

MANAGEMENT REPORT AND FINANCIAL STATEMENTS 2022



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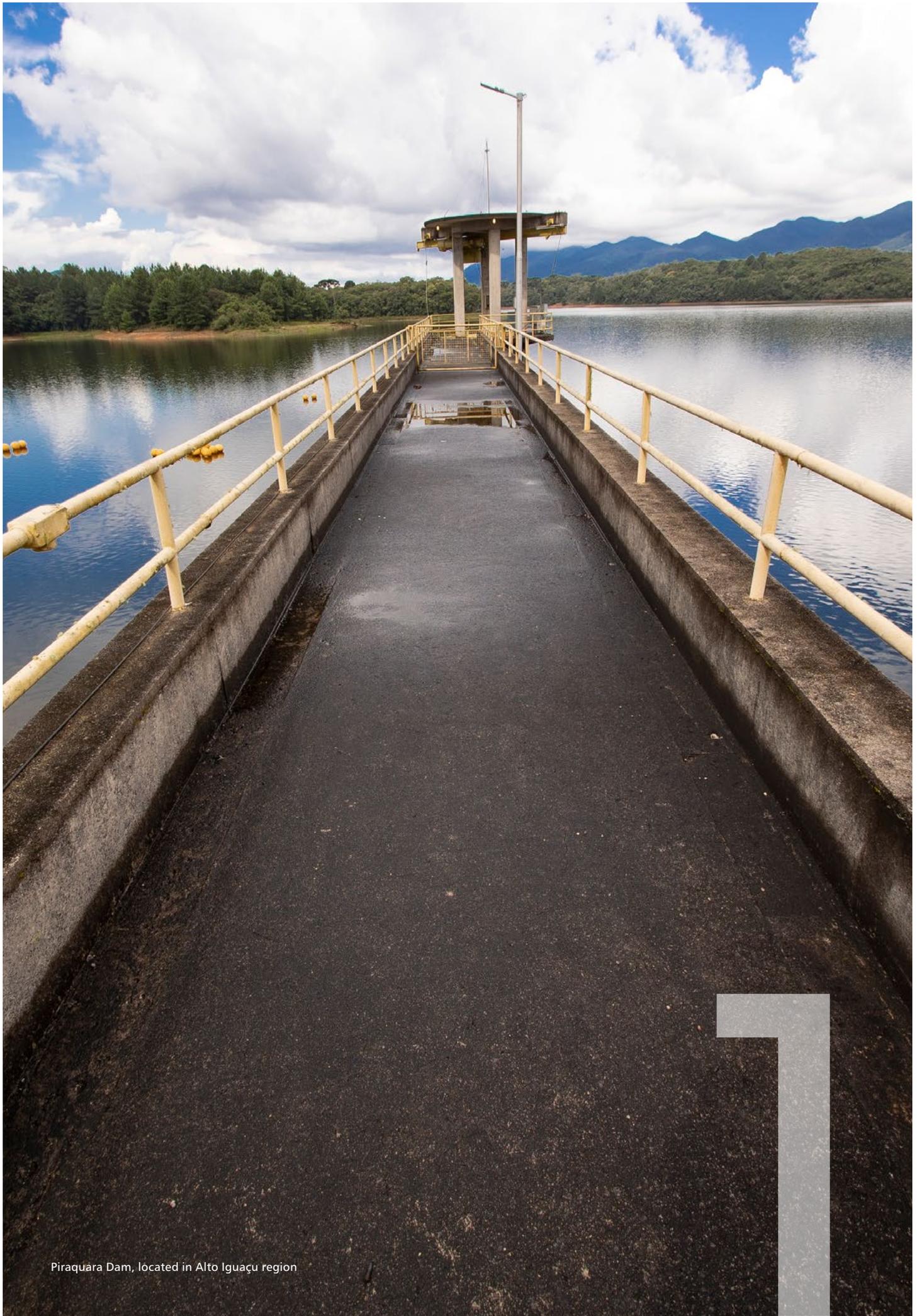


Presentation

The Management Report and 2022 Financial Statements presents the Company's results, in compliance with current regulations, such as Laws No. 6,404/76 and 13,303/16, and guidelines from the Brazilian Securities Commission (CVM). In addition, the financial information contained in this report is prepared in accordance with accounting practices adopted in Brazil, in compliance with the International Financial Reporting Standards (IFRS) and with the requirements of B3's Level 2 governance model. The document portrays the period from January 1st to December 31st, 2022.

We emphasize that this document may contain forecasts that reflect only expectations of our management and we undertake no obligation to update such forecasts in light of new information or future developments.





Piraquara Dam, located in Alto Iguacu region

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Message from the CEO



Claudio Stabile
Sanepar CEO

In 2022, we continued to cope with the effects of the Water Crisis and the Pandemic, unprecedented challenges we have been facing since 2020. Our main concern, which guides all of the Company's actions, is our customers. We relentlessly strive to mitigate as much as possible the negative effects of climate adversities on the population of the regions we serve.

We rely on innovative practices - such as cloud seeding, for example - to face water scarcity. Particularly, this solution consists of spraying drinking water on certain sections of cumulonimbus clouds, which have a high density, inducing precipitation over the reservoirs. Thanks to the use of innovative methods and creative solutions, we have overcome scarcity. We must emphasize that our customers have also played their part, continuing to consciously use water resources.

Furthermore, in order to mitigate the pandemic impacts on our customers, we extended billing due dates of water and sanitary sewage services for those who are registered in the "Água Solidária" (Solidary Water) category, extending payment terms throughout the year.

This was not easy to pull through, since the sanitation industry has been addressing the challenges brought by the New Legal Framework as well. However, at Sanepar we have identified several opportunities related to universalization. We were able to amend all our current contracts, adding the new goals required by the new legislation. As Paraná is



As Paraná is a state with a high level of sanitation services, above the national average in terms of availability of sanitary sewage services and already with 100% access to water in urban areas, we plan to anticipate the achievement of the universalization goals.

