634
Remuneration on third-party capital	17,984	97,821	62,918	86,812
Finance costs	17,522	95,307	60,203	82,406
Rentals	462	2,514	2,715	4,406
Other				23,966
Interest on capital	8,962	48,749	48,107	9,658
Profit for the period	8,962	48,749	48,107	8,962
Non-controlling interests				696
				3,785
Value added distributed	44,768	243,509	226,142	198,665
			1,080,625	827,303

The accompanying notes are an integral part of this condensed interim financial information.

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

1 Operations

BRK Ambiental Participações S.A. ("Company") was incorporated on November 29, 2016 and it was acquired on April 25, 2017 by BR Ambiental Fundo de Investimento em Participações Multiestratégia ("BR FIP"), an investment fund managed by Brookfield Brasil Asset Management Investimentos Ltda. and controlled by Brookfield Asset Management, Inc. The purpose of the Company is to invest in and operate environmental projects and provide services focused in the Water and Wastewater segment through its direct and indirect subsidiaries and jointly-controlled companies (collectively called "Group") by means of public concession contracts, public-private partnerships and provision of services, among others.

On October 22, 2019, the Company obtained the initial registration as a publicly-listed company from the Brazilian Securities Commission ("CVM") in the "B" category.

The Company's head office is located at Avenida das Nações Unidas, 14.261 - 13º andar – Ala B – São Paulo, State of São Paulo.

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021 (In thousands of reais and U.S. dollars, unless otherwise stated)

(a) Public Water and Wastewater concessions

Company	Subject matter of the agreement	Year beginning - ending	Concession authority (client)	Option of renewal / extension at the end of the concession (i)	Concession	Base index for annual price adjustment	Changes in the agreement since the inception
BRK Ambiental - Limeira S.A.	Water supply and wastewater collection and treatment.	1995 - 2039	Limeira Municipal Government - State of São Paulo	No	No	IPCA-E	Adjustment of tariff and term
BRK Ambiental - Cachoeiro de Itapemirim S.A.	Water supply and wastewater collection and treatment.	1998 - 2048	Cachoeiro do Itapemirim Municipal Government - State of Espírito Santo	Yes	Variable	IPCA	Adjustment of tariff, term and subject matter
Companhia de Saneamento do Tocantins - Saneatins	Water supply and wastewater collection and treatment.	1999 - 2049	47 municipalities in the State of Tocantins and 5 in the State of Pará.	No	Fixed	IPCA	Adjustment of term
BRK Ambiental - Mauá S.A.	Wastewater services, in addition to the commercial management of water supply services.	2002 - 2042	Mauá Municipal Government - State of São Paulo	Yes	Variable	IPCA	Adjustment of term
BRK Ambiental - Capivari S.A.	Construction and lease of the Effluent Treatment Station of Campinas - State of São Paulo	2006 - 2029	Sociedade de Abastecimento de Água e Saneamento S.A. - SANASA	Yes	No	IGPM and TR	
BRK Ambiental - Rio Claro S.A.	Operation and support activities of the wastewater system.	2007 - 2037	Rio Claro Municipal Government - State of São Paulo	Yes	No	IPCA	Adjustment of tariff and term
BRK Ambiental - Rio das Ostras S.A.	Wastewater collection and treatment.	2007 - 2024	Rio das Ostras Municipal Government - State of Rio de Janeiro	Yes	No	IPCA	
BRK Ambiental - Jaguaribe S.A.	Construction, lease and operation of the ocean disposal system of the Jaguaribe River in Salvador - State of Bahia.	2008 - 2028	Empresa Baiana de Águas e Saneamento S.A. - EMBASA	No	Variable	IPCA	
BRK Ambiental - Blumenau S.A.	Wastewater services.	2010 - 2055	Serviço Autônomo Municipal de Água e Esgoto - SAMAE	Yes	No	IPCA	Adjustment of tariff and term, renegotiation of the
BRK Ambiental - Santa Getrudes S.A.	Water supply and wastewater collection and treatment.	2010 - 2040	Santa Getrudes Municipal Government - State of São Paulo	Yes	Fixed	IPCA	Tariff adjustment
Sanequa Mairinque S.A.	Water supply and wastewater collection and treatment.	2010 - 2050	Mairinque Municipal Government - State of São Paulo	Yes	No	IGPM	
BRK Ambiental - Uruguaiana S.A.	Water supply and wastewater collection and treatment.	2011 - 2042	Uruguaiana Municipal Government - State of Rio Grande do Sul	No	Variable	IGPM	Adjustment of term
BRK Ambiental - Porto Ferreira S.A.	Water supply and wastewater collection and treatment.	2011 - 2041	Porto Ferreira Municipal Government - State of São Paulo	No	No	IGPM	Tariff adjustment
F. AB. Zona Oeste S.A.	Wastewater services, in addition to the commercial management of water supply services in 21 districts of the western region of the city of Rio de Janeiro - State of Rio de Janeiro.	2012 - 2042	Rio de Janeiro Municipal Government - State of Rio de Janeiro	Yes	Variable	IPCA-E	
BRK Ambiental - Araguaia Saneamento S.A.	Water supply and wastewater collection and treatment.	2006 - 2042	Nine municipal governments in the State of Pará	No	Variable	IGPM and IPCA	
BRK Ambiental - Macaé S.A.	Wastewater services, in addition to the commercial management of water supply services.	2012 - 2042	Macaé Municipal Government - State of Rio de Janeiro	Yes	No	IGPM	
BRK Ambiental - Região Metropolitana do Recife/Goiana SPE S.A.	Wastewater services, in addition to the commercial management of water supply services in 14 municipalities in the metropolitan regions of Recife and Goiana.	2013 - 2048	Companhia Pernambucana de Saneamento - COMESA	No	No	IPCA	Change of the responsibility for investments
BRK Ambiental - Goiás S.A.	Wastewater services, in addition to the commercial management of water supply services in the municipalities of Aparecida de Goiânia, Jataí, Rio Verde and Trindade, in the State of Goiás.	2013 - 2041	Saneamento de Goiás S.A. - SANEAGO	Yes	Fixed	IPCA	
BRK Ambiental - Manso S.A.	Services of expansion and maintenance of the Manso river water collection system.	2013 - 2028	Companhia de Saneamento de Minas Gerais - COPASA	No	No	INCC and IPCA	
BRK Ambiental - Maranhão S.A.	Water supply and wastewater collection and treatment services in the municipalities of São José de Ribamar and Paço do Lumiar.	2015 - 2050	Consórcio Intermunicipal de Saneamento Básico - CISAB	Yes	No	IPCA	
BRK Ambiental - Sumaré S.A.	Water supply and wastewater collection and treatment.	2015 - 2045	Sumaré Municipal Government - State of São Paulo	Yes	No	IPCA	
BRK Ambiental - Caçador S.A.	Water supply and wastewater collection and treatment.	2019 - 2048	Caçador Municipal Government - State of Santa Catarina	Yes	Variable	INCC and IPCA	
BRK Ambiental - Região Metropolitana de Macaé S.A.	Water supply and wastewater collection and treatment.	2021 - 2056	Companhia de Saneamento de Alagoas - CASAL	Yes	Fixed	INCC and IPCA	

(i) Some companies do not expect to renew or extend their terms upon termination; however, the terms may be reviewed for economic and financial rebalancing purposes.

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

In all the concessions, the concessionaires are entitled to use all concession assets during the concession period in accordance with the use conditions agreed upon.

The concessionaires, except for the indirect subsidiaries BRK Ambiental - Capivari S.A. ("Capivari") and BRK Ambiental – Manso S.A. ("Manso"), which have entered into a contract with Sociedade de Abastecimento de Água e Saneamento S.A. – Sanasa and Companhia de Saneamento de Minas Gerais – Copasa, respectively, must make improvements in the concession assets, such as: investments in the water treatment and distribution system; renovation and additional works; and expansion and implementation of new treatment stations. These improvements are remunerated by the Concession Authority through its consideration at the tariff agreed upon at the beginning of the concession and, when applicable, by increasing this tariff so as to readjust the economic and financial balance of the contract.

The concessionaires are required to perform regular maintenance work on networks and preventive and corrective maintenance work on the assets. This maintenance work is remunerated at the tariff agreed upon at the beginning of the concession and by increasing this tariff so as to readjust the economic and financial balance of the contract, when applicable. The indirect subsidiary Capivari does not have to perform any type of maintenance work.

1.1 Other information

(a) BRK Ambiental Maranhão S.A. ("Maranhão")

On March 5, 2018, there was an unfavorable decision in the lower court against the subsidiary BRK Ambiental Maranhão S.A. that declared the concession agreement null and determined the term of 30 days for the concessionaire to cease the provision of sanitation services. On March 20, 2018, the subsidiary appealed to the State Court of Maranhão and on April 2, 2018, an injunction was granted suspending the effects of the sentence until the ruling on the appeal by the court. Also, the State Court of Maranhão is ruling on a Direct Action of Unconstitutionality (ADI) filed by the Public Prosecution Office, challenging the constitutionality of the law that allowed the creation of the consortium and authorized the signing and performance of the concession, which could, in theory, also result in the annulment of the concession agreement. In the ADI, the injunction filed by the Public Prosecution Office was denied, which shows that the majority of the judges did not consider, within the scope of the injunction, that the above mentioned law is unconstitutional. The Public Prosecution Office, by means of motions for clarification, challenged the decision to that denied the injunction; however, it was denied by the State Court on June 30, 2021 (meaning that the concession agreement must remain in effect at least until there is a final decision on the merits of the ADI). The grounds of the action (ADI) are yet to be judged, on a date to be determined by the court. If, in the future, there is a final decision determining the annulment of the concession agreement, the subsidiary would claim compensation, including the unamortized investments, as well as the maintenance of the agreement until such compensation is effectively paid.

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

(b) Discontinued operations – UVR Grajaú S.A. (“UVR Grajaú”)

On December 1, 2019, the subsidiary UVR Grajaú was considered a discontinued operation due to the wound up of its activities of receipt, screening, processing and final disposal of inert waste and waste from civil construction, as well as the recycling and sale of recycled aggregate, located in the Municipality of São Paulo, State of São Paulo. The profit or loss of UVR for 2019 was adjusted for the effects of impairment and classified as a discontinued operation in a single amount in the statement of income.

On October 8, 2020, the Company signed the contract for the sale of the subsidiary UVR Grajaú to Vendome Participações S.A. for the amount of R\$ 1. On March 19, 2021, the Company completed the operation for the sale of the subsidiary UVR Grajaú to Vendome Participações S.A. This transaction is part of the strategy of concentrating the Company’s investments in the sanitation segment.

Since its classification as a discontinued operation, the assets and liabilities of the subsidiary UVR Grajaú had been presented separately as discontinued operations in a single amount in current and non-current assets, in current and non-current liabilities, and in the statement of income and the net cash flows attributable to the operating, investing and financing activities of the discontinued operations were also presented separately.

As a result of the sale, on March 19, 2021, the Company wrote down the assets and liabilities of the discontinued operation, as stated below, and recorded a reversal of the provision for loss on investments in the amount of R\$ 4,902 – US\$ 752:

Assets	2021	
	US\$	R\$
Current assets	630	3,425
Non-current assets	40	216
Total assets	670	3,641
Liabilities	2021	
	US\$	R\$
Current liabilities	342	1,862
Non-current liabilities	1,080	5,871
Liabilities from discontinued operations	752	4,092

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

Additionally, the loss from the discontinued operations in the period from January 1, 2021 to the date of the sale was R\$ 2,075 – US\$ 381, as shown in the table below:

	March 31, 2021	
	US\$	R\$
Costs of services and sales	(110)	(600)
Gross profit	(110)	(600)
Operating income (expenses)		
General and administrative	(247)	(1,345)
Profit from operations	(357)	(1,945)
Finance result		
Finance costs	(24)	(129)
Finance result, net	(24)	(129)
Profit before income tax and social contribution	(381)	(2,074)
Deferred income tax and social contribution		(1)
Profit for the period	(381)	(2,075)

(c) Corporate Reorganization

On September 30, 2020, the Company completed its corporate reorganization process that resulted in an increase in the Company's capital in the total amount of R\$ 2,123,140 – US\$ 390,326, subscribed and paid up by means of the contribution of (i) the 49% interest held directly by the stockholder FI-FGTS in the subsidiary BRK Ambiental – Centro Norte Participações S.A. (“BRK Centro Norte”) and (ii) the 87.5% interest held directly by the stockholder BR Ambiental Fundo de Investimento em Participações Multiestratégia in the subsidiary BRK Ambiental – Ativos Maduros S.A. (“BRK Ativos Maduros”). Additionally, the capital increase encompassed (iii) the contribution, in local currency, of R\$ 522,745 – US\$ 96,103 by the stockholder BR Ambiental Fundo de Investimento em Participações Multiestratégia.

After the formalization of the capital increase, the Company became the direct holder of the totality of the capital of BRK Centro Norte (parent company of Saneatins) and BRK Ativos Maduros and the interest percentage previously held by the stockholders in BRK's capital was maintained.

The corporate reorganization process was duly approved by the Brazilian antitrust agency (CADE) on September 14, 2020.

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

The main purposes of the capital increase were the increase of liquidity, the reduction of the leverage and the simplification of the Company's corporate structure.

The resulting effect on BRK Ambiental's interim financial information was the consolidation of BRK Ativos Maduros and its subsidiaries as from September 30, 2020. The effects on the statement of income have been consolidated as from October 01, 2020, and on the balance sheet, as from September 30, 2020. The balances of assets and liabilities and the statement of income that were consolidated in the Company's interim financial information are presented below:

Assets	September 30, 2020		Liabilities and equity	September 30, 2020	
	US\$	R\$		US\$	R\$
Current assets			Current liabilities		
Cash and cash equivalents	13,429	73,047	Trade payables	1,938	10,540
Trade accounts receivable, net	19,747	107,410	Debits	8,926	48,554
Taxes recoverable	609	3,313	Leases	338	1,840
Inventories	506	2,752	Debentures	420	2,284
Other assets	1,033	5,619	Salaries and payroll charges	2,589	14,080
	35,324	192,141	Taxes payable	2,020	10,985
			Deferred PIS and COFINS	726	3,948
			Dividends payable	1,304	7,094
			Concession rights payable	282	1,535
			Other liabilities	441	2,401
				18,984	103,261
Non-current assets			Non-current liabilities		
Trade accounts receivable, net	42,522	231,296	Debits	34,686	188,673
Restricted funds	5,439	29,587	Leases	738	4,012
Taxes recoverable	1,993	10,839	Related parties	10,497	57,100
Judicial deposits	20	108	Deferred PIS and COFINS	3,065	16,674
Other assets	51	276	Deferred income tax and social contribution	12,573	68,392
	50,025	272,106	Provision for contingencies	686	3,730
			Concession rights payable	1,697	9,228
			Obligations with post-employment benefits	465	2,528
				64,407	350,337
			Equity		
Property and equipment	193	1,051	Capital	10	53
Contract assets	21,933	119,303	Capital reserve	29,556	160,767
Right-of-use lease	1,018	5,537	Revenue reserve	38,408	208,916
Intangible assets	50,170	272,896	Carrying value adjustment	(388)	(2,109)
	123,339	670,893	Profit for the period	7,686	41,809
				75,272	409,436
Total assets	158,663	863,034	Total liabilities and equity	158,663	863,034

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

	01/10/2020 to 31/12/2020	
	US\$	R\$
Operations		
Net service and sales revenue	20,103	104,479
Costs of services and sales	(12,161)	(63,195)
Gross profit	7,942	41,284
Operating income (expenses)		
General and administrative	(2,929)	(15,232)
Allowance for expected losses from doubtful accounts	119	618
Other income (expenses), net	140	727
Profit from operations	5,272	27,397
Finance result		
Finance income	299	1,554
Finance costs	(1,334)	(6,934)
Finance result, net	(1,035)	(5,380)
Profit before income tax and social contribution	4,237	22,017
Current income tax and social contribution	(1,258)	(6,538)
Deferred income tax and social contribution	214	1,113
Profit for the period	3,193	16,592

(d) BRK Ambiental – Região Metropolitana de Maceió S.A. (“RMM”)

On July 1st, the Company officially started operating the RMM concession, operating in the distribution of water, collection and sewage treatment for the next 35 years. With the start of operations in 9 of the 13 municipalities of RMM, on July 2, the payment of the 2nd installment of the grant, in the amount of R\$ 1,200,000 – US\$ 220,613, was made. The remaining 4 municipalities, with the respective payment of the remaining grant amount, R\$ 153,456 – US\$ 28,212, entered into operation in September 2021.

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

(e) COVID-19

With the spread of COVID-19 on a global scale, governments and authorities around the world have been implementing measures to fight the virus. In Brazil, where the Company and its subsidiaries operate, these measures were introduced mostly in the second half of March 2020. The Company has been closely monitoring the spread of the pandemic in the country and its developments, having established a Crisis Management Committee, which is focused on three priorities: (i) protect the safety of employees and clients; (ii) ensure that the Company continues as a going concern; and (iii) preserve the Company's financial liquidity.

Water supply and wastewater services are essential services and play a vital part in the fight against the spread of COVID-19. Taking into consideration the different situations and scenarios in each region where the Company operates, the activities are planned and organized so as to ensure the continuity of water supply and wastewater collection and treatment for clients, with safety for employees and communities, strictly following the determination of public health authorities. In order to ensure the health of employees, the Company extended the health monitoring program.

The negotiation of receivables outstanding with the Tocantins State Sanitation Agency ("ATS"), which was interrupted during the pandemic, has been recently resumed. Assessments were made on the other accounting estimates taking into account the effects of the pandemic, and (i) there is no indication of changes in the recoverable amount (impairment) of its property and equipment and intangible assets; (ii) the need for adjustment for the realization of inventories was not identified; (iii) changes in the fair value of revenue were not identified; (iv) significant impacts on lease contracts were not identified; and (v) no events or conditions were identified that significantly affect the ability of the Company and its subsidiaries to continue as a going concern or that significantly change the measurement of their assets and liabilities in the condensed interim financial information for September 30, 2021.