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We are constantly evolving the execution of our investment plan. By efficiently allocating our resources, we can ensure that, even when addressing matters such as the progress in environmental law, which is increasingly restrictive, and price instabilities and shortage of inputs, reflecting the oscillations of the global market and the world economy, we will be able to continue with wise investments.

All of these measures and initiatives have been designed to create value for society, always based on social responsibility, transparency and austerity, safeguarding Sanepar's sustainability. Therefore, integrity has been an important aspect of our Company, by strengthening compliance and internal controls, as well as maturing our corporate governance, a fundamental pillar for business resilience. Over the past two years, we created the Environmental, Social and Governance (ESG) Committee and the Innovation Committee and actively participated in the ESG Committee created by the government of the state of Paraná with several private and mixed-capital companies to discuss public policies not only for the sanitation sector, but also for the electric power industry, among others.

I want to end this message by thanking our 6,199 employees for their dedication – particularly for overcoming the challenges of the last three years – our customers for their trust, our partners, our investors, and the State Government.

In this report, we present our performance throughout the year. Enjoy your reading.

Good reading!

Claudio Stabile
Sanepar CEO

2022 Highlights

FINANCIAL CAPITAL



NATURAL CAPITAL



CAPITAL STOCK



INTELLECTUAL CAPITAL





Water Treatment Plant - Praia de Leste

New Legal Framework

On July 15, 2020, the Federal Government enacted Law 14,026/2020 – New Legal Framework for Sanitation –, which aims to improve the structural conditions of basic sanitation in Brazil. This law sets forth the national guidelines for basic sanitation and its universalization targets, establishing that, by 2033, 99% of the population in Brazilian urban areas must have access to drinking water and at least 90% must have access to sanitary sewage collection and treatment services.

Enacted on January 1st, 2023, Provisional Measure no. 1,154/2023, effective on this date, sets forth on its article 60 the amendment of article 3 of Law 9,984/2000, with important alterations in the role of the National Water Agency (Agência Nacional de Águas – ANA). ANA is now linked to the Ministry of the Environment and Climate Change, with the purpose of implementing, within the scope of its responsibilities, the National Policy of Water Resources, part of the National System for Water Resources Management. Article 20 of the aforementioned Provisional Measure determines as matters under the responsibility of the Ministry of the Cities, among others, the execution of basic sanitation activities. In addition, article 1st of attachment I and article XVII, both from Decree no. 11,333/2023, of January 1st, 2023, effective on this date, established that the National Department of Environmental Sanitation (Secretaria Nacional de Saneamento Ambiental), part of the organizational structure of the Ministry of the Cities, is in charge of drawing up reference rules for regulating public basic sanitation services and following up on their implementation, among other duties.

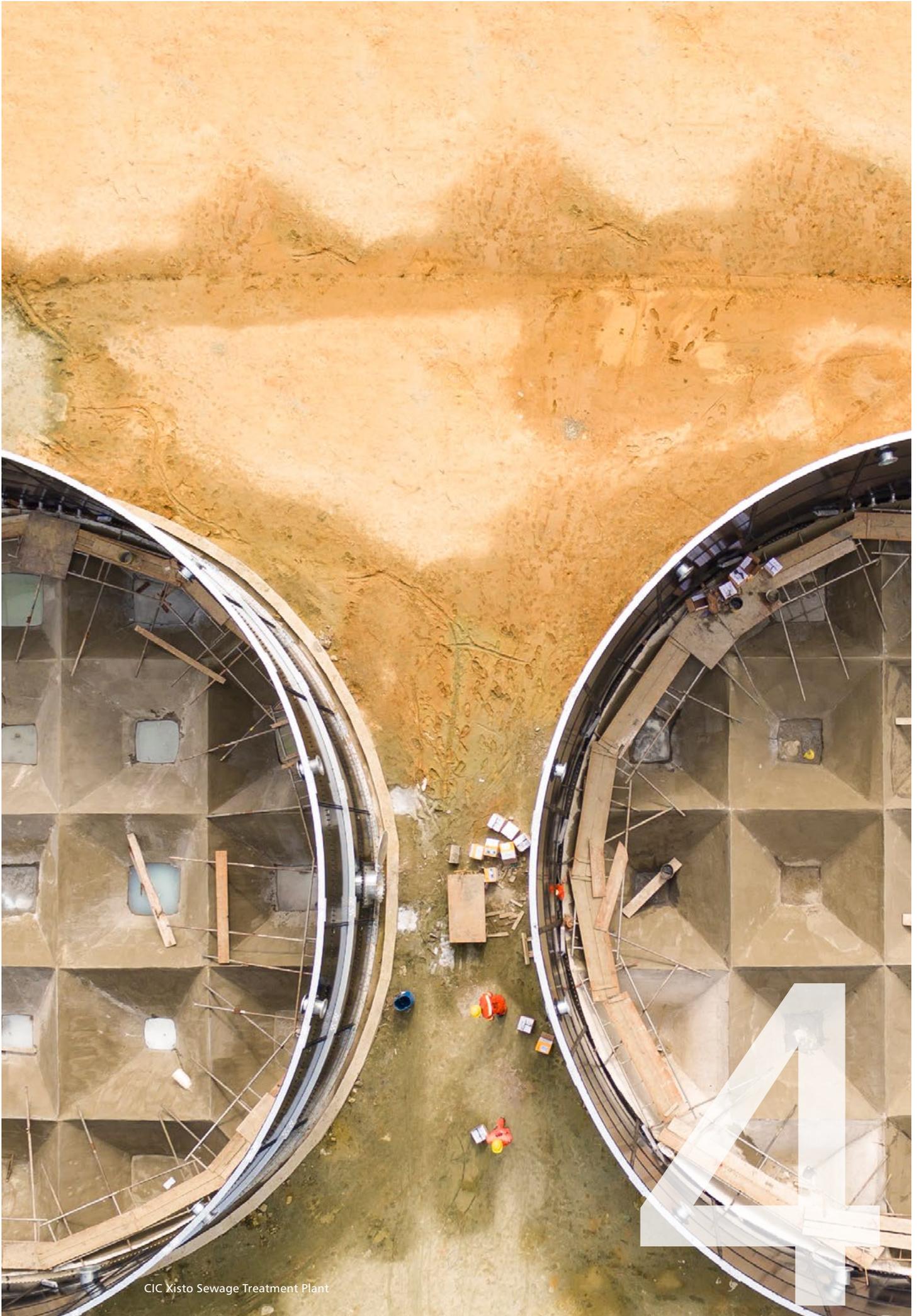
The Law prohibits the formalization of new program contracts for the rendering of public basic sanitation services, extending its scope to the micro-regions, and authorizing the Federal Government to participate in a fund with the exclusive purpose of financing specialized technical services.

In June 2021, Federal Decree 10,710/21 came into effect, regulating article 10-B of Law 11,445/07, that establishes the methodology for proving the economic and financial capacity of providers of public drinking water distribution or sanitary sewage services, considering the regular contracts in effect, in order to enable the achievement of the established universalization goals.

In the following month, July, Complementary State Law 237/2021 was enacted, creating Microregions for the provision of drinking water distribution and sanitary sewage services in the State of Paraná. Said law sets forth that each Microregion has the legal structure of a special regime intergovernmental autarchy, with deliberative and normative aspect, and legal character of Public Law.

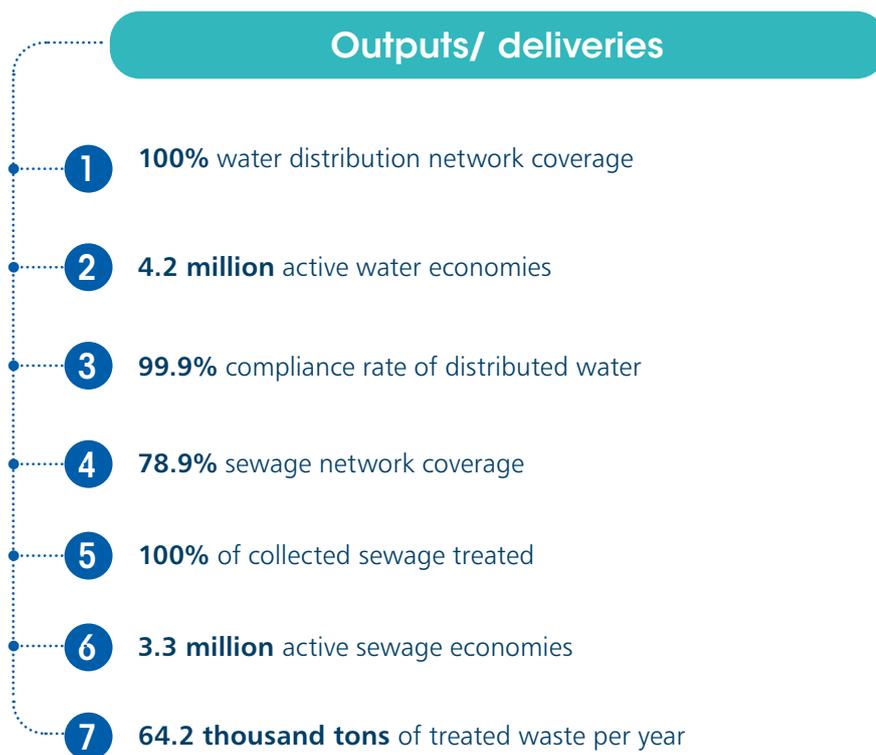
In November, following the national basic sanitation restructuring trend and foreseeing new economic growth and social development opportunities, the Governor of Paraná State enacted State Law 20,775, which updates Law 17,992 of March 21, 2014, increasing the authorized capital limit from BRL 4 billion to BRL 6 billion, supporting the broadening in Sanepar's performance limits.

The Company's new Bylaws, approved at the 121st Extraordinary Shareholders' Meeting on April 28, 2022, incorporated all these legislative updates. Therefore, based on what has already been regulated, both by the Federal and State Governments, Sanepar amended its current contracts, adjusting them to the new legal requirements, including quantitative goals and service benchmarks.



CIC Xisto Sewage Treatment Plant

2022 Financial Capital



Outcomes/ value creation

- 1 High quality according to the potability standard (**99,9%**).
- 2 Service index with sewage collection above national average, with a positive impact on the health and quality of life of customers.
- 3 Dividend payment and cash generation.
- 4 Impact management and environmental compliance.



Capivari water collection station - Tarumã. Author: André Thiago Chaves Aguiar

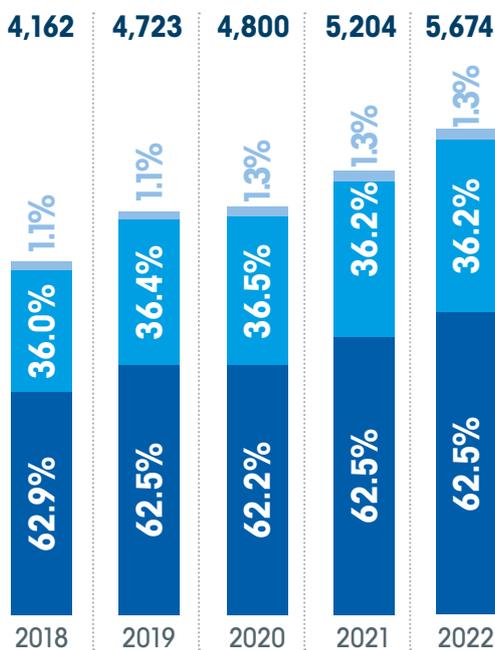
Net Revenue

In 2022, net operating revenue was BRL 5.7 billion, up by 9.0% versus 2021, mainly due to the Annual Tariff Readjustment (IRT in Portuguese) of 4.96% as of May 2022, the Annual Tariff Readjustment (IRT) of 5.11% as of February 5, 2021, and the tariff revision of 5.77%, effective since May 17, 2021.