The Company continues to monitor the developments of COVID-19 so that the possible impacts can be duly reflected in its interim financial information, in compliance with CVM/SNC/SEP Circular Letters No. 02/3030 and No. 03/2020 and CVM Resolution No. 859/2020.

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

(f) SOX Program

In 2020, the SOX Program of the Company was maintained, with its ongoing performance and its incorporation into the work routine in the context of the obligations of its controlling stockholder. No significant deficiencies or relevant weaknesses were identified, in conformity with the Guidelines of Section 404 of U.S. Sarbanes-Oxley ("SOX") Act, which is intended to avoid, detect and treat any potential inconformity related to the financial information of the companies that compose the BRK Group, thus ensuring more reliability to its interim financial information.

(g) Compliance Program

The Company and its subsidiaries are committed to carrying out all of their activities with integrity and with the highest standards of ethics and transparency in the implementation of the Compliance Program, based on full compliance with all applicable laws and regulations, both locally and globally, and on the application of a posture of zero tolerance to acts of corruption, discrimination and anti-ethical behavior.

Accordingly, the Company and its subsidiaries established in their corporate governance the adoption of this Compliance Program, which is directly reported to the CEO of the Company and which determines the guidelines for the internal and external relationships of all employees, management members, officers, directors and stockholders. This Program is aimed at consolidating all initiatives for the promotion and strengthening of the culture of ethics and integrity and for the mitigation of risks by means of mechanisms to prevent, detect and respond to illicit and undesired acts, including in subsidiaries.

The Company is a signatory to the Corporate Pact for Integrity and Against Corruption, which brings companies together for the purpose of promoting a fairer and more ethical market and eradicating bribery and corruption. The Company is also a signatory to the UN Global Compact, an initiative of the United Nations (UN) that seeks to mobilize the international corporate community in favor of a closer relationship with the fields of human rights, labor relations, environment and fight against corruption.

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

2 Summary of significant accounting policies

The significant accounting policies applied in the preparation of this condensed interim financial information are in accordance with the accounting practices adopted in Brazil, including the pronouncements issued by the Accounting Pronouncements Committee ("CPC"), and with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and they correspond to the accounting policies applied in the preparation of the annual financial statements for the year ended December 31, 2020.

This condensed interim financial information was approved by the Company's Board of Directors on November 11, 2021.

2.1 Parent company and consolidated condensed interim financial information

The parent company and consolidated condensed interim financial information for reference purposes in this report was prepared in accordance with technical pronouncement CPC 21 (R1) - Interim Statement and in accordance with international standard IAS 34 issued by the International Accounting Standards Board ("IASB") and are being presented in a manner consistent with the rules issued by the Brazilian Securities and Exchange Commission ("CVM") and show all relevant information specific to the financial information, and only those, which are consistent with those used by the administration in its management.

This interim financial information does not include all the information required for the annual financial statements. This interim financial information should be read in conjunction with the annual financial statements of December 31, 2020.

This parent company and consolidated interim financial information was prepared in Brazilian reais, which is the functional currency of the Company, and is presented in thousands of reais, unless otherwise stated.

The presentation of the parent company and consolidated Statements of Value Added is required by Brazilian Corporate Law and by the practices adopted in Brazil that are applicable to publicly-held companies and are presented as additional information for purposes of IAS 34, without prejudice to the interim financial information as a whole.

The accounting records are maintained in reais. The financial information in U.S. dollars is presented solely for the convenience of the users and has been translated from the amounts in the September 30, 2021 local currency financial statements, using the exchange rate prevailing on that date of R\$ 5,4394 to US\$ 1.00.

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

2.2 Consolidation

(a) Consolidated companies

The consolidated financial information includes that of the Company and of the entities in which the following direct and indirect interest is held:

	Place of incorporation and operation	Business	Number of shares / quotas held		Holding (%)	
			September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
Direct:						
BRK Ambiental - Blumenau S.A. ("Blumenau")	Brazil (SC)	Wastewater concession	2,435,474,551	2,435,474,551	100.00	100.00
BRK Ambiental - Centro Norte Participações S.A. ("Centro Norte Participações")	Brazil (SP)	Holding company	184,897,959	184,897,959	100.00	100.00
BRK Ambiental - Mauá S.A. ("Mauá")	Brazil (SP)	Wastewater concession	10,477,116	10,477,116	100.00	100.00
BRK Ambiental - Rio Claro S.A. ("Rio Claro")	Brazil (SP)	Wastewater concession	7,643,739	7,643,739	60.00	60.00
BRK Ambiental - Rio das Ostras Participações S.A. ("RDOP")	Brazil (RJ)	Holding company	134,988,595	133,083,586	100.00	100.00
BRK Ambiental - Santa Gertrudes S.A. ("Santa Gertrudes")	Brazil (SP)	Water and wastewater concession	3,350,661	3,350,661	100.00	100.00
BRK Ambiental - Uruguaiana S.A. ("Uruguaiana")	Brazil (RS)	Water and wastewater concession	47,516,236	47,516,236	100.00	100.00
BRK Ambiental - Ponto Ferreira S.A. ("Porto Ferreira")	Brazil (SP)	Water and wastewater concession	12,240,334	12,240,334	100.00	100.00
BRK Ambiental - Araguaia Saneamento S.A. ("Araguaia")	Brazil (PA)	Water and wastewater concession	41,782,022	41,782,022	100.00	100.00
UVR Grajuú (I)	Brazil (SP)	Treatment of solid waste	77,732,183		100.00	100.00
BRK Ambiental - Digital S.A. ("Digital")	Brazil (SP)	Holding company	14,027,100	14,027,100	100.00	100.00
Saneaqua Mairinque S.A. ("Mairinque")	Brazil (SP)	Water and wastewater concession	23,254,247	19,377,855	96.11	95.36
Maranhão	Brazil (MA)	Water and wastewater concession	66,474,065	66,474,065	100.00	100.00
BRK Ambiental - Sumaré S.A. ("Sumaré")	Brazil (SP)	Water and wastewater concession	186,545,465	129,749,836	100.00	100.00
Ecoagua Soluções S.A. ("Ecoagua")	Brazil (RJ)	Treatment of industrial waste	198,019,305	198,019,305	100.00	100.00
Mauá Água S.A. ("Mauá Água")	Brazil (SP)	Water concession	15,667,402	15,667,402	100.00	100.00
BRK Projetos Ambientais	Brazil (SP)	Holding company	37,341,803	35,245,647	100.00	100.00
BRK Ambiental - Participações em Negócios Industriais S.A. ("BRK Negócios Industriais")	Brazil (SP)	Holding company	829,839,316	829,535,776	100.00	100.00
Santo André Água S.A. ("Santo André")	Brazil (SP)	Water and wastewater concession	500	500	100.00	100.00
BRK Ambiental - Caçador S.A. ("Caçador")	Brazil (SC)	Water and wastewater concession	231,167,025	169,557,969	100.00	100.00
BRK - NE/NICO S.A. ("NE")	Brazil (SP)	Holding company	1,000	1,000	100.00	100.00
RMM	Brazil (SP)	Water and wastewater concession	200,000,000	200,000,000	100.00	100.00
BRK Ambiental - Ativos Maduros S.A. ("BRK Ativos Maduros")	Brazil (SP)	Holding company	52,548	52,548	100.00	100.00
Indirect:						
BRK Ambiental - Rio das Ostras S.A. ("Rio das Ostras")	Brazil (RJ)	Wastewater concession	130,717,027	130,717,027	100.00	100.00
BRK Ambiental - Macaé S.A. ("Macaé")	Brazil (RJ)	Wastewater concession	21,348,054	21,348,054	100.00	100.00
BRK Ambiental - Região Metropolitana do Recife/Goiânia SPE S.A. ("RMR")	Brazil (PE)	Wastewater concession	40,272,904	40,272,904	100.00	100.00
BRK Ambiental - Goiás S.A. ("Goiás")	Brazil (GO)	Wastewater concession	7,827,480	7,827,480	65.65	65.65
Manso	Brazil (MG)	Water concession	100,000,000	100,000,000	100.00	100.00
BRK Ambiental - Cachoeiro de Itapemirim S.A. ("Cachoeiro")	Brazil (ES)	Water and wastewater concession	3,403,223	3,403,223	100.00	100.00
Capivari	Brazil (SP)	Wastewater concession	9,258,384	9,258,384	100.00	100.00
BRK Ambiental - Jaguaribe S.A. ("Jaguaribe")	Brazil (BA)	Wastewater concession	30,000,000	30,000,000	100.00	100.00
BRK Ambiental - Limeira S.A. ("Limeira")	Brazil (SP)	Water and wastewater concession	43,360	43,360	100.00	100.00
Companhia de Saneamento de Tocantins ("Saneatins")	Brazil (TO)	Water and wastewater concession	1,897,528	1,897,528	100.00	100.00
BRK Ambiental - Sul Pará Saneamento S.A. ("Sul Pará")	Brazil (PA)	Water and wastewater concession	1,000	1,000	100.00	100.00
Special Purpose Entity ("SPE"):						
Fundo de Investimento em Direito Creditório-Caixa Dublin ("FIDC")	Brazil (SP)	Investment fund	260,348	313,998	100.00	100.00
Jointly-controlled subsidiaries:						
Direct:						
F. AB. Zona Oeste S.A. ("F. AB. Zona Oeste")	Brazil (RJ)	Wastewater concession	72,118,371	72,118,371	50.00	50.00
BRK SAAB Águas S.A. ("BRK SAAB")	Brazil (SP)	Holding company	1,000	1,000	50.00	100.00
Indirect:						
Rio de Janeiro Mais Operações Saneamento S.A. ("Rio Mais") (ii)	Brazil (RJ)	Holding company	3,000		75.00	

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

- (i) This refers to the sale of UVR (Note 1.1 (b)).
- (ii) On April 14, 2021, the Company sold the investment held in the indirect subsidiary BRK SE to the direct subsidiary BRK NI S.A. ("NI") for the amount of R\$ 1. On the same date, the corporate name of BRK SE was changed to BRK SAAB, which, on April 9, 2021, acquired Rio Mais for the amount of R\$ 3. On the date of acquisition, Rio Mais only had cash and cash equivalents in the amount of R\$ 3 and an equity in the same amount, and there were no outstanding liabilities. In the period ended September 30, 2021, Rio Mais did not carry out any activity and had no obligations with third parties.

The fiscal year of the subsidiaries included in consolidation is the same as that of the parent company and the accounting policies are applied in accordance with those used by the parent company and are consistent with those used in the previous year.

The equity accounting is calculated on the same balance sheet date as that of the parent company.

(b) Changes in accounting policies and disclosures

There were no changes in the accounting practices used in the preparation of this interim financial information in relation to those presented in the financial statements for the year ended December 31, 2020.

2.3 Discontinued operations

The Group qualifies as discontinued operations any component of the entity that was written off or is classified as held for sale and that, in accordance with CPC 31:

- (i) Represents an important separate business line or geographical area of operations;
- (ii) Is an integral part of a single plan coordinated for the sale of an important separated business line or geographical area of operations; and
- (iii) Is a subsidiary that is exclusively acquired for the purpose of resale.

The discontinued operations are excluded from the results of continuing operations and they are presented as a single amount in profit or loss after taxes from discontinued operations in the statement of income.

Additional disclosures are presented in Note 1.1 (b). All other notes to the interim financial information include amounts for continuing operations, unless otherwise stated.

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

2.4 Employee benefits

Long-term incentives

The long-term incentive program offered by the Company and its subsidiaries (Matching Program) is described in Note 21.2 and its effects are directly recognized in the statement of income, in accordance with their update and accrual.

3 Investment program

On January 24, 2020, the Company started its Investment Program ("Program"), which consists of the onerous offer of purchase options or subscription of the Company's shares to some key executives of the senior management ("Eligible Investors"). The main conditions of the Program are described in Note 22 (e). On the same date, the Program was approved at the Extraordinary General Stockholders' Meeting that entrusted the Company's Board of Directors, by means of investment plans, with the definition of the Eligible Investors, number of options to be offered to each of them, as well as their acquisition and exercise price ("Plan"), always based on the criteria defined in the Program.

The Company's first Plan was approved by the Board of Directors on March 19, 2020. The contra-entry of the amount paid by the Eligible Investors that chose to join the Plan was recorded under the capital reserve in the Company's equity, in the reserve of recognized options granted account with a provision for the subscription of preferred shares only in the cases that these options are exercised. These preferred shares will become part of the Company's capital.

4 Critical accounting estimates and judgments

Estimates and judgments are continually reassessed and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The accounting estimates and judgments applied in the preparation of this interim financial information correspond to the accounting estimates and judgments applied in the preparation and disclosure of the annual financial statements for the year ended December 31, 2020.

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

5 Financial risk management

5.1 Financial risk factors

General considerations

The Group participates in transactions involving financial instruments, including cash and cash equivalents, restricted funds, trade accounts receivable, trade payables, debts and debentures, related parties and concession rights payable.

For the purposes of managing the cash resources of its operations, the risks involved are managed through financial market mechanisms that minimize the exposure of the assets and liabilities of the companies, protecting the profitability of contracts and equity of the Group.

Additionally, the Group did not participate in transactions involving derivative financial instruments (speculative and non-speculative) in the nine-month period ended September 30, 2021 and year ended December 31, 2020.

(a) Market risk

(i) Risk of cash flows associated with interest rate

The Group's risk of cash flows associated with interest rate arises from the following financial instruments: (i) financial investments and restricted funds whose yield is mainly tied to the Interbank Deposit Certificate ("CDI") rate; and (ii) debts, leases and debentures that are subject to different indexes.

We present below the estimated impacts on financial instruments that would be generated by changes in the variables of relevant risks of interest rate variations to which the Group is exposed at the end of the period.

The probable scenario was calculated taking into consideration a projected rate for the twelve-month period and it was based on forecasts available on the market and on the average spread, which are described in the table below, to measure the impacts of the change in these variables on the balances for September 30, 2021 for the next twelve months.

The scenarios of 25% and 50% are extrapolations of the rates projected for the probable scenario with no effect on the average *spread*.

The other risk factors were considered irrelevant for the result of the financial instruments.

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

		In thousands of reais	
		Accounting balances	
		2021	
		Assets	Liabilities
Cash and cash equivalents: Financial investments			
In CDI		974,769	
Restricted funds			
In CDI		71,231	
Debts			
In IPCA			(89,038)
In CDI			(402,107)
In TR			(2,287,076)
In TJLP			(64,946)
			(2,843,167)
Leases			
In IGPM			(107,896)
In IPCA			(42,824)
			(150,720)
Debentures			
Debentures			
			(441,081)
In CDI			(3,719,908)
In TR			(296,553)
			(4,457,542)

(continued)

	Risk	Probable	+25%	+50%	-25%	-50%
Cash and cash equivalents: Financial investments						
In CDI	Reduction of CDI	87,632	109,540	131,448	65,724	43,816
Restricted funds						
In CDI	Reduction of CDI	6,404	8,005	9,606	4,803	3,202
Debts						
In IPCA	Increase of IPCA	(5,424)	(6,475)	(7,526)	(4,373)	(3,323)
In CDI	Increase of CDI	(46,982)	(56,019)	(65,057)	(37,945)	(28,908)
In TR	Increase of TR	(218,619)	(224,165)	(229,712)	(213,073)	(207,527)
In TJLP	Increase of TJLP	(4,975)	(5,839)	(6,703)	(4,111)	(3,248)
		(276,000)	(292,498)	(308,998)	(259,502)	(243,004)
Leases						
In IGPM	Increase of IGPM	(5,255)	(6,569)	(7,883)	(3,941)	(2,628)
In IPCA	Increase of IPCA	(2,021)	(2,526)	(3,032)	(1,516)	(1,012)
		(7,276)	(9,095)	(10,915)	(5,457)	(3,639)
Debentures						
In IPCA	Increase of IPCA	(50,276)	(55,481)	(60,686)	(45,071)	(39,867)
In TR	Increase of TR	(31,346)	(32,065)	(32,785)	(30,627)	(29,908)
In CDI	Increase of CDI	(428,851)	(512,456)	(596,061)	(345,246)	(261,641)
		(510,473)	(600,002)	(689,532)	(420,944)	(331,416)
		(699,713)	(784,050)	(868,391)	(615,376)	(531,041)
Macroeconomic indicators	Source					2021
TR	B3 (i)					0.97%
CDI	B3 (ii)					8.99%
TJLP	BNDES (iii)					5.32%
IPCA	BACEN (iv)					4.72%
IGPM	BACEN (iv)					4.87%

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

		In thousands of U.S dollars	
		Accounting balances	
		2021	
		Assets	Liabilities
Cash and cash equivalents: Financial investments			
In CDI		179,205	
Restricted funds			
In CDI		13,095	
Debts			
In IPCA			(16,369)
In CDI			(73,925)
In TR			(420,465)
In TJLP			(11,940)
			(522,699)
Leases			
In IGPM			(19,836)
In IPCA			(7,873)
			(27,709)
Debentures			
In IPCA			(81,090)
In CDI			(683,882)
In TR			(54,519)
			(819,491)

(continued)

	Risk	Probable	+25%	+50%	-25%	-50%
Cash and cash equivalents: Financial investments						
In CDI	Reduction of CDI	16,111	20,138	24,166	12,083	8,055
Restricted funds						
In CDI	Reduction of CDI	1,177	1,472	1,766	883	589
Debts						
In IPCA	Increase of IPCA	(997)	(1,190)	(1,384)	(804)	(611)
In CDI	Increase of CDI	(8,637)	(10,299)	(11,960)	(6,976)	(5,314)
In TR	Increase of TR	(40,192)	(41,211)	(42,231)	(39,172)	(38,152)
In TJLP	Increase of TJLP	(915)	(1,073)	(1,232)	(756)	(597)
		(50,741)	(53,773)	(56,807)	(47,708)	(44,674)
Leases						
In IGPM	Increase of IGPM	(966)	(1,208)	(1,449)	(725)	(483)
In IPCA	Increase of IPCA	(372)	(464)	(557)	(279)	(186)
		(1,338)	(1,672)	(2,006)	(1,004)	(669)
Debentures						
In IPCA	Increase of IPCA	(9,243)	(10,200)	(11,157)	(8,286)	(7,329)
In TR	Increase of TR	(5,763)	(5,895)	(6,027)	(5,631)	(5,498)
In CDI	Increase of CDI	(78,842)	(94,212)	(109,582)	(63,471)	(48,101)
		(93,848)	(110,307)	(126,766)	(77,388)	(60,928)
		(128,639)	(144,142)	(159,647)	(113,134)	(97,627)
Macroeconomic indicators	Source	2021				
TR	B3 (i)	0.97%				
CDI	B3 (ii)	8.99%				
TJLP	BNDES (iii)	5.32%				
IPCA	BACEN (iv)	4.72%				
IGPM	BACEN (iv)	4.87%				

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

- (i) 12-month projections obtained from B3's website on October 6, 2021 for the base date of September 30, 2021.
- (ii) 12-month projections obtained from B3's website on October 6, 2021 for the base date of September 30, 2021.
- (iii) Rate published on the website of the National Bank for Economic and Social Development ("BNDES"), being applied for a period of 12 months.
- (iv) 12-month projections obtained from the Focus-BACEN Report of October 1, 2021.

(b) Credit risk

The policy of the Group takes into consideration the level of credit risk that the Group is willing to accept in the ordinary course of its business. The diversification of its receivables is inherent to the Group's business model and minimizes possible default problems in accounts receivable.

There have been no changes in the credit risk management policies in relation to those presented in the financial statements for the year ended December 31, 2020.

On September 30, 2021, the Company had overdue and unpaid accounts receivable that may change due to unexpected factors such as COVID-19 or that are concentrated in government clients, including Public-Private Partnership ("PPP") contracts. The Company and its subsidiaries have adopted collection and cut-off procedures, when applicable, aimed at receiving the amounts recorded in accounts receivable and avoiding, therefore, effects on its profit or loss, cash flows and financial position.

(c) Liquidity risk

To manage the liquidity of cash in local currency, assumptions related to future disbursements and receipts are determined and monitored daily by the companies' treasury department.

The table below analyzes the Group's financial liabilities by aging group for the period between the balance sheet date and the contractual maturity date. The amounts disclosed in the table are the contracted undiscounted cash flows.

	In thousands of reais					
	Less than one year	Between one and two years	Between two and five years	Over five years	Total by maturity	Amounts to be incurred (i)
At September 30, 2021						
Trade payables	215,273				215,273	
Debits	536,784	395,194	1,093,501	3,172,296	5,197,775	(1,881,530)
Leases	37,789	28,950	51,949	32,032	150,720	
Debentures	655,306	1,061,431	3,600,709	732,838	6,050,284	(1,648,767)
	1,445,152	1,485,575	4,746,159	3,937,166	11,614,052	(3,530,297)
						8,083,755

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

	In thousand of dollars					
	Less than one year	Between one and two years	Between two and five years	Over five years	Total by maturity	Amounts to be incurred (i)
At September 30, 2021						
Trade payables	39,577				39,577	39,577
Debts	98,684	72,654	201,033	583,207	955,578	(345,907)
Leases	6,947	5,322	9,551	5,888	27,708	1
Debentures	120,474	195,138	661,968	134,728	1,112,308	(303,116)
	265,682	273,114	872,552	723,823	2,135,171	(649,022)
						1,486,149

- (i) Since the amounts included in the table are the contracted undiscounted cash flows, these amounts are reconciled with the amounts disclosed in the balance sheet for trade payables and debts, leases and debentures in the “amounts to be incurred” column.

5.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

For its capital management, the Group may review the policy for the payment of dividends, return capital to stockholders or even issue new shares or sell assets to optimize its capital structure.

Consistent with other companies in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio corresponds to net debt expressed as a percentage of total capital.

Net debt is calculated as total debts, debentures and leases (including current and non-current debts), as shown in the consolidated balance sheet, less cash and cash equivalents and restricted funds.

Total capital is calculated as equity, as shown in the consolidated balance sheet, plus net debt.

The gearing ratios for the nine-month period ended September 30, 2021 and year ended December 31, 2020 were as follows:

	Consolidated	
	September 30, 2021	December 31, 2020
	US\$	R\$
Total debts, debentures and leases (Note 14)	1,446,572	7,868,482
(-) Cash and cash equivalents (Note 6)	(197,502)	(1,074,292)
(-) Restricted funds	(13,095)	(71,231)
Net debt	1,235,975	6,722,959
Total equity and non-controlling interests	625,895	3,404,494
Total capital	1,861,870	10,127,453
Gearing ratio - %	66%	66%
		58%

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

5.3 Fair value estimate

There were no changes in the fair value estimates in relation to those presented in the financial statements for the year ended December 31, 2020.

Management concluded that, for all of the Group's financial instruments, assets and liabilities, taking into consideration the terms to maturity, their nature and by comparing the contractual interest rates with market interest rates in similar transactions, the carrying amounts approximate their fair values.

Debts and debentures are classified as Level 2 in the fair value hierarchy, as established in items 72 to 90 of CPC 46 / IFRS 13.

5.4 Financial instruments by category

The Group's financial instruments are classified as follows:

	Parent company				Consolidated			
	September 30, 2021		December 31, 2020		September 30, 2021		December 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at amortized cost								
Cash and cash equivalents	319,550	319,550	784,437	784,437	1,074,292	1,074,292	1,247,394	1,247,394
Restricted funds					71,231	71,231	1,242,038	1,242,038
Trade accounts receivable, net	253	253			3,750,901	3,750,901	3,469,959	3,469,959
Related parties	1,539,411	1,539,411	1,282,897	1,282,897	15,172	15,172	15,392	15,392
	<u>1,859,214</u>	<u>1,859,214</u>	<u>2,067,334</u>	<u>2,067,334</u>	<u>4,911,596</u>	<u>4,911,596</u>	<u>5,974,783</u>	<u>5,974,783</u>
Financial liabilities at amortized cost								
Trade payables	(20,612)	(20,612)	(19,317)	(19,317)	(215,273)	(215,273)	(136,342)	(136,342)
Debts					(3,316,245)	(3,316,087)	(3,191,742)	(3,195,195)
Leases	(27,743)	(27,743)	(28,942)	(28,942)	(150,720)	(150,720)	(160,373)	(160,373)
Debentures	(1,309,900)	(1,315,745)	(1,094,919)	(1,150,057)	(4,401,517)	(4,417,035)	(3,834,610)	(3,853,435)
Concession rights payable					(209,169)	(209,169)	(1,591,878)	(1,591,878)
Related parties	(8,934)	(8,934)	(8,788)	(8,788)	(63,405)	(63,405)	(49,050)	(49,050)
	<u>(1,367,189)</u>	<u>(1,373,034)</u>	<u>(1,151,966)</u>	<u>(1,207,104)</u>	<u>(8,371,689)</u>	<u>(8,371,689)</u>	<u>(8,963,995)</u>	<u>(8,986,273)</u>
In R\$								
In US\$	<u>(251,349)</u>	<u>(252,424)</u>	<u>(211,782)</u>	<u>(221,919)</u>	<u>(1,536,269)</u>	<u>(1,539,083)</u>	<u>(1,647,975)</u>	<u>(1,652,071)</u>

5.5 Credit quality of financial assets

The Group has cash and cash equivalents and restricted funds only with banks that are considered first-class.

Due to the characteristics of the Group's accounts receivable, which include (i) portfolio of receivables with no complexity, and (ii) low credit risk, the Company adopted the simplified expected credit loss approach, which consists of recognizing the expected credit loss over the total estimated useful life of the asset.

Accounts receivable are initially recognized at fair value less the expected losses from doubtful accounts, calculated based on the analysis of future losses, in accordance with the history of default, separating private and public clients, and in accordance with the assessment of management.

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

6 Cash and cash equivalents

	Parent company		Consolidated	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
	US\$	R\$	US\$	R\$
Fixed fund			6	35
Current account	127	692	18,290	99,488
Financial investments (i)	58,620	318,858	179,206	974,769
	58,747	319,550	197,502	1,074,292
		784,437		1,247,394

- (i) The balance of financial investments on is mainly represented by highly-liquid Bank Deposit Certificates ("CDBs"), investment funds and repurchase agreements with first-class banks with a remuneration subject to a weighted average of approximately 106.8% of the Interbank Deposit Certificate ("CDI") rate in the period from January to September 2021 (December 31, 2020 – 95% of the CDI rate).

7 Restricted funds

	Consolidated	
	September 30, 2021	December 31, 2020
	US\$	R\$
Rio Claro	563	3,065
Santa Gertrudes		1
Uruguaiana	125	678
Porto Ferreira	1,746	9,498
Ativos Maduros	930	5,056
Projetos Ambientais	9,731	52,933
RMM (i)		1,200,602
	13,095	71,231
		1,242,038
(-) Current		(1,200,602)
Non-current	13,095	71,231
		41,436

The balances mainly represent bank deposits that are remunerated at approximately 99.3% of the Interbank Deposit Certificate ("CDI") rate (December 31, 2020 – 103% of the CDI rate) and their use is tied to compliance with the contractual obligations from financing and debenture operations. The amounts are maintained until the termination of the contracts.

- (i) The amount on December 31, 2020 refers to the funding from the issue of debentures by the subsidiary RMM to be exclusively used in the payment of the remaining balance of the concession made on July 2 and September 1, 2021, as disclosed in Note 14.3.

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

8 Trade accounts receivable, net

	Consolidated	
	September 30, 2021	December 31, 2020
	US\$	R\$
Trade accounts receivable		
Public concessions	250,496	1,362,543
Allowance for expected losses from doubtful accounts	(46,784)	(254,475)
	203,712	1,108,068
Billing rights		
Public concessions	485,868	2,642,833
	689,580	3,750,901
(-) Current	(107,331)	(583,814)
Non-current	582,249	3,167,087
		2,915,379

All trade accounts receivable and billing rights of the Group are denominated in Brazilian reais and are presented net of the allowance for expected losses.

The indirect subsidiary Saneatins has accounts receivable from ATS, a state government agency that is responsible for the operation of many water supply systems in the State of Tocantins, as described in Note 1.1 (d). The service provided is recognized by the government agency and the negotiations on payment conditions that had been interrupted during the pandemic have been recently resumed, since all efforts of the State Public Administration are focused on actions in the health field.

The aging analysis of these trade accounts receivable is as follows:

	Consolidated	
	September 30, 2021	December 31, 2020
	US\$	R\$
To fall due	29,274	159,235
Overdue		
Within 30 days	14,372	78,176
From 31 to 60 days	7,332	39,883
From 61 to 90 days	5,025	27,335
From 91 to 180 days	11,914	64,803
Over 180 days	110,007	598,374
Unbilled amounts	25,547	138,958
Trade accounts receivable	203,471	1,106,764
Billing agents	241	1,304
Billing rights	485,868	2,642,833
Total	689,580	3,750,901
		3,469,959

On September 30, 2021, the Group has R\$ 1,987,738 – US\$ 365,433 (December 31, 2020 – R\$ 1,781,833) related to credit rights that were assigned or pledged as guarantee for debts and debentures.

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

The changes in the allowance for expected credit losses from doubtful accounts of the Group are as follows:

	At the beginning of the period	Additions	Trade accounts receivable written off due to payment	Trade accounts receivable written off as uncollectible	Other	Transfer of investments (i)	At the end of the period
At September 30, 2021	(220,366)	(73,030)	37,750	1,171			(254,475)
At September 30, 2021 (in US\$)	(40,513)	(13,426)	6,940	215			(46,784)
At December 31, 2020	(167,271)	(69,943)	22,980	2,791	1,448	(10,371)	(220,366)

- (i) This refers to the corporate reorganization process on September 30, 2020 (Note 1.1 (c)).

9 Investments

(a) Summary of the financial information of subsidiaries and joint ventures

The tables below present summaries of the financial information of subsidiaries and joint ventures. The financial information of subsidiaries refers to direct and indirect subsidiaries of the first and second levels:

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

		December 31, 2020										In thousands of reais
												September 30, 2020
	Holding %	Current assets	Current liabilities	Current assets, net	Non-current assets	Non-current liabilities	Non-current assets, net	Equity	Investment	Net service and sales revenue	Gross profit	Profit (loss) for the period
Subsidiaries												
Direct												
Concessionaires												
Rio Claro	60.00	20,604	16,694	3,910	151,170	84,251	66,919	70,829	42,497	41,078	17,917	6,979
RDOP Consolidated	100.00	27,923	227,366	(199,443)	782,646	302,143	480,503	281,060	281,060	52,522	38,907	14,578
Mauá	100.00	26,971	22,422	4,549	230,865	192,775	38,090	42,639	42,639	51,396	28,933	4,887
Blumenau	100.00	23,445	15,576	7,869	264,301	203,978	60,323	68,192	68,192	44,279	16,378	(711)
Santa Gertrudes	100.00	2,495	1,562	933	14,027	13,427	600	1,533	1,533	7,784	2,287	243
Mairinque	95.36	5,453	21,552	(16,099)	53,979	11,195	42,784	26,685	25,447	19,466	3,436	(574)
Uruguaiana	100.00	24,554	24,863	(309)	208,573	169,647	38,926	38,617	38,617	54,904	20,601	2,776
Porto Ferreira	100.00	8,496	4,202	4,294	54,038	51,650	2,388	6,682	6,682	20,324	6,502	1,181
Centro Norte Participações Consolidated	100.00	302,633	230,997	71,636	1,452,102	1,393,944	58,158	129,794	129,794	446,774	172,515	(3,095)
Araguaia	100.00	9,552	23,505	(13,953)	49,843	15,203	34,640	20,687	20,687	9,935	484	(2,016)
BRK Negócios Industriais Consolidated	100.00	17	4,000	(3,983)	43,523	14,944	28,579	24,596	24,596			(96)
Maranhão	100.00	38,240	9,598	28,642	187,503	207,565	(20,062)	8,580	8,580	63,480	22,084	(2,839)
BRK Projetos Ambientais Consolidated	100.00	370,809	408,547	(37,738)	3,475,391	3,161,252	314,139	276,401	276,401	722,196	254,606	67,129
Sumaré	100.00	27,881	83,868	(55,987)	221,332	102,046	119,286	63,299	63,299	85,878	21,162	(805)
Mauá Água	100.00	718		718	758	86	672	1,390	1,390			(34)
Santo André	100.00				3,400	(246)	(246)					(55)
Rio das Ostras	0.58	27,122	157,698	(130,576)	782,646	287,415	495,231	364,655	2,104	52,522	38,907	16,082
RMR	9.38	78,564	176,535	(97,971)	1,662,524	1,237,393	425,131	327,160	30,704	388,403	135,731	56,392
Goias	1.00	61,306	99,687	(38,381)	1,085,688	965,962	119,726	81,345	814	217,129	63,322	18,850
Caçador	100.00	8,350	23,753	(15,403)	20,241	2,759	17,482	2,079	2,079	18,179	1,337	(1,676)
RMM	100.00	1,296,388	1,397,853	(101,465)	2,034,432	1,784,320	250,112	148,647	148,647			
BRK Ativos Maduros Consolidated	100.00	170,224	112,291	57,933	726,330	372,380	353,950	411,883	411,883	276,786	117,794	41,809
BRK NE	99.90	1		1				1	1			
BRK SE	99.90	1		1				1	1			
BRK NI	99.90	1		1				1	1			
Non-concessionaires												
Digital	100.00	1,594	2	1,592		20	(20)	1,572	1,572			1
Ecoagua	100.00	379	2	377	8,657	25	8,632	9,009				50
Investments in subsidiaries on December 31, 2020									1,638,229			
Jointly-controlled subsidiaries												
F. AB. Zona Oeste	50.00	155,878	151,980	3,898	793,457	632,548	160,909	164,807	82,403	253,597	102,200	13,782
Investments in jointly-controlled subsidiaries on December 31, 2020									82,403			
Investment balance on December 31, 2020									1,720,632			

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

In thousands of reais												
September 30, 2021												
	Holding %	Current assets	Current liabilities	Current assets, net	Non-current assets	Non-current liabilities	Non-current assets, net	Equity	Investment	Net service and sales revenue	Gross profit (loss)	Profit (loss) for the period
Subsidiaries												
Direct												
Concessionaires												
Rio Claro	60.00	24,283	16,904	7,379	150,729	76,404	74,325	81,704	49,022	55,268	23,837	10,875
RDOP Consolidated	100.00	34,438	153,960	(119,522)	828,072	404,450	423,622	301,892	301,892	54,069	42,552	16,732
Mauá	100.00	30,547	22,514	8,033	224,177	184,266	39,911	47,944	47,944	54,409	31,557	5,430
Blumenau	100.00	61,765	18,410	43,355	283,958	256,715	27,243	70,598	70,598	56,069	22,204	2,406
Santa Gertrudes	100.00	2,642	1,812	830	15,467	14,527	940	1,770	1,770	9,083	2,587	238
Mairinque	96.11	5,995	21,735	(15,740)	60,712	12,475	48,237	32,497	31,231	19,578	6,771	717
Uruguiana	100.00	28,820	20,050	8,770	235,298	198,445	36,853	45,623	45,623	71,596	25,664	7,006
Porto Ferreira	100.00	8,137	5,580	2,557	56,487	52,803	3,684	6,241	6,241	21,927	6,010	(442)
Centro Norte Participações Consolidated	100.00	231,178	269,410	(38,232)	1,561,201	1,397,435	163,766	125,534	125,534	497,922	194,323	(4,259)
Araguaia	100.00	7,257	24,908	(17,651)	51,993	16,801	35,192	17,541	17,541	9,618	(195)	(3,144)
BRK Negócios Industriais	100.00	238	4,087	(3,849)	43,523	15,165	28,358	24,509	24,509			(97)
Maranhão	100.00	38,092	16,891	21,201	222,624	238,468	(15,844)	5,357	5,357	90,530	39,401	(3,223)
BRK Projetos Ambientais Consolidated	100.00	467,028	539,072	(72,044)	3,927,198	3,428,651	498,547	359,728	359,728	875,645	309,225	66,330
Sumaré	100.00	95,626	15,624	80,002	244,217	233,771	10,446	90,448	90,448	95,441	21,016	(1,202)
Mauá Água	100.00	719	4	715	758	158	600	1,315	1,315			(96)
Santo André	100.00				3,400	3,704	(304)	(304)				(58)
Rio das Ostras	0.58	33,651	92,970	(59,319)	828,072	386,057	442,015	382,696	2,208	54,069	42,552	18,042
RMR	9.39	168,692	253,651	(85,159)	1,927,947	1,441,291	486,656	401,497	37,680	407,549	165,866	74,338
Goias	1.00	82,327	154,956	(72,629)	1,259,156	1,101,847	157,309	84,680	848	315,414	77,612	(1,669)
Caçador	100.00	22,742	3,864	18,878	30,568	47,325	(16,757)	2,121	2,121	22,961	3,212	(757)
RMM	100.00	174,221	100,880	73,341	2,094,071	1,794,126	299,945	373,286	373,286	112,465	5,616	(75,361)
BRK Ativos Maduros Consolidated	100.00	269,921	106,033	163,888	676,980	377,038	299,942	463,831	463,831	286,468	51,948	51,948
BRK NE	99.90	1		1		1	(1)					(2)
BRK NI	99.90	1	1		(2)	5	(7)	(7)				(7)
Non-concessionaires												
Digital	100.00	1,585	2	1,583		22	(22)	1,561	1,561			(10)
Ecoaquá	100.00	427	11	416	8,730	4	8,726	9,142	9,141			133
Investments in subsidiaries on September 30, 2021									2,069,429			
Jointly-controlled subsidiaries												
BRK SAAB (i)	50.00	5	3	2	2	5	(3)	(1)			(5)	(5)
F. AB. Zona Oeste	50.00	140,086	106,401	33,685	922,514	797,709	124,805	158,491	79,247	298,632	121,437	1,569
Investments in jointly-controlled subsidiaries on September 30, 2021									79,247			
Investment balance on September 30, 2021									2,148,676			