The Company expanded its services and made 62,000 new water connections and 66,000 new sewer connections, which contributed to the 2.5% and 4.1% increase in the billed volume of water and sewage, respectively.

Net Revenue (BRL|MM)

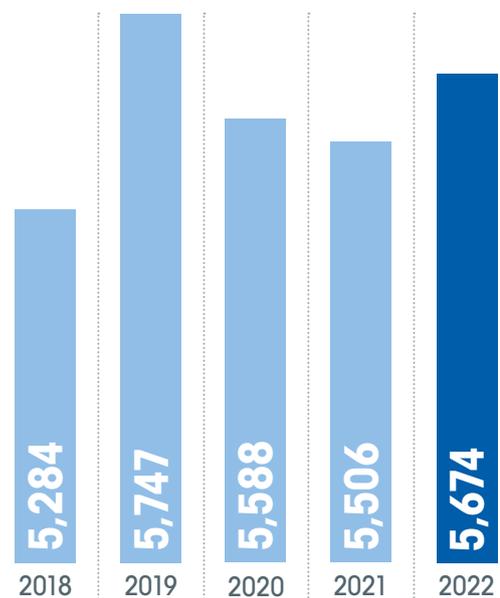
CAGR 2018 - 2022
8.1%



Water Sewage Others

Net Revenue in actual values (BRL|MM)

(Updated values by IPCA¹)



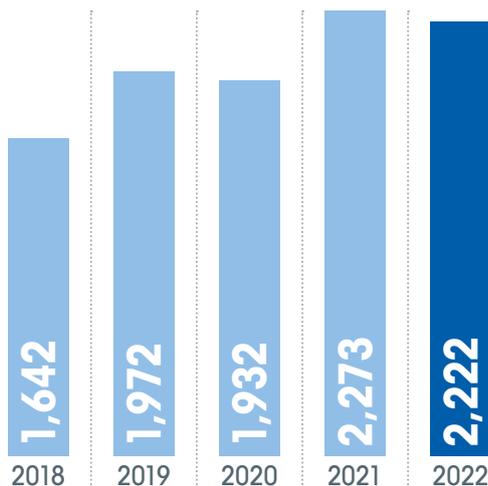
¹ IPCA IBGE 2019: 4.3% | 2020: 4.5% | 2021: 10.1% | 2022: 5.8%

Ebitda and Ebitda Margin

EBITDA, which represents the Company’s operating result, amounted to BRL 2.2 billion, corresponding to a 39.2% Margin – 4.5 p.p. down versus the 2021 Margin, since the increase in Net Operating Revenue was lower than the 16.8% upturn in operating costs and expenses. The sewage waste removal services increased by 14.6%; the treatment material by 41.4% due to higher prices and consumption; the Municipal Sanitation and Environmental Fund by 93.5% thanks to the renegotiation of contracts with municipalities and the greater calculation base for revenue growth; and losses on the realization of credits by 85.2% due to the higher default of private customers.

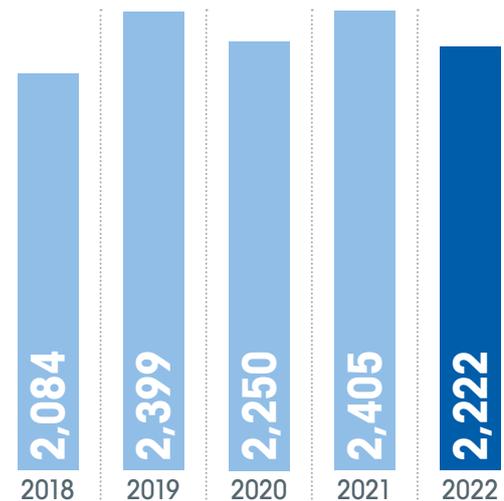
EBITDA and EBITDA Margin (BRL|MM)

CAGR 2018 - 2022
7.9%



EBITDA in actual values (BRL|MM)

(Updated values by IPCA¹)