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

In thousands of U.S. dollars												
September 30, 2021												
	Holding %	Current assets	Current liabilities	Current assets, net	Non-current assets	Non-current liabilities	Non-current assets, net	Equity	Investment	Net service and sales revenue	Gross profit (loss)	Profit (loss) for the period
Subsidiaries												
Direct												
Concessionaires												
Rio Claro	60.00	4,464	3,108	1,357	27,711	14,046	13,664	15,021	9,012	10,161	4,382	1,999
RDOP Consolidated	100.00	6,331	28,305	(21,973)	152,236	74,356	77,880	55,501	55,501	9,940	7,823	3,076
Mauá	100.00	5,616	4,139	1,477	41,214	33,876	7,337	8,814	8,814	10,003	5,802	998
Blumenau	100.00	11,355	3,385	7,971	52,204	47,195	5,008	12,979	12,979	10,308	4,082	442
Santa Gertrudes	100.00	486	333	153	2,844	2,671	173	325	325	1,670	476	44
Mairinque	96.11	1,102	3,996	(2,894)	11,162	2,293	8,868	5,974	5,742	3,599	1,245	132
Uruguaiana	100.00	5,298	3,686	1,612	43,258	36,483	6,775	8,388	8,388	13,162	4,718	1,288
Porto Ferreira	100.00	1,496	1,026	470	10,385	9,708	677	1,147	1,147	4,031	1,105	(81)
Centro Norte Participações Consolidated	100.00	42,501	49,529	(7,029)	287,017	256,910	30,107	23,079	23,079	91,540	35,725	(783)
Araguaia	100.00	1,334	4,579	(3,245)	9,559	3,089	6,470	3,225	3,225	1,768	(36)	(578)
BRK Negócios Industriais	100.00	44	751	(708)	8,001	2,788	5,213	4,506	4,506			(18)
Maranhão	100.00	7,003	3,105	3,898	40,928	43,841	(2,913)	985	985	16,643	7,244	(593)
BRK Projetos Ambientais Consolidated	100.00	85,860	99,105	(13,245)	721,991	630,336	91,655	66,134	66,134	160,982	56,849	12,194
Sumaré	100.00	17,580	2,872	14,708	44,898	42,977	1,920	16,628	16,628	17,546	3,864	(221)
Mauá Água	100.00	132	1	131	139	29	110	242	242			(18)
Santo André	100.00				625	681	(56)	(56)				(11)
Rio das Ostras	0.58	6,187	17,092	(10,905)	152,236	70,974	81,262	70,356	406	9,940	7,823	3,317
RMR	9.39	31,013	46,669	(15,656)	354,441	264,972	89,469	73,813	6,927	74,925	30,493	13,667
Goiás	1.00	15,135	28,488	(13,352)	231,488	202,568	28,920	15,568	156	57,987	14,268	(307)
Caçador	100.00	4,181	710	3,471	5,620	8,700	(3,081)	390	390	4,221	591	(139)
RMM	100.00	32,029	18,546	13,483	384,982	329,839	55,143	68,626	68,626	20,676	1,032	(13,855)
BRK Ativos Maduros Consolidated	100.00	49,623	19,494	30,130	124,459	69,316	55,142	85,272	85,272	52,665	9,550	9,550
BRK NE	99.90											
BRK NI	99.90					1	(1)	(1)				(1)
Non-concessionaires												
Digital	100.00	291		291		4	(4)	287	287			(2)
Ecoaquá	100.00	79	2	76	1,605	1	1,604	1,681	1,681			24
Investments in subsidiaries on September 30, 2021									380,452			
Jointly-controlled subsidiaries												
BRK SAAB (i)	50.00	1	1			1	(1)				(1)	(1)
F. AB. Zona Oeste	50.00	25,754	19,561	6,193	169,598	146,654	22,945	29,138	14,569	54,902	22,325	288
Investments in jointly-controlled subsidiaries on September 30, 2021									14,569			
Investment balance on September 30, 2021									395,021			

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021 (In thousands of reais and U.S. dollars, unless otherwise stated)

(b) Breakdown of investments

	Parent company		Consolidated	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
	US\$	R\$	US\$	R\$
Subsidiaries	380,452	2,069,429	1,638,229	
Jointly-controlled subsidiaries	14,569	79,247	82,403	82,403
Total investments, net	395,021	2,148,676	1,720,632	82,403

(c) Changes in investments – Parent company

The changes in investments are presented below:

In thousands of reais											
	Opening balance	Additions	Disposals	Dividends and interest on capital	Equity in the results of continuing operations	Equity in the results of discontinued operations	Recognition of provision for loss on investments	Write-off of provision for loss on investments of discontinued operation	Other comprehensive income (loss)	Other transfers	Closing balance
Direct subsidiaries											
Rio Claro	42,497				6,525						49,022
Mauá	42,639			(127)	5,432						47,944
RDCP Consolidated	281,060	4,100			16,732						301,892
Blumenau	68,192				2,406						70,598
Malíngue	25,447	5,087			688					9	31,231
Santa Gertrudes	1,533				237						1,770
Ecoaquá	9,009				133						9,142
Uruguaiana	38,617				7,006						45,623
Porto Ferreira	6,882				(441)						6,241
Centro Norte Participações Consolidated	129,794				(4,260)						125,534
Asquasia	20,687				(3,146)						17,541
Mauá Água	1,390	20			(95)						1,315
BRK Projetos Ambientais Consolidated	276,401	17,000			66,327						359,728
BRK Negócios Industriais	24,596	9			(96)						24,509
RMR	30,704				6,976						37,680
Rio das Ostras	2,104				104						2,208
Goiás	814			50	(16)						848
Maranhão	8,580				(3,223)						5,357
Caçador	2,079	800			(758)						2,121
RMM (i)	148,647	300,000			(75,361)						373,286
Sumaré	63,299	28,350			(1,201)						90,448
Digital	1,572				(11)						1,561
BRK Ativos Maduros Consolidated	411,883				51,948						463,831
BRK NI	1									(1)	
BRK SE	1									(1)	
Jointly-controlled subsidiaries											
BRK SAAB	1				(2)						(1)
F. AB. Zona Oeste	82,403			544	785					(4,485)	79,247
At September 30, 2021	1,720,632	355,366		467	76,689					(4,478)	2,148,676
At December 31, 2020	751,591	497,922		(81,878)	141,600		(14,259)		3,124	422,532	1,720,632
Provision for loss on investments											
Santo André	(246)				(58)						(304)
BRK NI			(1)		(7)					1	(7)
BRK SE										1	1
UVR Grajau (i)						(2,075)		4,092		(2,017)	
At September 30, 2021	(246)		(1)		(65)	(2,075)		4,092		(2,015)	(319)
At December 31, 2020	(14,177)				(328)	(7,064)	14,259			7,064	(246)

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

In thousands of U.S. dollars										
	Opening balance	Additions	Disposals	Dividends and interest on capital	Equity in the results of continuing operations	Equity in the results of discontinued operations	Recognition of provision for loss on investments	Write-off of provision for loss on investments of discontinued operation	Other comprehensive income (loss)	Closing balance
Direct subsidiaries										
Rio Claro	7,813				1,200					9,013
Mauá	7,839			(23)	99					8,815
RDOP Consolidated	51,671	754			3,076					55,501
Blumenau	12,537				442					12,979
Matrinque	4,678	935			126				2	5,741
Santa Gertrudes	282				44					326
Ecoaquia	1,656				24					1,680
Uruguaiana	7,099				1,288					8,387
Porto Ferreira	1,228				(81)					1,147
Centro Norte Participações Consolidated	23,862				(783)					23,079
Ataguiás	3,803				(578)					3,225
Mauá Água	256	4			(17)					243
BRK Projetos Ambientais Consolidated	50,815	3,125			12,194					66,134
BRK Negócios Industriais	4,522	2			(18)					4,506
RMR	6,645				1,282					6,927
Rio das Ostras	387				19					406
Goias	150			9	(3)					156
Maranhão	1,577				(59)					1584
Capadoc	382	147			(130)					399
RMM (i)	27,328	55,153			(13,855)					68,626
Sumaré	11,637	5,212			(221)					16,628
Digital	289				(2)					287
BRK Alvos Maduros Consolidated	75,722				9,550					85,272
BRK NI										
BRK SE										
Jointly-controlled subsidiaries										
BRK SAAB										
F. AB. Zona Oeste	15,149			100	145				(825)	14,569
At September 30, 2021	316,327	65,332		86	14,099				(823)	395,021
At December 31, 2020	138,175	91,540		(15,053)	26,032		(2,621)		574	316,327
Provision for loss on investments										
Santo André	(45)				(11)					(56)
BRK NI					(1)					(1)
BRK SE										
UVR Grajau (i)						(381)		762	(371)	
At September 30, 2021	(45)				(12)	(381)		762	(371)	(57)
At December 31, 2020	(2,606)				(60)	(1,299)	2,621		1,299	(45)

(i) This refers mainly to the sale of UVR (Note 1.1 (b)).

(i) On July 1, 2021, the Company paid-in capital of subsidiary RMM in the amount of R\$ 300,000 – US\$ 55,153 in cash, referring to the issue of 483,598,688 common, nominative shares with no par value carried out on June 16, 2021.

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

(d) Changes in investments - Consolidated

The changes in investments are presented below:

In thousands of reais						
Opening balance	Dividends	Equity in the results of investees	Other transfers	Transfer of investments (i)	Other comprehensive income (loss)	Closing balance
<u>Jointly-controlled subsidiaries</u>						
F. AB. Zona Oeste	82,403	544	785	(4,485)		79,247
At September 30, 2021	82,403	544	785	(4,485)		79,247
At December 31, 2020	132,541	(3,292)	5,843	(53,055)	366	82,403

In thousands of U.S. dollars						
Opening balance	Dividends	Equity in the results of investees	Other transfers	Transfer of investments (i)	Other comprehensive income (loss)	Closing balance
<u>Jointly-controlled subsidiaries</u>						
F. AB. Zona Oeste	15,149	100	144	(824)		14,569
At September 30, 2021	15,149	100	144	(824)		14,569
At December 31, 2020	24,367	(605)	1,074	(9,754)	67	15,149

(i) This refers to the corporate reorganization process on September 30, 2020 (Note 1.1 (c)).

(e) Dividends and interest on capital receivable

(i) Breakdown

	Parent company		Consolidated	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
	US\$	R\$	US\$	R\$
Mairinque	96	521	521	
Mauá	5,785	31,469	31,342	
RDOP	12,626	68,678	68,678	
Rio Claro	3,592	19,536	20,964	
Rio das Ostras	42	230	230	
Porto Ferreira	143	777	777	
Uruguaiana	474	2,576	2,576	
F. AB. Zona Oeste	998	5,429	5,973	
RMR	379	2,064	2,064	
Golias			50	
Santa Gertrudes	7	38	38	
BRK Negócios Industriais	735	4,000	4,000	
BRK Ativos Maduros	2,685	14,601	14,945	
	27,562	149,919	152,178	
(-) Current	(5,719)	(31,108)	(101,996)	
Non-current	21,843	118,811	50,182	

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021 (In thousands of reais and U.S. dollars, unless otherwise stated)

(ii) Changes

	Parent company					
	Opening balance	Additions	Income tax withheld at source	Receipt	Assignment	Other
	Closing balance					
	R\$		US\$		R\$	
Interest on capital						
Mauá	4,239		779		4,239	
Rio Claro	5,779		1,062		5,779	
Rio das Ostras	14		3		14	
Porto Ferreira	182		33		182	
Santa Gertrudes	38		7		38	
	10,252		1,884		10,252	
Dividends receivable						
Mairinque	521		96		521	
Mauá	27,103	127	5,006		27,230	
RDOP	68,678		12,626		68,678	
Rio Claro	15,205		2,530	(1,448)	13,757	
Porto Ferreira	595		110		595	
Rio das Ostras	216		39		216	
Uruguaiana	2,576		474		2,576	
FAB, Zona Oeste	5,973		998	(544)	5,429	
RMR	2,064		379		2,064	
Goiás	60		(50)		10	
BRK Negócios Industriais	4,000		735		4,000	
BRK Ativos Maduros	14,945		2,685	(344)	14,601	
	141,926	127	25,678	(1,792)	139,667	
At September 30, 2021	152,178	127	27,562	(1,792)	149,919	
At December 31, 2020	146,790	81,878	27,977	(63,720)	152,178	

	Consolidated					
	Opening balance	Additions	Receipt	Transfer of investments (i)	Other	Closing balance
	Closing balance					
	R\$		US\$		R\$	
Dividends receivable						
FAB, Zona Oeste	5,973		998	(544)	5,429	
At September 30, 2021	5,973		998	(544)	5,429	
At December 31, 2020	3,700	5,167	2,007	(887)	5,973	

(i) This refers to the corporate reorganization process on September 30, 2020 (Note 1.1 (c)).

10 Contract assets

	Consolidated		
	September 30, 2021	December 31, 2020	
	US\$	R\$	
At the beginning of the period/year	186,152	1,012,556	1,021,630
(+) Additions	107,799	586,363	512,041
(-) Transfers - intangible assets	(69,889)	(380,152)	(643,071)
(+) Changes – inventory of construction works	2,853	15,519	
(+) Transfer of investments (i)			119,303
(+/-) Other transfers	235	1,273	2,653
At the end of the period/year	227,150	1,235,559	1,012,556

(i) This refers to the corporate reorganization process on September 30, 2020 (Note 1.1 (c)).

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

(a) Contract assets

This refers to the investments in infrastructure related to the companies listed below:

Contract assets	September 30, 2021		December 31, 2020		Consolidated Expected completion
	US\$		R\$		
Rio Claro	1,778	9,669	35,599		Dec 2024
Mauá	358	1,945	1,448		Dec 2021
Blumenau	7,386	40,176	20,686		Dec 2027
Santa Gertrudes	287	1,562	4,289		Dec 2025
Mairinque	8,501	46,240	40,500		Dec 2021
Uruguaiana	12,169	66,191	35,487		Dec 2022
Porto Ferreira	959	5,218	10,930		Jan 2023
Saneatins	53,935	293,376	192,780		Dec 2021
Caçador	3,029	16,475	6,894		Mar 2024
Araguaia	1,177	6,402	3,699		Dec 2021
Sumaré	7,672	41,730	30,867		Dec 2025
Maranhão	12,923	70,293	94,148		Dec 2023
Mauá Água	139	758	758		Dec 2021
Macaé	14,844	80,744	62,977		Dec 2021
Goiás	83,892	456,323	329,587		Dec 2023
RMM	6,828	37,138	4,032		Jun 2023
Limeira	8,904	48,435	133,423		Dec 2025
Cachoeiro	2,369	12,884	4,452		Dec 2021
	227,150	1,235,559	1,012,556		

(b) Capitalization of interest and financial charges

In the nine-month period ended September 30, 2021, the Group capitalized interest and financial charges on the concession's assets amounting to R\$ 29,226 – US\$ 5,373 (December 31, 2020 - R\$ 68,661) in the period in which the assets were under construction.

The weighted average rate of financial charges used in determining the amount of borrowing costs, to be capitalized as an integral part of the assets under construction, was 8.85% p.a. in the nine-month period ended September 30, 2021 (December 31, 2020 - 8.59% p.a.).