¹ IPCA IBGE 2019: 4.3% | 2020: 4.5% | 2021: 10.1% | 2022: 5.8%

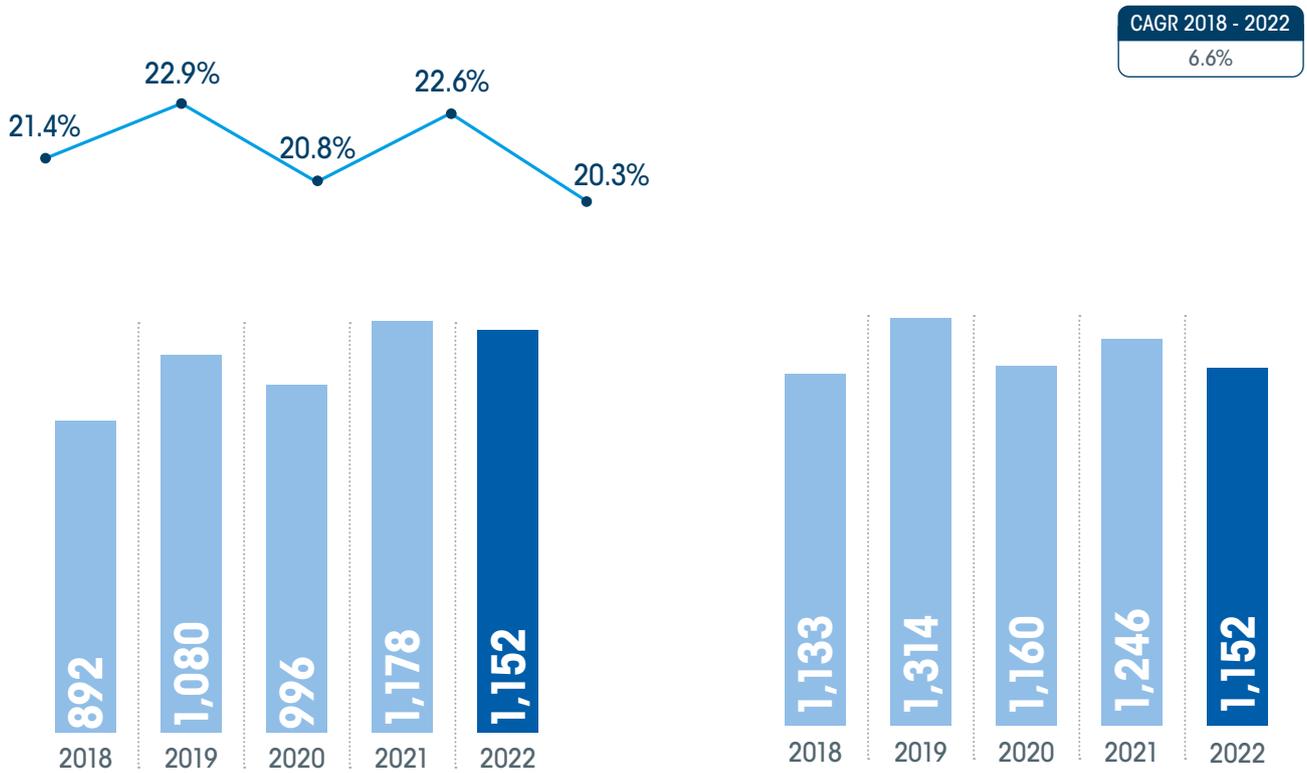
Net Income and Net Margin

In 2022, Net Income was BRL 1.15 billion, down by 2.2% versus 2021. Net margin fell 2.3 p.p., reaching 20.3% in the year, despite the tax savings of BRL 147.1 million resulting from the credit to shareholders as interest on equity in lieu of dividends, which positively contributed to the year’s results.

Net Income and Net Margin (BRL|MM)

Net income in real values (BRL|MM)

(Updated values by IPCA¹)



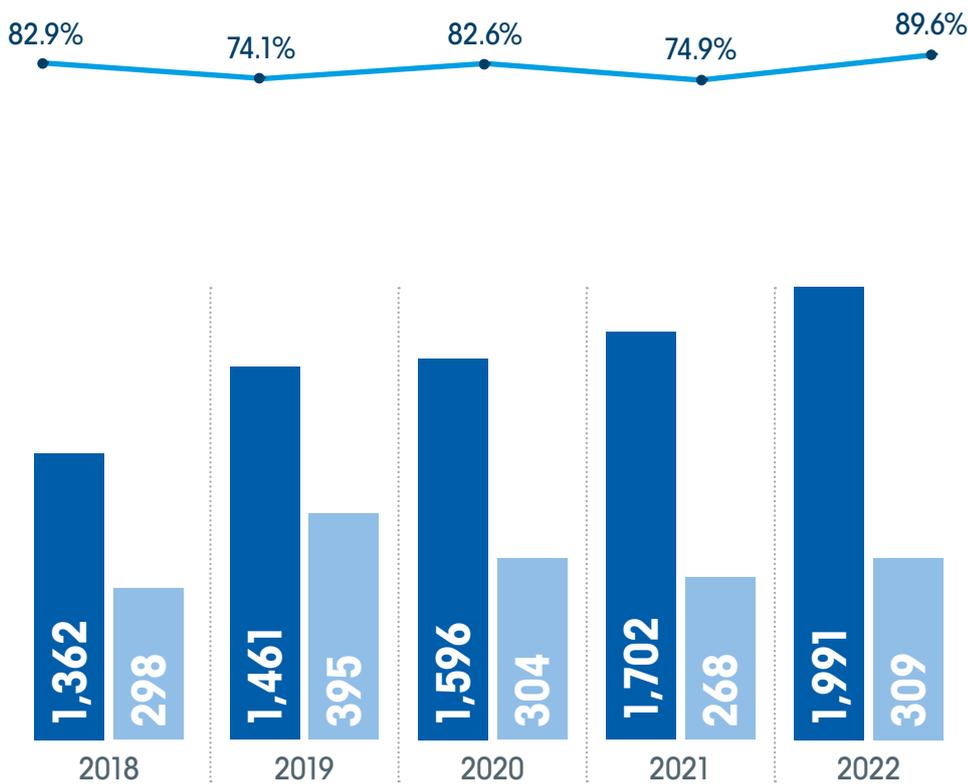
¹ IPCA IBGE 2019: 4.3% | 2020: 4.5% | 2021: 10.1% | 2022: 5.8%

Operating Cash Flow Generation

Sanepar's operation generated cash flow of BRL 2.0 billion in 2022, while paying BRL 309.3 million as shareholder compensation in the same period.

Operating Cash Flow Generation, Dividends and EBITDA Conversion (BRL|MM)

CAGR 2018 - 2022
10.0%



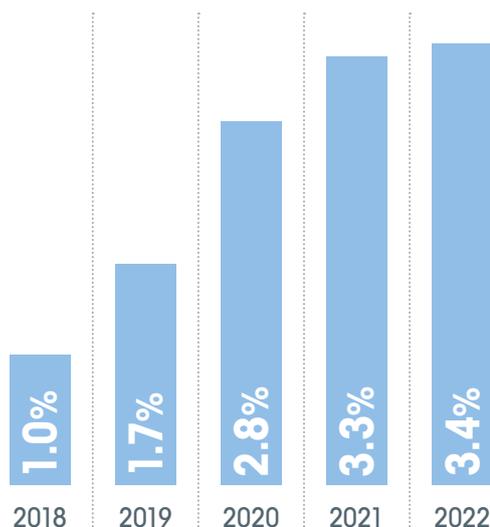
Operating cash flow generation

Payment of dividends

EBITDA conversion

Default

In 2022, the default rate came to 3.4%, slightly higher than the 3.3% recorded in 2021, but well above pre-pandemic percentages, mainly due to the suspension of supply cuts, which began after the health crisis.



Funding

In order to expand service provision and maintain the Company's liquidity, Sanepar raises third-party funds with public banks (Caixa Econômica Federal and BNDES) as well as the capital markets. The adverse scenario seen in 2021, marked by the water crisis and the pandemic, impacted 2022 and brought a challenging horizon not only for Sanepar, but also for the entire Brazilian sanitation sector.

Funds raised with financial institutions in 2022

Caixa Econômica Federal: **BRL 349.6 million**

BNDES – PAC2: **BRL 56.4 million**

BNDES – AVANÇAR: **BRL 49.7 million**

KFW Bank: **BRL 17.6 million**

In addition to the amounts raised with financial institutions, the Company had its 12th debenture issue in January, raising BRL 600 million in the market, in two series of BRL 300 million, being one institutional and the other through Incentivized Debentures, which follow the guidelines of Law 12,431, whose purpose is to encourage the development of Brazilian infrastructure, by offering tax incentives as income tax exemption.

Indebtedness

The company closed the year with Assets amounting to BRL 16.7 billion, Shareholders' Equity to BRL 8.8 billion, and total debt to BRL 7.9 billion, while the Debt to Assets ratio stood at 47.2% in 2022.

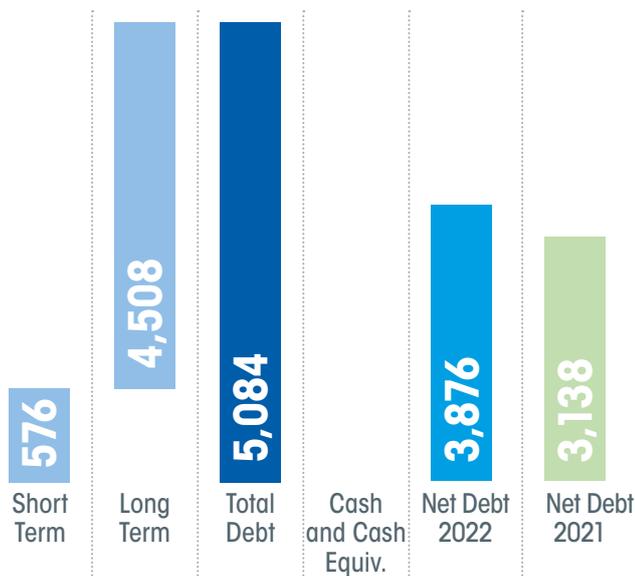


Net Debt

Net Debt, which shows the Company's indebtedness level, totaled BRL 3.9 million in 2022, while the Net Debt to EBITDA ratio, which measures the leverage ratio, went from 1.4 times in 2021 to 1.7 times in 2022.

Net Debt and Leverage

(In BRL mm and Net Debt EBITDA ratio, respectively)



Investments and Financial Planning

The Company has adjusted its Pluriannual Investment Plan (PPI in Portuguese) to comply with Law 14,026, of July 15, 2020, complemented by Decree 10,710, of May 2021. Prepared for five-year cycles, the PPI is quarterly monitored by the Board of Directors and is annually reviewed by all of Sanepar’s management bodies.

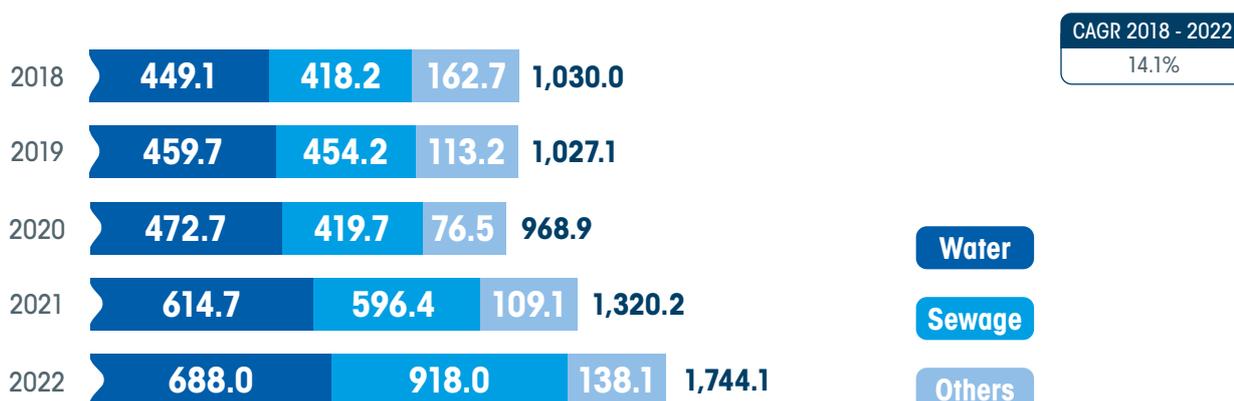
On March 28, 2022, the Board of Directors of the Regulatory Agency for Delegated Public Services of Paraná (AGEPAR in Portuguese) issued the certificate of economic and financial capacity of Sanepar to serve 310 cities, after removing the provision regarding the intermediate goals of non-intermittence, losses and quality service improvement provided exclusively as a requirement for obtaining such certificate. AGEPAR also reaffirmed its inclusion as a regulatory entity in the updating and addendum terms.

Within the context of the universalization of services established by the New Legal Framework – see page 12 –, Sanepar is well positioned regarding the distribution of treated water, since it already serves 100% of the urban population. As for sewage collection, the current index is 78.9%, considering that there are still approximately 100 small cities where no sewage system has been implemented.