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

11 Right-of-use lease

	Parent company			
	Real estate properties	IT equipment	Vehicles	Total
Acquisition cost				
At January 1, 2020	28,805	2,047	131	30,983
Additions	4,881	19		4,900
Write-offs		(149)		(178)
Transfers		(29)		
At December 31, 2020	33,686	1,888	131	35,705
Accumulated amortization				
At January 1, 2020	(3,403)	(636)	(52)	(4,091)
Amortization	(4,400)	(958)	(73)	(5,460)
Write-offs		297		326
At December 31, 2020	(7,803)	(1,297)	(125)	(9,225)
Net carrying amount	25,883	591	6	26,480
Acquisition cost				
At January 1, 2021	33,686	1,888	131	35,705
Additions	734	46	34	814
Remeasurements	86	960	17	1,063
At September 30, 2021	34,506	2,894	182	37,582
Accumulated amortization				
At January 1, 2021	(7,803)	(1,297)	(125)	(9,225)
Amortization	(3,274)	(1,401)	(27)	(4,702)
At September 30, 2021	(11,077)	(2,698)	(152)	(13,927)
Net carrying amount (R\$)	23,429	196	30	23,655
Net carrying amount (US\$)	4,307	36	6	4,349
Useful life (years)	2 a 24	2 a 3	2 a 5	

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

	Consolidated				
	Real estate properties	IT equipment	Machinery and equipment	Vehicles	Total
Acquisition cost					
At January 1, 2020	83,305	4,940	12,917	26,914	128,076
Additions	19,250	497	48,145	10,378	78,270
Write-offs	(1,892)	(420)	(4,952)	(5,081)	(12,345)
Transfers		(29)	(448)	477	
Transfer of investments (i)	795	548	3,816	2,629	7,788
At December 31, 2020	101,458	5,536	59,478	35,317	201,789
Accumulated amortization					
At January 1, 2020	(8,919)	(1,150)	(1,128)	(9,865)	(21,062)
Amortization	(10,721)	(2,435)	(10,780)	(10,935)	(34,871)
Write-offs	670	359	523	3,752	5,304
Transfers		(2)	12	(10)	
Transfer of investments (i)	(70)	(332)	(636)	(1,214)	(2,252)
At December 31, 2020	(19,040)	(3,560)	(12,009)	(18,272)	(52,881)
Net carrying amount	82,418	1,976	47,469	17,045	148,908
Acquisition cost					
At January 1, 2021	101,458	5,536	59,478	35,317	201,789
Additions	4,223	500	9,356	9,938	24,017
Write-offs			(1,880)	(1,487)	(3,367)
Remeasurements	(3,880)	1,140	(5,864)	6,656	(1,948)
At September 30, 2021	101,801	7,176	61,090	50,424	220,491
Accumulated amortization					
At January 1, 2021	(19,040)	(3,560)	(12,009)	(18,272)	(52,881)
Amortization	(9,127)	(2,723)	(9,449)	(10,817)	(32,116)
Write-offs			257	284	541
At September 30, 2021	(28,167)	(6,283)	(21,201)	(28,805)	(84,456)
Net carrying amount (R\$)	73,634	893	39,889	21,619	136,035
Net carrying amount (US\$)	13,537	164	7,333	3,975	25,009
Useful life (years)	2 a 24	2 a 3	2 a 6	2 a 5	

- (i) This refers to the corporate reorganization process on September 30, 2020 (Note 1.1 (c)).

The lease balance presented above includes the residual amount of related parties of R\$ 56,137 – US\$ 10,320 (December 31, 2020 – R\$ 46,261) with Ouro Verde Locações e Serviços S.A. ("Ouro Verde").

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

12 Intangible assets

	Parent company				
	Concession right (goodwill)	Goodwill	Software	Intangible assets under formation (i)	Other
Acquisition cost					
At January 1, 2020	499,195	8,777	37,125	44,359	6
Additions			465	100,915	
Transfers			894	(894)	
At December 31, 2020	499,195	8,777	38,484	144,380	6
Accumulated amortization					
At January 1, 2020	(66,207)		(8,806)		
Amortization	(18,809)		(7,100)		
At December 31, 2020	(85,016)		(15,906)		
Net carrying amount	414,179	8,777	22,578	144,380	6
Useful life (years)	13 a 36		5		
Acquisition cost					
At January 1, 2021	499,195	8,777	38,484	144,380	6
Additions				98,589	
Other transfers			58,775	(59,349)	(2)
At September 30, 2021	499,195	8,777	97,259	183,620	4
Accumulated amortization					
At January 1, 2021	(85,016)		(15,906)		
Amortization	(14,107)		(7,155)		
Other transfers			420		(2)
At September 30, 2021	(99,123)		(22,641)		(2)
Net carrying amount (R\$)	400,072	8,777	74,618	183,620	2
Net carrying amount (US\$)	73,551	1,614	13,718	33,757	
Useful life (years)	13 to 36		5		

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

	Consolidated					
	Water and wastewater system	Goodwill	Concession right and client portfolio	Software	Intangible assets under formation (i)	Other
						Total
<i>Continuing operations</i>						
Acquisition cost						
At January 1, 2020	2,525,107	8,777	1,169,659	46,414	44,359	3,795,821
Additions	20,829		2,021,584	1,365	100,915	2,144,693
Write-offs	(1,016)					(1,016)
Transfers - contract assets	635,488		7,583			643,071
Other transfers	(783)			2,777	(894)	452
Transfer of investments (ii)	447,983		41,909	1,835		494,030
At December 31, 2020	3,627,608	8,777	3,240,735	52,391	144,380	7,077,051
Accumulated amortization						
At January 1, 2020	(675,440)		(272,281)	(13,619)		(962,125)
Amortization	(145,142)		(48,382)	(8,735)		(202,261)
Write-offs	1,121					1,121
Other transfers	(103)			(8)		(103)
Transfer of investments (ii)	(204,145)		(13,403)	(1,283)		(221,134)
At December 31, 2020	(1,023,709)		(334,066)	(23,645)		(1,384,502)
Net carrying amount	2,603,899	8,777	2,906,669	28,746	144,380	5,692,549
Acquisition cost						
At January 1, 2021	3,627,608	8,777	3,240,735	52,391	144,380	7,077,051
Additions	9,879				98,589	108,468
Write-offs	(105)					(105)
Transfers - contract assets	377,689		2,463			380,152
Other transfers and remeasurements	1,033	1		59,672	(59,347)	(1,793)
At September 30, 2021	4,016,104	8,778	3,243,198	112,063	183,622	7,563,773
Accumulated amortization						
At January 1, 2021	(1,023,709)		(334,066)	(23,645)		(1,384,502)
Amortization	(131,717)		(51,800)	(8,221)		(191,738)
Write-offs	14					14
Other transfers and remeasurements	(496)		(234)	357		2,709
At September 30, 2021	(1,155,908)		(386,100)	(31,509)		(1,573,517)
Net carrying amount (R\$)	2,860,196	8,778	2,857,098	80,554	183,622	5,990,256
Net carrying amount (US\$)	525,829	1,614	525,260	14,809	33,758	1,101,271
Useful life (years)	5 a 50		28 a 50	5 a 10		

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

- (i) This refers mainly to the implementation of the new ERP system and to the development and improvement of commercial management software. On June 30, 2021, the SAP DI, SAP Concur and SAP Ariba systems were implemented. The Company expects the completion of R\$ 83,548 – US\$ 15,360 by December 2021.
- (ii) This refers to the corporate reorganization process on September 30, 2020 (Note 1.1 (c)).

(a) Goodwill

The Company has recorded the amount of R\$ 8,777 related to goodwill from future profitability ("Goodwill") in the subsidiary BRK Ativos Maduros.

13 Trade payables

The Company has contracts with several suppliers and contractors that provide services and supply materials for the operation of the provision of sanitary wastewater services.

	Parent company		Consolidated	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
	US\$	R\$	US\$	R\$
Acquisition of infrastructure			13,666	74,334
Operational services and materials	2,805	15,258	12,946	101,621
Contractual retentions			6	13,613
Other	984	5,354	4,726	25,705
	3,789	20,612	19,317	136,342

14 Debts, debentures and leases

Note	Parent company		Consolidated	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
	US\$	R\$	US\$	R\$
Total debts	14.1		609,671	3,316,245
Total leases	14.2		27,709	150,720
Total debentures	14.3		809,192	4,401,517
	245,917	1,337,643	1,123,861	1,446,572
(-) Current	(1,757)	(9,557)	(23,124)	(100,871)
Non-current	244,160	1,328,086	1,100,737	1,345,701

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

14.1 Debts

(a) Breakdown

Type and annual financial charges	Average annual charges	Maturity	Transaction costs incurred	Unearned cost balances	Consolidated		
					September 30, 2021		December 31, 2020
					R\$	US\$	R\$
Working capital	12.18%	Nov 2021 to Sep 2022			23,141	125,871	148,876
Structured (i)	8.52%	Jan 2022 to Nov 2041	33,956	(29,047)	591,870	3,219,421	3,072,416
(-) Transaction costs					(5,340)	(29,047)	(29,550)
Total			33,956	(29,047)	609,671	3,316,245	3,191,742
Total short-term debts					57,064	310,392	340,564
(-) Transaction costs					(365)	(1,985)	(1,935)
Current					56,699	308,407	338,629
Total long-term debts					557,947	3,034,900	2,880,728
(-) Transaction costs					(4,975)	(27,062)	(27,615)
Non-current					552,972	3,007,838	2,853,113
					609,671	3,316,245	3,191,742

(b) Changes

	Parent company		Consolidated	
	December 31, 2020		September 30, 2021	
	R\$	US\$	R\$	US\$
<i>Continuing operations</i>				
At the beginning of the period	201	586,782	3,191,742	2,502,469
(+) Addition of principal	150,000	57,475	312,629	787,450
(+) Addition of interest	3,768	35,494	193,066	218,286
(-) Repayment of principal	(150,232)	(36,641)	(199,303)	(360,346)
(-) Amortization of interest	(3,737)	(33,532)	(182,392)	(172,070)
(+) Transfer of investments (i)				237,227
(-) Addition of transaction costs	(1,558)	(179)	(975)	(24,451)
(+) Transaction costs	1,558	272	1,478	3,177
At the end of the period		609,671	3,316,245	3,191,742

- (i) This refers to the corporate reorganization process on September 30, 2020 (Note 1.1 (c)).

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

(c) Maturity term

Long-term amounts mature as follows:

	September 30, 2021	
	Consolidated	
	US\$	R\$
2022	7,038	38,284
2023	34,404	187,137
2024	34,813	189,362
2025	35,747	194,440
2026	32,546	177,033
2027	33,904	184,417
2028	34,634	188,387
2029	39,014	212,213
2030	35,312	192,077
2031	41,044	223,253
2032 onwards	224,517	1,221,235
	552,973	3,007,838

(d) Collaterals

The Group's subsidiaries seek to structure the financing of their investments under project finance for the proper mitigation and allocation of the risks of these projects and they have the necessary support of stockholders to complete these projects. Accordingly, the breakdown of the collaterals offered for the debts of the Group is presented below:

Type of collateral	September 30, 2021		Consolidated December 31, 2020
	US\$		R\$
Surety of stockholders	37,477	203,855	330,079
Project (i)	22,066	120,026	103,709
Project and support of stockholders	548,239	2,982,088	2,741,779
Total collateralized	607,782	3,305,969	3,175,567
No collaterals	7,229	39,323	45,725
(-) Transaction costs	(5,340)	(29,047)	(29,550)
Total debts	609,671	3,316,245	3,191,742

- (i) The collaterals for the projects comprise, in general, the assignment or pledge of credit rights, revenue and/or rights arising from the concessions, pledge of the subsidiaries' shares, and mortgage or pledge of plants and equipment. The Company's management monitors the collaterals and did not identify the need to recognize a liability arising from the collaterals offered.

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

(e) Relevant information

We present below the loans and financing that were released in the period:

	Type	September 30, 2021	
		US\$	R\$
Blumenau	Structured	121	659
Macaé	Structured	1,734	9,432
Limeira	Structured	4,669	25,396
RMR	Structured	32,557	177,092
Saneatins	Structured	12,765	69,436
Santa Gertrudes	Structured	6	32
Uruguaiana	Structured	5,623	30,582
		<u>57,475</u>	<u>312,629</u>

14.2 Leases

(a) Breakdown

Unit	Effective discount rate	Maturity	Consolidated	
			September 30, 2021	December 31, 2020
			US\$	R\$
Parent company				
Company	10.5% to 19.14%	Nov 2021 to Jan 2025	1,931	10,506
Company	10.50%	May 2027	3,169	17,237
			<u>5,100</u>	<u>27,743</u>
				<u>28,942</u>
Rio Claro	18.3% to 19.56%	Nov 2021 to Aug 2024	362	1,970
Rio das Ostras	18.3% to 19.14%	Dec 2021 to Jun 2023	63	341
Mauá	18.3% to 19.56%	Mar 2021 to Dec 2024	618	3,360
Blumenau	18.3% to 19.14%	Dec 2021 to Aug 2024	230	1,251
Santa Gertrudes	10.03% to 19.56%	Oct 2021 to Nov 2024	175	953
Mairinque	18.3% to 19.14%	Dec 2021 to Jun 2023	40	220
Uruguaiana	9% to 19.56%	Dec 2021 to Sep 2036	310	1,686
Porto Ferreira	18.3% to 19.56%	Oct 2021 to Feb 2026	113	612
Saneatins	11.33% to 19.56%	Oct 2021 to Dec 2031	10,585	57,577
Araguaia	9.64% to 19.56%	Dec 2021 to Sep 2042	175	951
Maranhão	9.79% to 19.56%	Dec 2021 to Oct 2024	798	4,343
Sumaré	18.3% to 19.56%	Dec 2021 to Aug 2024	574	3,123
Caçador	9% to 19.56%	Dec 2021 to Oct 2024	278	1,514
Maceió	6.2% to 19.14%	Nov 2021 to May 2026	665	3,619
Macaé	18.3% to 19.14%	Nov 2021 to May 2024	131	712
Manso	10.7% to 19.14%	Dec 2021 to Jul 2023	34	183
Goiás	8.92% to 19.56%	Jan 2022 to Nov 2024	2,628	14,296
RMR	7.66% to 19.56%	Nov 2021 to Feb 2030	3,312	18,013
Jaguaribe	19.14%	Dec 2021 to Mar 2025	47	255
Cachoeiro	18.3% to 19.56%	Nov 2021 to Dec 2025	497	2,705
Limeira	10.03% to 19.14%	Oct 2021 to Mar 2026	974	5,293
			<u>27,709</u>	<u>150,720</u>
Total				<u>160,373</u>
Current			<u>6,947</u>	<u>37,789</u>
Non-current			<u>20,762</u>	<u>112,931</u>
			<u>27,709</u>	<u>150,720</u>
				<u>160,373</u>

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

The lease balance presented above includes transactions with related parties in the amount of R\$ 49,342 – US\$ 9,071 (December 31, 2020 – R\$ 49,304) with Ouro Verde.

(b) Changes

	Parent company		Consolidated	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
	US\$	R\$	US\$	R\$
<i>Continuing operations</i>				
At the beginning of the period	5,321	28,942	28,151	29,484
(+) Addition of principal	149	813	5,010	4,411
(-) Write-offs			(914)	(4,970)
(+/-) Remeasurements	331	1,798	(2)	(311)
(-) Repayment of principal	(1,159)	(6,306)	(7,238)	(8,111)
(+) Transfer of investments (i)				(44,117)
(+) Amortization of adjustment to present value	458	2,496	3,150	17,133
At the end of the period	5,100	27,743	27,709	150,720

(i) This refers to the corporate reorganization process on September 30, 2020 (Note 1.1 (c)).

(c) Maturity term

Long-term amounts mature as follows:

	Parent company		Consolidated	
	US\$	R\$	US\$	R\$
2022	89	486	860	4,676
2023	952	5,179	5,950	32,366
2024	1,036	5,637	4,529	24,633
2025	1,144	6,221	2,336	12,709
2026	754	4,104	1,597	8,688
2027	183	990	1,053	5,729
2028			967	5,258
2029			1,069	5,813
2030			1,094	5,950
2031			1,292	7,029
2032 onwards			15	80
	4,158	22,617	20,762	112,931

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

(d) Additional information

In accordance with the basis for conclusion 161 and 162 of IASB, references in IFRS 16/CPC 06 (R2) and CVM Circular Letter No. 02/19, management used the incremental rate as a criterion for the calculation of the assets and liabilities that are within the scope of IFRS 16/CPC 06 (R2) and this is how they are presented in the Company's balance sheet.

Management understands that the rate used represents the cash flows that are the closest to the real thing and that they are in line with the characteristics of our contracts, as determined in item 27b of CVM Circular Letter.

In order to meet the guidance in the Letter and the required transparency, we present below the impacts on the balance sheet and a comparison between nominal interest rates and effective interest rates and, for the calculation of the effective rate, we used the indexes applied in our contracts, which are mostly the General Market Price Index (IGP-M) and the Broad Consumer Price Index (IPCA), applied on the flow of annual payments.

	Consolidated	
	September 30, 2021	December 31, 2020
	US\$	R\$
Nominal flow		
Lease liabilities	37,622	204,639
Embedded interest	(9,913)	(53,919)
	27,709	150,720
		160,373
Actual effective inflated flow		
Lease liabilities	41,518	225,833
Embedded interest	(10,972)	(59,679)
	30,546	166,154
		168,587

The Company and its subsidiaries concluded that it was not necessary to postpone payments due to the immaterial impact on lease liabilities and occasional discounts related to COVID-19, referring to CVM Letter No. 859.

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

14.3 Debentures

(a) Breakdown

Type	Average annual charges	Maturity	Transaction costs incurred	Unearned cost balances	Consolidated		
					September 30, 2021		December 31, 2020
					R\$	US\$	R\$
Parent company							
Working capital	11.49%	Sep 2025 to Sep 2034	30,559	(26,774)	245,739	1,336,674	1,123,066
(-) Transaction costs					(4,922)	(26,774)	(28,147)
					240,817	1,309,900	1,094,919
Subsidiaries							
Working capital	12.16%	Jun 2023 to Dec 2025	6,944	(5,772)	160,853	874,944	336,083
Concession	11.33%	Oct 2023 to Dec 2023	28,960	(21,225)	339,086	1,844,425	1,891,187
Structured	12.29%	Jul 2022 to Dec 2027	15,890	(2,254)	73,814	401,499	543,556
(-) Transaction costs					(5,378)	(29,251)	(31,135)
Total consolidated			82,353	(56,025)	809,192	4,401,517	3,834,610
Total short-term debentures					38,645	210,203	292,853
(-) Transaction costs					(1,420)	(7,723)	(6,797)
Current					37,225	202,480	286,056
Total long-term debentures					780,847	4,247,338	3,601,039
(-) Transaction costs					(8,880)	(48,301)	(52,485)
Non-current					771,967	4,199,037	3,548,554
					809,192	4,401,517	3,834,610

On May 10, 2021, the direct subsidiary Blumenau carried out the 1st issue of simple, non-convertible debentures, with additional personal guarantee, in a single series, in the amount of 62,000 – US\$ 11,398, maturing on May 10, 2023.

On June 16, 2021, the indirect subsidiary Goiás carried out the 1st issue of simple, non-convertible debentures, with additional personal guarantee, in a single series, in the amount of 150,000 – US\$ 27,577, maturing on June 16, 2023.

On June 25, 2021, the indirect subsidiary RDO carried out the 3rd issue of simple, non-convertible, unsecured debentures, with additional personal guarantee, in a single series, in the amount of R\$ 140,000 – US\$ 25,738, maturing on June 28, 2023, for the early settlement of the 2nd issue of debentures that took place on June 30, 2021 in the amount of R\$ 62,000 – US\$ 11,398 and the early settlement of the loan agreement with the National Bank for Economic and Social Development (“BNDES”) that took place on July 8, 2021.

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

On July 1, 2021, the Company carried out the 9th issue of simple non-convertible debentures, in a single series, in the amount of R\$ 200,000 – US\$ 36,769, maturing on July 1, 2026 and completed the operation on August 2, 2021.

On July 21, 2021, the direct subsidiary Caçador carried out the 1st issue of simple non-convertible debentures, in a single series, in the amount of R\$ 42,000 – US\$ 7,721, maturing on July 5, 2023.

On September 13, 2021, the direct subsidiary Sumaré carried out the 5th issue of simple non-convertible debentures, in a single series, in the amount of R\$ 201,000 – US\$ 36,953, maturing on September 9, 2023.

(b) Changes

	Parent company		Consolidated	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
	US\$	R\$	US\$	R\$
<i>Continuing operations</i>				
At the beginning of the period	201,294	1,094,919	908,526	704,969
(+) New issues	36,769	200,000	1,600,000	146,156
(+) Financial charges	14,831	80,674	63,690	41,886
(-) Repayment of principal			(1,408,229)	(48,124)
(-) Amortization of interest	(12,330)	(67,066)	(45,947)	(36,295)
(+) Transfer of investments (i)				(197,421)
(+) Addition of transaction costs	(273)	(1,483)	(36,299)	(1,912)
(+) Transaction costs	526	2,856	13,178	2,512
At the end of the period	240,817	1,309,900	1,094,919	809,192
			4,401,517	3,834,610

(i) This refers to the corporate reorganization process on September 30, 2020 (Note 1.1 (c)).

(c) Maturity term

Long-term amounts mature as follows:

	Parent company		Consolidated	
	US\$	R\$	US\$	R\$
2022			689	3,750
2023			447,103	2,431,970
2024	71,408	388,414	126,411	687,602
2025	72,454	394,109	81,204	441,703
2026	36,525	198,674	46,248	251,560
2027			10,484	57,025
2031	14,255	77,537	14,467	78,692
2032 onwards	45,360	246,735	45,361	246,735
	240,002	1,305,469	771,967	4,199,037

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

(d) Collaterals

The characteristics of the collaterals for the debentures are similar to those described for debts (Note 14.1 (d)) and the breakdown of these collaterals is as follows:

Type of collateral	Parent company		Consolidated	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
	US\$	R\$	US\$	R\$
Surety of stockholders			160,853	874,943
Project			54,519	296,553
Project and support of stockholders			358,380	1,949,372
Total collateralized			573,752	3,120,868
No collaterals	245,739	1,336,674	245,740	1,336,674
(-) Transaction costs	(4,922)	(26,774)	(10,300)	(59,282)
Total debentures	240,817	1,309,900	809,192	4,401,517
				3,834,610

14.4 Schedule for the amortization of debt and debenture transaction costs

The table below shows the schedule of the annual effects on financial expenses arising from the amortization of the transaction costs:

	2021	2022	2023	2024	2025	2026	2027 onwards	Total
Debentures	(1,010)	(4,038)	(4,038)	(4,038)	(3,391)	(1,326)	(8,933)	(26,774)
At September 30, 2021 (In R\$)	(1,010)	(4,038)	(4,038)	(4,038)	(3,391)	(1,326)	(8,933)	(26,774)
At September 30, 2021 (In US\$)	(186)	(742)	(742)	(742)	(623)	(244)	(1,643)	(4,922)

	2021	2022	2023	2024	2025	2026	2027 onwards	Total
Debts	(495)	(1,984)	(1,984)	(1,984)	(1,984)	(1,984)	(18,632)	(29,047)
Debentures	(2,033)	(11,863)	(23,498)	(4,880)	(3,425)	(1,360)	(8,965)	(56,024)
At September 30, 2021 (In R\$)	(2,528)	(13,847)	(25,482)	(6,864)	(5,409)	(3,344)	(27,597)	(85,071)
At September 30, 2021 (In US\$)	(465)	(2,546)	(4,685)	(1,262)	(994)	(615)	(5,073)	(15,640)

14.5 Covenants

The loan and financing agreements and deeds of debentures of the Group have covenants that bind it to special guarantees.

The penalty for non-compliance with these commitments is the possibility of the early payment of the debt.

On September 30, 2021, the Group was not required to comply with covenants in the period.

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

15 Salaries and social charges

	Parent company		Consolidated	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
	US\$	R\$	US\$	R\$
Salaries	9	47	619	3,369
Payroll charges	1,785	9,711	4,777	25,986
Provisions for vacation pay and 13th salary	4,214	22,922	13,630	74,137
Benefits	19	104	76	416
Profit sharing (i)	5,164	28,086	10,073	54,788
	11,191	60,870	29,175	137,652

- (i) This refers to the provision based on the regular measurement of compliance with the Group's targets and results, observing the accrual basis of accounting and the recognition of the present obligation arising from a past event, in the estimated amount of the outflow of resources in the future. The provision is recorded as cost of services provided or operating expenses in accordance with the activity of the employee.

16 Concession rights payable

	Consolidated	
	September 30, 2021	December 31, 2020
	US\$	R\$
Fixed concession (i)		
Santa Gertrudes	4	20
Saneatins	1,002	5,449
Goias	35,723	194,309
RMM (ii)		1,395,054
	36,729	199,778
Variable concession	1,726	9,391
	38,455	209,169
(-) Current	(3,128)	(17,014)
Non-current	35,327	192,155

- (i) This refers to the remaining balance of the right to explore the water and wastewater concession agreement that will be paid to the Concession Authority.
- (ii) This refers to an obligation with the Concession Authority, amounting to R\$ 1,395,054 – US\$ 256,472, to be paid in two installments, of which the first was settled on December 14, 2020 in the amount of R\$ 613,945 – US\$ 112,870. The second installment, amounting to R\$ 1,395,054 – US\$ 256,472 was partially settled on July 2, 2021 in the amount of R\$ 1,241,598 – US\$ 228,260 and the remaining amount of R\$ 153,456 – US\$ 28,212 was paid on September 1, 2021, in accordance with the amendment to the concession agreement of June 11, 2021.

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

The funds used in payment came from the restricted fund balance (Note 7) and a capital contribution from the Company.

17 Dividends payable

(a) Breakdown

	Parent company		Consolidated	
	2020	2021	2020	2021
	R\$	US\$	R\$	US\$
Dividends payable				
BR FIP	6,590		8,998	
FI-FGTS	2,825		2,824	
Construtora Central do Brasil S.A. ("CCB")			1,669	
Latam Water Participações Ltda.		1,686	10,136	
Companhia de Saneamento Básico		41	223	
	9,415	1,727	9,393	23,850
Interest on capital payable				
Latam Water Participações Ltda.		708	3,854	
		708	3,854	3,854
	9,415	2,435	13,247	27,704
(-) Current	(9,415)	(14)	(76)	(12,864)
Non-current		2,421	13,171	14,840

On March 25, 2021, the Company's stockholders approved the allocation of the minimum mandatory dividends in the amount of R\$ 9,415 – US\$ 1,731 determined in the Company's financial statements for 2020 to the profit retention reserve.

(b) Changes

	Consolidated				
	Opening balance	Provision	Payment	Reversal of mandatory minimum dividends	Closing balance
	R\$	US\$	R\$	US\$	R\$
Interest on capital					
Latam Water Participações Ltda.	3,854			708	3,854
Dividends payable					
BR FIP	8,998		(2,407)	(6,591)	
FI-FGTS	2,824			(2,824)	
CCB	1,669			(1,669)	
Latam Water Participações Ltda.	10,136		(966)	1,686	9,170
Companhia de Saneamento Básico	223			40	223
	23,850		(3,373)	(11,084)	9,393
At September 30, 2021	27,704		(3,373)	(11,084)	13,247
At December 31, 2020	14,287	15,574	(8,365)	6,208	27,704

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

18 Provisions for contingencies

The changes in the provisions for legal proceedings were as follows:

	Consolidated			
	Civil claims	Labor and social security claims	Environmental claims	Total
At January 1, 2021	15,719	6,305	153	22,177
(+) Additional provisions recognized (including interest and monetary adjustment)	643	2,278		2,921
(-) Reductions arising from the remeasurement of unused, reversed amounts	(3,982)	(1,625)		(5,607)
At September 30, 2021 (In R\$)	12,380	6,958	153	19,491
At September 30, 2021 (In US\$)	2,276	1,279	28	3,583

The provision for contingencies was calculated in accordance with the report on tax, civil, labor and environmental claims prepared based on the assessment of internal and external legal advisors and it takes into consideration the claims in which the Group companies are respondents and for which loss is classified as more probable, that is, over a 50% probability of occurrence.

(a) Claims for which loss is classified as possible

The Group is a party to other proceedings that are in progress at the administrative and judicial levels before different courts for which the chances of a loss are considered possible and, for this reason, no provision for losses was recognized.

Civil claims - These refer to administrative and judicial proceedings indicated as civil claims that involve mainly claims arising from consumption relationship and civil liability, real estate matters and lawsuits that address compliance with regulatory, contractual and tax and social security obligations amounting to R\$ 123,011 – US\$ 22,615, and comprise many different claims.

Labor claims - These refer to administrative and judicial labor proceedings. These proceedings address mainly payroll charges that are allegedly in default claimed by its own and outsourced employees filed with different courts, amounting to R\$ 28,641 – US\$ 5,265, and comprise many different claims.

Environmental claims – These refer to administrative and judicial proceedings that involve mainly claims arising from affirmative and negative covenants that provide for fines for non-compliance in addition to the application of environmental penalties in the amount of R\$ 100,708 – US\$ 18,515, which are represented mainly by administrative assessments related to non-compliance with a commitment agreement.

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

Management believes that the procedures adopted by the defense are legally sound. We present the breakdown below:

	Consolidated			
	Civil claims	Labor claims	Environmental claims	Total
Company	140	2,730		2,870
Araguaia	936			936
Blumenau	3,977	210	64	4,251
Mauá	10,760	1,093		11,853
Porto Ferreira	457	325	41	823
Rio Claro	95	292		387
Rio das Ostras	12,907	33	10,050	22,990
Santa Gertrudes	53	18	51	122
Sumaré	556	4,471	15	5,042
Uruguaiana	1,007	296		1,303
Maranhão	8,681	1,151	1,578	11,410
Digital	2	73		75
Mairinque	238	117		355
Saneatins	45,321	1,259	68,131	114,711
Caçador	681		4	685
Macaé	3,514	1,269	44	4,827
RMR	10,469	11,043	5,661	27,173
Manso	2,382			2,382
Goiás	1,679	83	14,923	16,685
RMM	10,921	78		10,999
BRK Op Industriais		372		372
Cachoeiro	1,561	540	3	2,104
Jaguaribe		896		896
Capivari	77			77
Limeira	6,597	2,292	143	9,032
At September 30, 2021 (R\$)	123,011	28,641	100,708	252,360
At September 30, 2021 (US\$)	22,615	5,265	18,515	46,395

19 Current and deferred income tax and social contribution

(a) Breakdown of and changes in deferred income tax and social contribution

	Parent company		Consolidated	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
	US\$	R\$	US\$	R\$
Breakdown in the balance sheet (non-current)				
Deferred tax assets			40,512	220,363
Deferred tax liabilities	(23,838)	(129,662)	(108,679)	(591,150)
	(23,838)	(129,662)	(68,167)	(370,787)

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences and tax losses can be utilized, based on projections of future results prepared using internal assumptions and future economic scenarios that may, therefore, change. In accordance with the technical study, the expected future taxable profit permits the recovery of the existing deferred tax asset and settlement of the existing deferred tax liability in accordance with the estimate below:

Should there be relevant factors that change the projections, these projections will be reviewed in the respective years. The above mentioned credits can be offset against the future taxable profits of the Group and they do not expire.

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

	Consolidated	
	US\$	R\$
Deferred tax assets		
Deferred tax assets to be recovered within 12 months	4,092	22,257
Deferred tax assets to be recovered after 12 months	80,381	437,224
	84,473	459,481
The expectation of realization of deferred tax assets per year is as follows:		
2021	4,092	22,257
2022	6,201	33,731
2023	6,627	36,048
2024	2,517	13,693
2025	3,725	20,261
2026	4,725	25,699
2027	2,491	13,551
2028	3,477	18,913
2029	5,044	27,439
2030	12,894	70,135
Other years	32,680	177,754
	84,473	459,481

	Parent company		Consolidated	
	US\$	R\$	US\$	R\$
Deferred tax liabilities				
Deferred tax liabilities to be settled within 12 months	(291)	(1,585)	(21,023)	(114,354)
Deferred tax liabilities to be settled after 12 months	(23,547)	(128,077)	(131,617)	(715,914)
	(23,838)	(129,662)	(152,640)	(830,268)
The expectation of realization of deferred tax liabilities per year is as follows:				
2021	(291)	(1,585)	(21,023)	(114,354)
2022	(1,166)	(6,341)	(19,222)	(104,555)
2023	(1,166)	(6,341)	(15,486)	(84,233)
2024	(1,166)	(6,341)	(9,399)	(51,127)
2025	(1,166)	(6,341)	(9,607)	(52,255)
2026	(1,166)	(6,341)	(7,355)	(40,006)
2027	(1,166)	(6,341)	(7,297)	(39,689)
2028	(1,166)	(6,341)	(6,414)	(34,886)
2029	(900)	(4,895)	(5,857)	(31,859)
2030	(900)	(4,895)	(4,376)	(23,804)
Other years	(13,585)	(73,900)	(46,604)	(253,500)
	(23,838)	(129,662)	(152,640)	(830,268)

The changes in deferred income tax and social contribution assets and liabilities in the period, taking into consideration the offset of the balances, are as follows:

	Parent company		
	December 31, 2020	Recognized in the statement of income (operations)	September 30, 2021
	R\$	US\$	R\$
Deferred tax liabilities			
Goodwill from business combination (property and equipment and intangible assets)	(139,203)	4,755	(24,717)
Other temporary differences arising from Law No. 12,973	1,979	2,807	880
	(137,224)	7,562	(23,837)
			(129,662)

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

	Consolidated			
	December 31, 2020	Recognized in the statement of income (operations)	Other	September 30, 2021
			R\$	US\$
				R\$
Deferred tax assets				
Income tax and social contribution loss carryforwards	366,882	45,131		75,746
Provisions	34,333	(3,005)		5,759
Other temporary differences arising from Law No. 12,973	340	(38)		56
Goodwill (CVM Instruction No. 319/99)	481	(433)		9
Law No. 9,656 - obligations with post-employment benefits	10,077	1,014		2,039
IFRS 16	3,025	1,674		864
Offset under CPC 32 (IAS12)	(234,023)		(5,095)	(43,961)
	181,115	44,343	(5,095)	40,512
				220,363
Deferred tax liabilities				
Deferred income (governmental bodies)	(167,157)	(18,271)		(34,090)
Revenue from and costs of construction – concessions – intangible assets	(2,346)	(3,157)		(1,012)
Revenue from and costs of construction and finance income – concessions, financial asset contracts	(140,209)	(2,587)		(26,252)
Capitalization of interest and transaction costs	(237,854)	(22,186)		(47,807)
Difference in the amortization rate of intangible assets	(9,597)	209		(1,726)
Goodwill (CVM Instruction No. 319/99)	(4,889)			(899)
Goodwill from business combination (property and equipment and intangible assets)	(219,045)	8,354		(38,734)
Other temporary differences arising from Law No. 12,973	(20,825)	9,378		(2,104)
Other temporary differences arising from Law No. 12,973 - discontinued operations	245			45
IFRS 16	(426)	95		(61)
Offset under CPC 32 (IAS12)	234,023		5,095	43,961
	(568,080)	(28,165)	5,095	(108,679)
				(591,150)
Total	(386,965)	16,178		(68,167)
				(370,787)

The deferred tax assets are recognized, for tax losses and temporary differences, in the proportion of the probability of the realization of the related tax benefit by means of future taxable profit and, for this reason, the Group did not recognize deferred tax assets in the amount of R\$ 134,933 – US\$ 24,807, accumulated through September 30, 2021, with respect to losses amounting to R\$ 396,862 – US\$ 72,961, arising mainly from the Company and the subsidiaries BRK PNI, RDOPar and Ecoaqua Soluções, which may be offset against future taxable profit under applicable legislation. These losses, in spite of not being recognized, do not expire, in accordance with current legislation.