Sanepar has been working to serve these locations, studying alternatives that ensure quality services without harming the Company’s economic sustainability.

Between 2018 and 2022, BRL 6.1 billion were invested in the improvement, maintenance and expansion of networks. In the next five years, by 2027, the PPI foresees the investment of BRL 10.7 billion, of which: BRL 6.5 billion in sewage systems, BRL 3.8 billion in the distribution of treated water and BRL 0.4 billion in other services.

Investments (BRL|MM)



Completed 2022

General Management	Water	Sewage	Total
Metropolitan Region and Coast	224.2	153.1	377.3
Southeast Region	109.0	150.4	259.4
Southwestern Region	115.6	240.9	356.5
Northeast Region	77.8	170.8	248.6
Northwestern Region	161.4	202.8	364.2
TOTAL	688.0	918.0	1,606.0

Regulatory Background

On July 30, 2021, the new General Regulations for Sanitation Services (RGS in Portuguese), prepared by Regulatory Agency for Delegated Public Services of Paraná (AGEPAR in Portuguese), came into effect after State Decree 3,926/88 was revoked. Said document regulated the provision of basic sanitation services, defining responsibilities and establishing criteria for providing information as well as transparency requirements, among other aspects.

From then on, in order to guarantee the provision of quality services and the adequate flow of investments, Sanepar adapted business rules, process flows, employee training programs, normative documents and corporate computerized systems. The Company also improved processes and tools to enable a greater accessibility for customers with disabilities, and launched new relationship channels, making the service more agile, while expanding the network.

On April 13, 2022, AGEPAR ratified the Annual Tariff Adjustment (IRT in Portuguese) on the preliminary equilibrium tariff, resulting from the 1st stage of the 2nd Periodical Tariff Review (2nd RTP in Portuguese), keeping the value of Tranche B constant, through a tariff readjustment index set at 4.96%, with the application of the average tariff of BRL 5.95/m³. The difference between the current Tranche B values and the values actually found at the end of the 2nd stage of the 2nd Periodic Tariff Review (2nd RTP) should be calculated in the compensation installment. The adjusted preliminary tariff came into effect on May 17, 2022.



Iguçu Water Treatment Plant - Curitiba/PR

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Shareholder Compensation

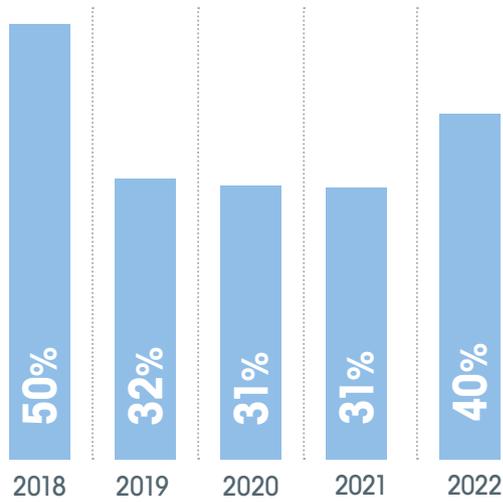
Sanepar follows its dividend policy, approved on May 30, 2017, in line with the legal precepts. sets forth the limits and criteria for shareholder compensation (proceeds) through the payment of dividends and/or interest on equity (IOE) that are attributed to the dividends corresponding to a share of the Company's net income. Compensation is distributed to shareholders in proportion to the number of shares they hold.

The Bylaws, which were last amended on April 28, 2022, lay down that the portion related to the mandatory dividend cannot be less than 25% of the adjusted net income, in compliance with article 202 of Law 6,404/76.

The compensation to the Company's shareholders is attributed based on the shareholding position on the last business day of June and December of each year, thus trading after the credit are considered ex-dividends. Compensation awarded to preferred shares is 10% higher than that awarded to common shares. On June 24, 2022, the Company paid earnings related to the 1st and 2nd semesters of 2021, in accordance with the decision of the 58th Annual Shareholders' Meeting, in the amount of BRL 343.6 million.

For 2022, Management proposes the payment of BRL 433 million, corresponding to 39.6% of the Adjusted Net Income for the period. The payment will occur within 60 days after the Annual Shareholders' Meeting in which the accounts for fiscal year 2022 will be submitted for approval.

Pay-out¹



¹ Payout: percentage of revenue distribution

Profitability

Profitability decreased 2.0 p.p. in relation to shareholders' equity, from 15.9% in 2021 to 13.9% in 2022. The return on invested capital decreased the same 2.0 p.p. and went from 12.7% in 2021 to 10.7% in 2022.

Profitability on Shareholders' Equity



Return on Invested Capital





Planting seedlings in dams

Value Creation

Investors

As regards stakeholders, the Company has been working to create value through corporate governance, making its sustainability practices transparent.

In 2022, some improvements were implemented as a result of the survey conducted in the previous year. Among them, it is important to highlight the restructuring of the Investor Relations website, aimed at more objectively and transparently communicating with investors and analysts who seek information about the Company, since it is the main relationship channel with this stakeholder group.

Additionally, following a market trend, Sanepar adopted a new format for its quarterly conference calls, which are now held by video, providing a better engagement of the Company with its investors, as the videoconferences are recorded, allowing interested parties to watch the events when convenient.

A perception study was conducted in 2022 and its main outcome was the respondents' impressions, who in general, were quite satisfied with the performance of Sanepar's Investor Relations department, being within the quality zone established by the Net Promoter Score (NPS) methodology.

Validating the efforts in the ESG culture, Sanepar participated in the selection of ISE - B3 Corporate Sustainability Index and became part of the 2023 portfolio for the first time, being the only company in the water and sewage sector to compose this index.