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

(b) Reconciliation of the nominal rate with effective credits (expenses)

The Group's income tax and social contribution, before income tax and social contribution, differ from the theoretical value that would be obtained with the use of the nominal income tax and social contribution rate applicable to the parent company and consolidated profit, as follows:

	Parent company				Consolidated			
	2021		2020		2021		2020	
	US\$		R\$		US\$		R\$	
Profit (loss) before income tax and social contribution of continuing operations	7,201	39,170	46,597	14,247	77,493		99,875	
Profit (loss) before income tax and social contribution of discontinued operations	(381)	(2,075)	(4,867)	(381)	(2,075)		(4,319)	
Nominal rate	34%	34%	34%	34%	34%		34%	
Income tax and social contribution at the nominal rate of continuing operations	(2,448)	(13,318)	(15,843)	(4,844)	(26,348)		(33,958)	
Income tax and social contribution at the nominal rate of discontinued operations	130	706	1,655	130	706		1,468	
Effect of permanent additions (exclusions)	3,708	20,174	20,565	(246)	(1,334)		(7,648)	
Equity in the results of continuing operations	4,510	24,530	30,774	(231)	(1,259)		4,120	
Equity in the results of discontinued operations	(130)	(706)	(1,655)					
Exclusion of discontinued operation				(130)	(706)		(1,642)	
Tax incentives				1,930	10,498		1,455	
Donations				(199)	(1,084)		(734)	
Fines	(35)	(190)	(575)	(28)	(155)		(7)	
Unrecognized deferred income tax and social contribution loss carryforwards (current year)	(576)	(3,134)	(7,848)	(1,235)	(6,715)		(12,956)	
Other	(61)	(326)	(131)	(353)	(1,913)		2,116	
Income tax and social contribution credit (expense)	1,260	6,856	4,722	(4,960)	(26,976)		(40,138)	
Breakdown of income tax and social contribution:								
Current income tax and social contribution of continuing operation				(7,934)	(43,154)		(14,352)	
Deferred income tax and social contribution of continuing operation	1,390	7,562	6,377	2,974	16,178		(25,613)	
Deferred income tax and social contribution of discontinued operation							(173)	
Income tax and social contribution credit (expense)	1,390	7,562	6,377	(4,960)	(26,976)		(40,138)	
Effective rate	20.38%	20.39%	15.28%	-35.77%	-35.77%		-42.00%	

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021 (In thousands of reais and U.S. dollars, unless otherwise stated)

20 Transactions with related parties

The following transactions were carried out with related parties:

			Parent company			
	Current assets	Non-current assets	Non-current liabilities	Profit (loss)		
				General and administrative expenses	Finance income (costs)	
			Related parties			
			December 31, 2020		September 30, 2020	
	Annual effective interest rate	Maturity				
<u>Loan (i)</u>						
Araguaia	CDI + 4.5%	Dec 2022	1,841		102	
Blumenau	CDI + 2% to 5%				8	
Ecoaquia	CDI + 3%	Dec 2022		8,628	(195)	
F. AB. Zona Oeste	CDI + 2.25%	Jan 2022	11,504			
Goiás	CDI + 2.5%	Jun 2021	46,057		572	
Goiás	CDI + 2%	Dec 2038		66,016	1,606	
Limeira	CDI + 2% to 5%	Dec 2039		2,800	1,429	
Macaé	CDI + 2.5%	Dec 2038		86,066		
Macaé	CDI + 2.5%				3,877	
Mairinque	CDI + 3.69%				614	
Manso	CDI + 4%	Dec 2027		75,900	3,780	
Maranhão	CDI + 2% to 2.5%	Dec 2040		102,297	3,616	
Porto Ferreira	CDI + 1.5% to 5%	Dec 2033		17,859	595	
Mauá	CDI + 4.4%				3	
Rio das Ostras	CDI + 2.5%				1,440	
RMR	CDI + 2.25% to 4.25%	Jun 2021	65,926		215	
RMR	CDI + 2% to 5%	Dec 2037		13,370	4,931	
Saneatins	CDI + 4.75%	Jun 2022	38,485		64	
Saneatins	CDI + 2.98% to 4.55%	Dec 2038		296,682	14,910	
Santa Gertrudes	CDI + 3%	Dec 2037		6,846	295	
Sumaré	CDI + 2% to 2.5%				692	
Uruguaiana	CDI + 2% to 2.5%	June 2021	6,409		158	
Uruguaiana	CDI + 2% to 5%	Dec 2037		56,641	1,516	
Caçador	CDI + 2% to 5%	Dec 2037			113	
			156,877	737,822	8,628	
					40,341	
<u>Other related parties (ii)</u>						
Araguaia			9,526	1,731	294	
Blumenau			441	3,358		
BRK Negócios Industriais			137	87		
Caçador			1,349	1,541	41	
Cachoeiro			2,244	5,941		
Centro Norte Participações			11,001	103	2,184	
F. AB. Zona Oeste			3,032	12	7,810	
Goiás			25,430	11,685	784	
Jaguaribe			479	3,775		
Limeira			8,765	13,367	640	
Macaé			3,186	5,004	1,584	
Manso			1,642	7,139		
Maranhão			35,992	6,959	417	
Mauá			862	6,367	37	
Porto Ferreira			5,828	2,161		
Rio das Ostras - Consolidated			48,394	5,010	2,335	
RMR			71,862	25,015	4,838	
Saneatins			114,763	41,109	980	
Sumaré			18,085	8,225	2,350	
Uruguaiana			9,300	4,625	375	
Other			15,880	148	512	
UVR Grajau				238	138	
			156,877	1,126,020	8,788	
				165,839	57,712	

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021 (In thousands of reais and U.S. dollars, unless otherwise stated)

			Parent company			
	Current assets	Non-current assets	Non-current liabilities	Profit (loss)		
				General and administrative expenses	Finance income (costs)	
			Related parties		September 30, 2021	
	Annual effective interest rate	Maturity				
<i>Loan (i)</i>						
Araguaia	CDI + 4.5%	Dec 2022		1,951	109	
Ecoaquia	CDI + 3%	Dec 2022			(213)	
F. AB. Zona Oeste	CDI + 2.25%	Jan 2022	10,176	8,730	217	
Goiás	CDI + 2.25%	Jan 2022	63,457		2,818	
Goiás	CDI + 2%	Dec 2038		78,479	3,091	
Limeira	CDI + 2% to 5%	Dec 2039		2,180	98	
Macaé	CDI + 2.5% to 4.25%	Dec 2038		109,808	4,827	
Manso	CDI + 4%	Dec 2027		80,114	4,213	
Maranhão	CDI + 2% to 2.5%	Dec 2040		135,378	5,210	
Porto Ferreira	CDI + 1.5% to 5%	Dec 2033		18,525	666	
RMR	CDI + 2.25%	Dec 2021	130,284		3,717	
RMR	CDI + 2% to 5%	Dec 2037		3,346	133	
Saneatins	CDI + 4.75%	Dec 2021	34,111		626	
Saneatins	CDI + 3% to 3.92%	Dec 2038		314,747	16,614	
Santa Gertrudes	CDI + 3%	Dec 2037		7,174	328	
Sumaré					407	
Uruguaiana	CDI + 2% to 4.25%	Jan 2022	1,630		170	
Uruguaiana	CDI + 2% to 5%	Dec 2037		51,566	2,225	
			239,658	803,268	45,256	
<i>Other related parties (ii)</i>						
Araguaia				11,393	279	
Blumenau				1,254	352	
BRK Negócios Industriais				137		
Caçador				1,495	306	
Cachoeiro				1,685		
Centro Norte Participações				14,523	3,317	
F. AB. Zona Oeste			24	3,412		
Goiás				33,295	1,013	
Jaguaribe				890		
Limeira				18,500	1,601	
Macaé				9,783	1,927	
Maceió			76	9,835	22,941	
Manso				626		
Maranhão				44,454	408	
Mauá				1,031	33	
Porto Ferreira				8,203		
Rio das Ostras - Consolidated				35,247	2,156	
RMR				81,713	7,531	
Saneatins				158,519	1,293	
Sumaré				26,521	1,831	
Uruguaiana				14,940	326	
Other				18,929	957	
			100	496,385	46,271	
In R\$			239,758	1,299,653	91,527	
In US\$			44,078	238,933	16,827	

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

			Consolidated			
			Non-current assets	Non-current liabilities	General and administrative expenses	Profit (loss)
			Related parties		Finance income (loss)	
			December 31, 2020		September 30, 2020	
	Annual effective interest rate	Maturity				
<i>Loan (i)</i>						
Subsidiaries						
F. AB. Zona Oeste	CDI + 4.25%	Jan 2022	11,504			1,429
			11,504			1,429
Related companies						
CCB	CDI + 2% to 5%	Dec 2038		48,748		23
				48,748		23
<i>Other related parties (ii)</i>						
Subsidiaries						
BRK Ativos Maduros					142	
Cachoeiro					5,941	3
Capivari					648	
F. AB. Zona Oeste			3,032	302	7,810	
Jaguaribe					3,775	
Limeira					13,367	640
Other					26,114	8,212
			3,032	302	57,797	8,855
Related companies						
CCB			856			142
			856			142
			3,888	302	57,797	8,997
			15,392	49,050	57,797	10,449

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

	Annual effective interest rate	Maturity	Consolidated			
			Current assets	Non-current assets	Current liabilities	Non-current liabilities
					Related parties	General and administrative expenses
					Profit (loss)	
						Finance income (loss)
						September 30, 2021
<i>Loan (i)</i>						
Subsidiaries						
F. AB. Zona Oeste	CDI + 4.25%	Jan 2022	10,176			217
			10,176			217
Related companies						
CCB	CDI + 2% to 5%	Jan 2022 to Dec 2038			18,945	44,448
			10,176		18,945	44,448
						(2,653)
						(2,436)
<i>Other related parties (ii)</i>						
Subsidiaries						
F. AB. Zona Oeste			24	3,412	12	8,301
			24	3,412	12	8,301
Related companies						
CCB				1,556		700
Other				4		32,025
				1,560		730
			24	4,972	12	40,326
						730
In R\$			10,200	4,972	18,945	44,460
						40,326
						(1,706)
In US\$			1,875	914	3,483	8,174
						7,414
						(314)

- (i) Loan agreements maintained between the Company and its subsidiaries represent usual and recurring transactions, such as the coverage of operating cash deficits, performance of investments and compliance with the financial obligations provided for in financing and debenture contracts of these subsidiaries. The remuneration and maturity of these agreements are presented in the table above and their classification in current and non-current assets and liabilities takes into consideration the maturity term established in each agreement, in accordance with the general criteria provided for in IAS 01/CPC 26. The intercompany loans outstanding on September 30, 2021, classified in current assets, have, substantially, the same characteristics as the bridge loans made to the subsidiaries whose projects for investment in infrastructure have the Company as sponsor and follow the investment schedule of the concessions.
- (ii) This refers mainly to the apportionment of expenses, in accordance with the agreement between the parties, with no financial charges and with an undetermined maturity date.

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021 (In thousands of reais and U.S. dollars, unless otherwise stated)

(a) Management compensation

Key management personnel include members of the Board of Directors and statutory officers. The compensation paid or payable to key management personnel for services provided in the nine-month period ended September 30, 2021 is presented below:

	Consolidated		
	2021		2020
	US\$		R\$
Salaries and other short-term benefits	2047	11,136	16,781
Termination benefits			254
Post-employment benefits	18	99	127
Other long-term benefits	5	25	233
	<u>2,070</u>	<u>11,260</u>	<u>17,395</u>

(b) Leases with related parties

Lessor	Lessee	Maturity	Consolidated		
			September 30, 2021		December 31, 2020
			US\$	R\$	R\$
Caçador	Ouro Verde	Dec 2021 to Oct 2024	186	1,010	853
Sumaré	Ouro Verde	Dec 2021 to Sep 2042	485	2,639	1,158
Araguaia	Ouro Verde	Oct 2021 to Feb 2026	92	502	216
Mauá	Ouro Verde	Dec 2021 to Aug 2024	569	3,095	4,172
Rio Claro	Ouro Verde	Nov 2021 to Aug 2024	310	1,685	2,296
Saneatins	Ouro Verde	Dec 2021 to Sep 2036	1,500	8,159	8,386
Santa Gertrudes	Ouro Verde	Dec 2021 to Oct 2024	138	753	904
Uruguaiana	Ouro Verde	Oct 2021 to Nov 2024	104	566	705
Maranhão	Ouro Verde	Oct 2021 to Dec 2031	547	2,978	2,595
Goiás	Ouro Verde	Nov 2021 to May 2024	1,728	9,397	8,093
RMR	Ouro Verde	Dec 2021 to Jul 2023	2,128	11,576	16,144
Macaé	Ouro Verde	Nov 2021 to May 2026	58	314	404
Rio das Ostras	Ouro Verde	Dec 2021 to Jun 2023	35	191	304
Limeira	Ouro Verde	Nov 2021 to Dec 2025	748	4,066	2,726
Cachoeiro	Ouro Verde	Dec 2021 to Mar 2025	224	1,217	348
Blumenau	Ouro Verde	Mar 2021 to Dec 2024	170	924	
Porto Ferreira	Ouro Verde	Dec 2021 to Jun 2023	49	270	
Total			<u>9,071</u>	<u>49,342</u>	<u>49,304</u>
Current			<u>574</u>	<u>3,124</u>	<u>11,436</u>
Non-current			<u>8,497</u>	<u>46,218</u>	<u>37,868</u>
			<u>9,071</u>	<u>49,342</u>	<u>49,304</u>

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

(c) Other related parties

	Non-current assets		Current liabilities		Profit (loss)	
	Contract assets		Trade payables		Operating costs/expenses	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020	2021	2020
Other related parties - Brookfield Group						
Brookfield Brasil Ltda.					2,820	1,722
Brookfield Energia Comercializadora Ltda.				136	8,694	
Ascenty Data Centers e Telecomunicações			51		498	
			51	136	12,012	1,722
Non-controlling stockholders						
CCB	70,623	68,756	18,656			
	70,623	68,756	18,656			
In R\$	70,623	68,756	18,707	136	12,012	1,722
In US\$	12,984	12,640	3,439	25	2,208	317

21 Employee benefits

21.1 Actuarial liability

Post-employment health care plan

(i) Changes

	Parent company				Consolidated			
	September 30, 2021		December 31, 2020		September 30, 2021		December 31, 2020	
	US\$		R\$		US\$		R\$	
At the beginning of the period	709	3,857	3,887	6,157	33,493		31,485	
(+) Addition of principal	49	264	283	305	1,658		2,052	
(+) Addition of interest	38	210	273	331	1,801		2,223	
(-) Remeasurement of gains (losses) recognized in other comprehensive income			(586)				(4,795)	
(+) Transfer of investments (i)							2,528	
At the end of the period	796	4,331	3,857	6,793	36,952		33,493	

21.2 Long term incentives

The long-term incentive program (Matching Program) refers to the bonuses of eligible executives appointed by the Company's management, the main assumptions of which are to increase the ability to attract and retain professionals, as well as stimulate the commitment of the eligible executives to the Group's strategy, aligning interests and creating value for the business. The duration of the program (cycle) is three years starting August 16, 2021.

The Matching Program is optional and is based on the acquisition of "virtual shares" based on the investment of the eligible executives, limited to a percentage of their Profit Sharing and/or Bonuses for the last year before the program. For the virtual shares acquired and maintained for a period of three years, the Company will grant the same number of virtual shares initially acquired, annually adjusted by the Company's evaluation as a reference. The shares can be fully redeemed in cash as a bonus and the conversion of the virtual shares into common or preferred shares of the Company is not possible.

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021 (In thousands of reais and U.S. dollars, unless otherwise stated)

On September 30, 2021, the amount of long-term incentives liability in the Company and its subsidiaries is R\$ 2,266 – US\$ 417.

22 Equity

(a) Capital

	Holding %		Capital		Number of shares	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
			US\$	R\$		
BR Ambiental Fundo de Investimento em Participações Multiestratégia "FI-FGTS"	70.00	70.00	515,896	2,806,165	2,806,165	1,852,409,346
	30.00	30.00	221,098	1,202,642	1,202,642	793,889,719
			736,994	4,008,807	4,008,807	2,646,299,065

(b) Basic earnings (loss) per share

Basic earnings per share are calculated by dividing the profit attributable to the Company's stockholders by the weighted average number of common shares outstanding in the period. Additionally, the Company does not have treasury shares.

	Parent company		Consolidated	
	2021	2020	2021	2020
	US\$	R\$	US\$	R\$
Profit attributable to the Company's stockholders of continuing operations	8,591	46,732	52,974	8,591
Loss attributable to the Company's stockholders of discontinued operations	(381)	(2,075)	(4,867)	(381)
Weighted average number of common shares outstanding (thousands)	2,646,299	2,646,299	1,380,153	2,646,299
Basic earnings per share (in R\$) of continuing operations	0.0177	0.0177	0.0384	0.0177
Basic loss per share (in R\$) of discontinued operations	(0.0008)	(0.0008)	(0.0035)	(0.0008)

(c) Diluted earnings (loss) per share

For the Parent Company, diluted earnings per share are calculated by adjusting the weighted average to the number of outstanding common shares, assuming the conversion of all potential preferred shares that would cause dilution.

For the calculation of the consolidated diluted earnings per share, the previous cost accounting practice was used for the period ended September 30, 2021, taking into consideration the number of shares existing at the end of the corporate restructuring process.

The Company only has the following categories of potential preferred shares that would cause dilution: stock options (Note 22(e)).

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

	Parent company		Consolidated	
	2021	2020	2021	2020
	US\$	R\$	US\$	R\$
Profit attributable to the Company's stockholders of continuing operations	8,591	46,732	8,591	46,732
Loss attributable to the Company's stockholders of discontinued operations	(381)	(2,075)	(381)	(4,867)
Weighted average number of common shares outstanding (thousands)	2,646,299	1,380,153	2,646,299	1,380,153
Adjustments by:				
Stock option	16,307	16,307	16,307	16,307
Weighted average number of common shares for diluted earnings per share (thousands)	2,662,606	1,380,365	2,662,606	1,380,365
Diluted earnings per share (in R\$) - continuing operations	0.0176	0.0176	0.0176	0.0176
Diluted loss per share (in R\$) - discontinued operations	(0.0008)	(0.0008)	(0.0008)	(0.0008)

(d) Carrying value adjustment

Goodwill generated in the contribution of additional investment in a jointly-controlled company

On September 30, 2020, the Company became the direct holder of the totality of the capital of BRK Centro Norte and BRK Ativos Maduros and the interest percentage that is currently held by the stockholders in the Company's capital was maintained. This capital transaction generated a goodwill in the amount of R\$ 1,215,447, determined by the difference between the value of the shares paid in by the stockholder and the carrying amount measured using the equity method. This effect was recorded as carrying value adjustment since it falls under the definition of a capital transaction between stockholders under joint control, in accordance with items 64 to 69 of the Accounting Interpretation ICPC09 (R1) – Individual financial statements, separate financial statements, consolidated financial statements, and the application of the equity method.

Measurement at fair value of investment properties

The Company recorded the amount of R\$ 45 related to deferred income tax and social contribution on the gain from the measurement at fair value of the investment properties of the indirect subsidiary Saneatins, which are recorded in other comprehensive income (loss) in 2019.

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

Obligations with post-employment benefits

Since the new health plan policy came into effect in December 2019, gains and losses arising from the initial evaluation of the obligations with post-employment benefits were recognized in the balance sheet as a contra-entry to other comprehensive income. In the year ended December 31, 2020, they were remeasured based on the evaluation carried out by independent actuaries, with the amounts recorded in other comprehensive income, and the expenses were recorded as finance costs and expenses with services.

(e) Investment program

On January 24, 2020, the Company approved at an Extraordinary General Stockholders' Meeting, the Company's Investment Program ("Program") aimed at some key executives of the Company's senior management ("Eligible Investors"). The purpose of the Program is to motivate, retain and align the interests of stockholders with the interests of executives, maximize the value of the Company and allow for the achievement of its objectives.

The Program consists of the onerous offer of purchase options or subscription of preferred shares ("Options") to the Eligible Investors, who may voluntarily choose whether or not to acquire them. The Option offer price is determined based on the Black, Scholes & Merton ("BSM") economic model. The BSM method was applied by a specialized and independent consulting firm, taking into consideration the variables of Brazilian capital markets and of the Brazilian and international sanitation industry.

Through the offer of Options by means of specific investment plans approved by the Board of Directors ("Plan"), the Eligible Investors will have the possibility to, voluntarily, acquire shares of the Company with a previously established term and price.

The Program is limited to the offer of Options representing up to 3% of the Company's total capital, taking into consideration the effect of the dilution arising from the exercise of all options granted and not yet exercised within the Program.

The Options will become exercisable under the Program and the Plan in the proportion of twenty percent (20%) a year as from the first year of the date of the offer for a period of five (5) years. The Options offered under this Program will remain valid from the first (1st) anniversary of the date of the offer until the tenth (10th) anniversary of the date of the offer. After this period, the unexercised Options will be cancelled.

In June 2020, the Eligible Investors acquired the stock options for the total amount of R\$ 3,841 – US\$ 706, which corresponds to the full fair value of the options granted.

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

The contra-entry of the amount paid by the Eligible Investors that chose to join the Plan was recorded under the capital reserve in the Company's equity, in the "reserve of recognized options granted" account. When they are exercised, they will be settled through the issue of new preferred shares whereas the current stockholders will continue to hold common shares. By September 30, 2021 no Option had been exercised.

23 Profit for the period

(a) Revenue

The reconciliation of gross revenue with net revenue is as follows:

	Consolidated		
	2021		2020
	US\$		R\$
Service revenue	305,239	1,660,316	1,207,669
Sales revenue	935	5,087	
Revenue from construction	148,916	810,015	549,567
Revenue from financial assets	12,429	67,609	49,445
	467,519	2,543,027	1,806,681
Taxes and contributions on services and sales	(32,961)	(179,288)	(135,627)
Abatimentos e cancelamentos	(5,644)	(30,702)	(32,881)
	428,914	2,333,037	1,638,173

The breakdown of revenue is as follows:

	Consolidated		
	2021		2020
	US\$		R\$
Service revenue	271,270	1,475,540	1,064,175
Sales revenue	935	5,087	
Revenue from construction	145,288	790,283	529,384
Revenue from financial assets	11,421	62,127	44,614
	428,914	2,333,037	1,638,173

There are no customers that individually represent more than 10% of the Group's net revenue, except for the subsidiary RMR, because it is a special purpose concession classified as a financial asset in which the billing is made to COMPESA (Concession Authority) and represents 17% of the total revenue.

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021 (In thousands of reais and U.S. dollars, unless otherwise stated)

(b) Revenue from construction

Net revenue from construction and the construction cost are related to long-term concession agreements and are associated with the respective rights according to the type of asset (intangible or financial asset), as follows:

Company	Revenue from construction, net		Construction cost		Construction margin	
	2021	2020	2021	2020	2021	2020
	US\$	R\$	US\$	R\$	US\$	R\$
Intangible assets						
Rio Claro	1,908	10,378	2,296	(1,870)	(10,171)	(2,250)
Mauá	570	3,098	1,347	(558)	(3,036)	(1,321)
Blumenau	3,870	21,050	12,414	(3,793)	(20,629)	(12,186)
Santa Gertrudes	298	1,623	555	(292)	(1,590)	(544)
Mairinque	1,129	6,140	9,484	(1,106)	(6,017)	(9,295)
Unguiaiana	5,585	30,272	17,376	(5,454)	(29,666)	(17,028)
Ponto Ferreira	812	4,415	3,230	(705)	(4,327)	(3,165)
Saneatins	27,258	148,267	113,351	(26,713)	(145,302)	(111,084)
Araguaia	448	2,437	1,992	(439)	(2,388)	(1,952)
Maranhão	5,524	30,048	15,372	(5,414)	(29,447)	(15,064)
Sumaré	5,221	28,401	23,027	(5,117)	(27,836)	(22,566)
Goias	34,479	187,543	108,535	(33,789)	(183,792)	(106,365)
Macalé	8,222	44,722	18,502	(8,058)	(43,828)	(18,132)
Caçador	1,786	9,606	6,324	(1,731)	(9,413)	(6,197)
Limeira	4,848	26,377	(4,752)	(9,483)	(25,849)	(9,483)
Cachoeiro	1,781	8,686	(1,745)	(8,683)	(25,849)	(9,483)
RMM	6,393	34,773	(6,265)	(34,078)	(25,849)	(9,483)
Subtotal intangible assets	110,093	598,836	333,805	(107,891)	(586,862)	(327,129)
Financial assets						
Rio das Ostras	1,066	5,798	6,579	(1,041)	(5,665)	(6,428)
RMR	33,526	182,359	185,719	(32,767)	(178,341)	(181,626)
Manso	231	1,258	3,281	(226)	(1,230)	(3,210)
Jaguaribe	349	1,898	(341)	(1,857)	(1,857)	(1,857)
Cachoeiro	23	134	(27)	(146)	(4)	(12)
Subtotal financial assets	35,195	191,447	195,579	(34,422)	(187,239)	(191,264)
Total	145,288	790,283	529,384	(142,313)	(774,101)	(518,393)
					2,975	16,182
						10,991

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021 (In thousands of reais and U.S. dollars, unless otherwise stated)

(c) Expenses by nature

	Note	Parent company		Consolidated	
		2021	2020	2021	2020
		US\$	R\$	US\$	R\$
Continuing operations					
Classified by nature:					
Construction cost				(142,313)	(774,101)
Personnel					(518,393)
Compensations		(16,276)	(88,534)	(85,770)	(46,499)
Salaries and payroll charges		(3,777)	(20,547)	(24,914)	(12,014)
Benefits		(1,881)	(10,232)	(10,148)	(13,435)
		(21,934)	(119,313)	(120,832)	(71,948)
Materials					(391,355)
Services					(51,638)
Rentals and maintenance fees		(461)	(2,505)	(3,100)	(4,354)
Electric energy		(1)	(3)	(7)	(19,671)
Maintenance		(1,462)	(7,952)	(5,021)	(4,871)
Audit, consulting and advisory services		(5,318)	(28,925)	(27,394)	(9,789)
Services by individuals and legal entities		(6,853)	(37,275)	(33,761)	(21,817)
Other		(658)	(3,581)	(1,296)	(2,952)
		(14,753)	(80,241)	(70,579)	(63,454)
Taxes, fees and contributions		(220)	(1,197)	(614)	(5,536)
Related parties	20	34,626	188,342	165,839	7,414
Insurance		(157)	(856)	(885)	(1,045)
Depreciation and amortization		(4,933)	(26,835)	(24,301)	(42,439)
(+) PIS/COFINS credit from operating costs		102	557	76	-
Travelling		(219)	(1,192)	(1,648)	(1,393)
Allowance for expected losses from doubtful accounts				(6,486)	(35,280)
Other		(485)	(2,634)	(809)	2,341
		(8,007)	(43,553)	(55,448)	(345,178)
				(1,877,563)	(1,346,641)
Classified by function:					
Costs of services and sales				(251)	(267,958)
General and administrative		(7,827)	(42,576)	(57,037)	(79,330)
Other income (expenses), net		(180)	(977)	1,840	2,110
		(8,007)	(43,553)	(55,448)	(345,178)
				(1,877,563)	(1,346,641)

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021 (In thousands of reais and U.S. dollars, unless otherwise stated)

(d) Finance result

	Note	Parent company				Consolidated	
		2021	2020	2021	2020		
		US\$	R\$	US\$		US\$	R\$
Continuing operations							
Finance income							
Interest income on financial investments		3,494	19,006	15,523	9,738	52,971	20,785
Related parties	20	16,866	91,740	57,909	174	947	10,449
Monetary variations		28	152	242	198	1,079	2,635
Arrears fines					2,793	15,190	11,164
Arrears interest					1,974	10,735	3,967
Other		10	54	281	273	1,486	1,609
(-) Taxes on interest income (PIS and COFINS)		(950)	(5,167)	(3,439)	(1,553)	(8,448)	(4,898)
		19,448	105,785	70,516	13,597	73,960	45,711
Finance costs							
Bank commissions		(168)	(917)	(6,593)	(1,830)	(9,957)	(8,712)
Interest expenses		(15,284)	(83,137)	(44,041)	(68,106)	(370,455)	(198,793)
Related parties	20	(39)	(213)	(197)	(488)	(2,653)	(2,796)
Taxes on financial operations		(3)	(14)	(8)	(1,018)	(5,338)	(2,796)
Adjustment to present value		(459)	(2,496)	(2,263)	(4,207)	(22,886)	(19,511)
Arrears fine and interest		(75)	(405)	(239)	(490)	(2,664)	(1,521)
Foreign exchange variations		(16)	(85)	(114)	(77)	(420)	
Other		(1,478)	(8,040)	(6,748)	(6,190)	(33,668)	(18,153)
		(17,522)	(95,307)	(60,203)	(82,406)	(448,241)	(249,486)
Finance result, net		1,926	10,478	10,313	(68,809)	(374,281)	(203,775)

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

24 Segments

(a) Reconciliation of the result of the segment with the accounting result

In thousands of reais					
Consolidated					
2020					
	Water and wastewater	Holding company	Total from continuing operations	Discontinued operations	Total from continuing and discontinued operations
Net service and sales revenue	1,638,198	(25)	1,638,173	5	1,638,178
Costs of services and sales	(1,030,212)	(251)	(1,030,463)	(2,429)	(1,032,892)
Gross profit (loss)	607,986	(276)	607,710	(2,424)	605,286
General and administrative expenses	(255,685)	(57,554)	(313,239)	(1,580)	(314,819)
Other income (expenses), net	(4,792)	1,853	(2,939)	(5)	(2,944)
Profit (loss) from operations	347,509	(55,977)	291,532	(4,009)	287,523
Equity in the results of investees		12,117	12,118		12,118
Finance income	22,635	23,076	45,711	13	45,724
Finance costs	(189,144)	(60,342)	(249,486)	(323)	(249,809)
Current income tax and social contribution	(14,329)	(23)	(14,352)		(14,352)
Deferred income tax and social contribution	(32,006)	6,393	(25,613)	(173)	(25,786)
Profit (loss) for the period	134,665	(74,756)	59,910	(4,492)	55,418

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information

at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

In thousands of reais					
Consolidated					
2021					
Water and wastewater	Holding company	Adjustments and eliminations	Total from continuing operations	Discontinued operations	Total from continuing and discontinued operations
Net service and sales revenue	2,333,047	99	(109)	2,333,037	2,333,037
Costs of services and sales	(1,457,641)		109	(1,457,532)	(1,457,532)
Gross profit	875,406	99		875,505	875,505
General and administrative expenses	(388,834)	(42,674)		(431,508)	(431,508)
Other income (expenses), net	12,483	(1,006)		11,477	11,477
Profit (loss) from operations	499,055	(43,581)		455,474	455,474
Equity in the results of investees		(3,700)		(3,700)	(3,700)
Finance income	58,990	14,970		73,960	73,960
Finance costs	(353,134)	(95,107)		(448,241)	(448,241)
Current income tax and social contribution	(43,127)	(27)		(43,154)	(43,154)
Deferred income tax and social contribution	8,616	7,562		16,178	16,178
Profit (loss) from operations				(2,075)	(2,075)
Write-off of provision for loss on investments				4,092	4,092
Profit (loss) for the period	170,400	(119,883)		2,017	52,534

In thousands of U.S. dollars					
Consolidated					
2021					
Water and wastewater	Holding company	Adjustments and eliminations	Total from continuing operations	Discontinued operations	Total from continuing and discontinued operations
Net service and sales revenue	428,916	18	(20)	428,914	428,914
Costs of services and sales	(267,978)		20	(267,958)	(267,958)
Gross profit	160,938	18		160,956	160,956
General and administrative expenses	(71,485)	(7,845)		(79,330)	(79,330)
Other income (expenses), net	2,295	(185)		2,110	2,110
Profit (loss) from operations	91,748	(8,012)		83,736	83,736
Equity in the results of investees		(680)		(680)	(680)
Finance income	10,845	2,752		13,597	13,597
Finance costs	(64,921)	(17,485)		(82,406)	(82,406)
Current income tax and social contribution	(7,929)	(5)		(7,934)	(7,934)
Deferred income tax and social contribution	1,584	1,390		2,974	2,974
Profit (loss) from operations				(381)	(381)
Write-off of provision for loss on investments				752	752
Profit (loss) for the period	31,327	(22,040)		371	9,658

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

(b) Other gains and losses

In thousands of reais			
2020			
Depreciation and amortization	Finance income	Finance costs	Current and deferred income tax and social contribution
<i>Continuing operations</i>			
Water and wastewater	(147,996)	22,635	(189,144)
Other segments (Services/Holding company)	(24,347)	23,076	(60,342)
	(172,343)	45,711	(249,486)
			(39,965)
<i>Discontinued operations</i>			
Waste		13	(323)
	(172,343)	45,724	(249,809)
			(40,138)

In thousands of reais			
2021			
Depreciation and amortization	Finance income	Finance costs	Current and deferred income tax and social contribution
<i>Continuing operations</i>			
Water and wastewater	(204,004)	58,990	(353,134)
Other segments (Services/Holding company)	(26,836)	14,970	(95,107)
	(230,840)	73,960	(448,241)
			(26,976)

In thousands of U.S. dollars			
2021			
Depreciation and amortization	Finance income	Finance costs	Current and deferred income tax and social contribution
<i>Continuing operations</i>			
Water and wastewater	(37,505)	10,845	(64,921)
Other segments (Services/Holding company)	(4,934)	2,752	(17,485)
	(42,439)	13,597	(82,406)
			(4,960)

(c) Assets

In thousands of reais			In thousands of U.S. dollars			In thousands of reais		
September 30, 2021			September 30, 2021			December 31, 2020		
Total assets	Investments in joint ventures	Additions to non-current assets	Total assets	Investments in joint ventures	Additions to non-current assets	Total assets	Investments in joint ventures	Additions to non-current assets
<i>Continuing operations</i>								
Water and wastewater	11,783,768	79,247	1,478,161	2,166,373	14,569	271,751	11,939,631	82,403
Other segments (Services/Holding company)	1,212,054		413,748	222,827		76,065	1,543,188	
	12,995,822	79,247	1,891,909	2,389,200	14,569	347,816	13,482,819	82,403
<i>Discontinued operations</i>								
Waste							1,451	20
	12,995,822	79,247	1,891,909	2,389,200	14,569	347,816	13,484,270	82,403
								3,873,863

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

25 Insurance

The identification, mitigation and management of risks and contracting of insurance are addressed by the Company in compliance with parameters and coverage established by management.

On September 30, 2021, the Group had contracted insurance policies to cover mainly buildings and installations, guarantees of the agreements signed related to the provision of services, in addition to civil liability insurance for engineering and operational risks and guarantee of compliance with the obligations of the concession agreement, summarized as follows:

Type of coverage	Amounts insured	
	US\$	R\$
Contract guarantee	104,624	569,092
Payment guarantee	700	3,808
Aviation insurance (drones)	316	1,721
Legal guarantee	20,761	112,929
Performance bond	23,876	129,869
Civil liability	713,314	3,880,000
Engineering risk	331,245	1,801,774
Sundry risks	3	16
Operational risks	1,544,288	8,400,000
Vehicles	460	2,500

26 Operations that did not affect cash (statement of cash flows)

In the period ended September 30, 2021, operations that did not involve cash were carried out and presented in the statements of cash flows and the main ones are presented below:

Trade accounts receivable	Consolidated	
	2021	
	US\$	R\$
Total changes in trade accounts receivable (Note 8)	51,649	280,942
Items not affecting cash (see breakdown below)	(3,923)	(21,343)
Total changes in trade accounts receivable in accordance with the statement of cash flows	47,726	259,599
Investment and financing transactions that affected trade accounts receivable, but did not involve cash:		
Capitalized interest in the period	(5,373)	(29,226)
Capitalized corporate guarantee	(825)	(4,488)
Capitalized interest on loans	(281)	(1,528)
Other capitalizations	(419)	(2,284)
Trade payables	890	4,843
Allowance for expected losses from doubtful accounts	6,486	35,280
Deferred tax	(3,628)	(19,732)
Construction margin for the period (Note 23 (b))	(773)	(4,208)
Total	(3,923)	(21,343)

BRK Ambiental Participações S.A. and its Subsidiaries

Notes to the Condensed Interim Financial Information at September 30, 2021

(In thousands of reais and U.S. dollars, unless otherwise stated)

Contract assets and intangible assets	Consolidated	
	2021	
	US\$	R\$
Total additions to contract assets and intangible assets (Notes 10 and 12)	130,593	710,350
Items not affecting cash (see breakdown below)	252,046	1,370,977
Total additions to contract assets and intangible assets in accordance with the statement of cash flows	382,639	2,081,327
Investment and financing transactions that affected intangible assets, but did not involve cash:		
Capitalized interest in the period	(8,954)	(48,703)
Trade payables	6,767	36,808
Other capitalized expenses	(15)	(90)
Concession	256,450	1,394,936
Construction margin for the period (Note 23 (b))	(2,202)	(11,974)
Total	252,046	1,370,977

27 Subsequent events

On October 20, 2021, indirect subsidiary Macaé carried out the 2th issue of simple non-convertible into shares, in a single series in the amount of R\$ 74,000 – US\$ 13,604, maturing on October 20, 2026 and completed the transaction on 11/3 /2021.

* * *