Also noteworthy was the revision and unification of the Material Act and Fact Disclosure Policy and Sanepar’s Securities Trading Policy, which now form a single policy with the main focus of establishing guidelines in relation to the rules and practices that must be observed by all those who have knowledge of privileged information about a Company’s material act or fact and about the trading of securities issued by the Company.

SAPR3, SAPR4 AND SAPR11 Quotation

2022 was a year of political uncertainties which, coupled with the impacts from the expectations regarding the 2nd Periodic Tariff Review, influenced Sanepar’s share performance.

The Company’s market value went from BRL 5.8 billion in December 2021 to BRL 5.4 billion at the end of 2022. Common shares (SAPR3) ended 2022 priced at BRL 3.47, depreciating by 8.68% compared to the closing of December 2021. Preferred shares (SAPR4) closed the year quoted at BRL 3.65, a 5.68% decrease versus the previous year. The Units (SAPR11), formed by one common share and four preferred shares, ended 2022 priced at BRL 18.06, 5.79% less than at the end of 2021. The financial volume of business with Sanepar’s shares totaled BRL 9.5 billion

Share Price (BRL)



in 2022.

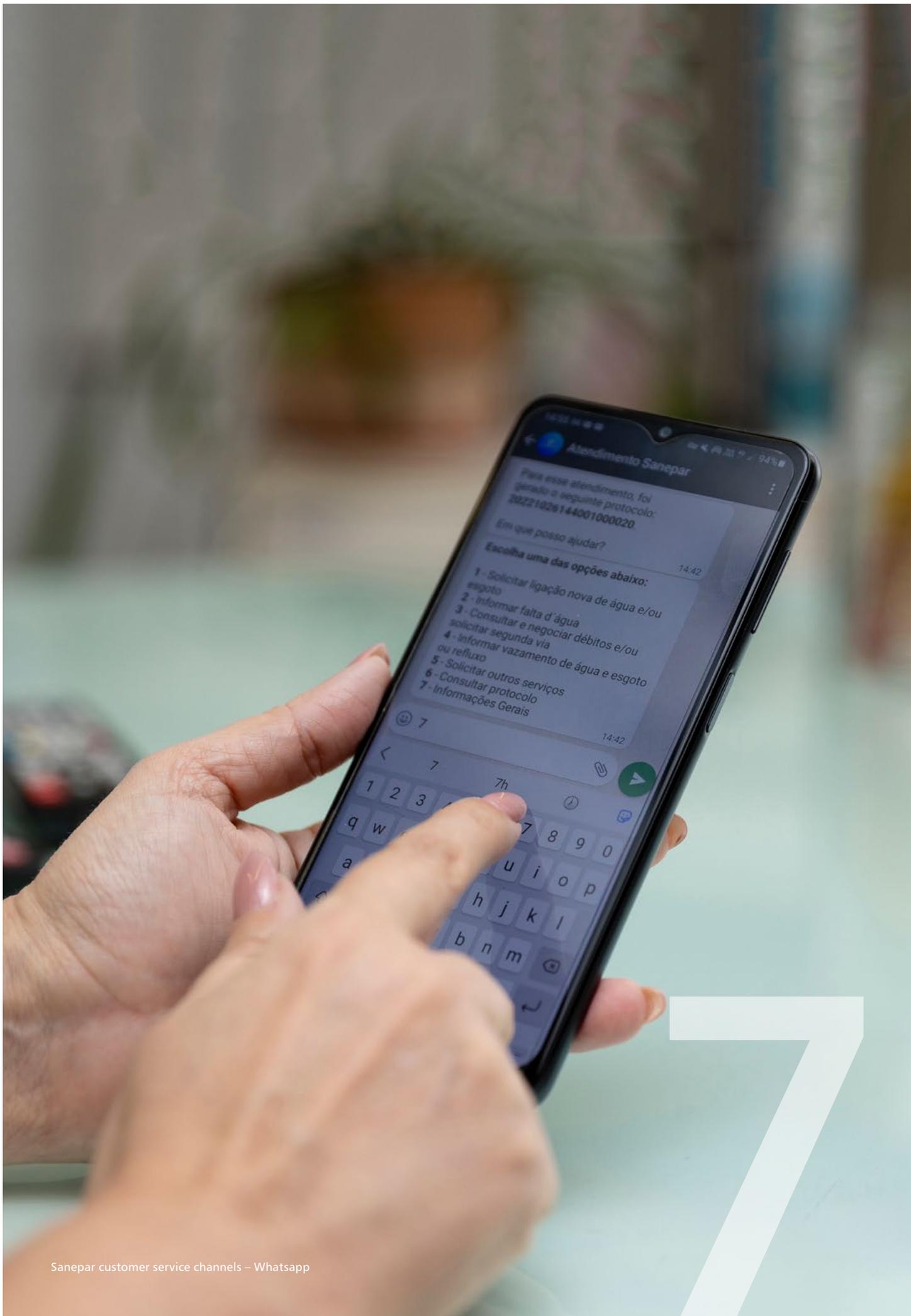
Society

In 2022, Sanepar generated BRL 3.8 billion in tangible values for society, including payments of taxes, financing, suppliers, salaries and benefits as well as shareholder compensation.

Out of the value added and not distributed, we can highlight the Undistributed Net Income, which, in 2022, amounted to BRL 718.9 million. This amount will be invested in public sanitation policies, which will contribute positively to raise the quality of life and health benchmarks in the State of Paraná.



Planeta Água Museum - Tarumã. Author: André Thiago Chaves Aguiar



Customer Relations

In 2022, the Company saw the consolidation of important changes that began in 2021. Complementary State Law 237/2021 created the Microregions, and municipalities and the State of Paraná began to share the responsibility for public basic sanitation services, expressing their wishes and decisions through microregion councils. The initiatives are now evaluated on a regional level, without disregarding the universalization and other goals set forth by the New Legal Framework for each municipality that are part of the newly established Microregions ([see page 12](#)).

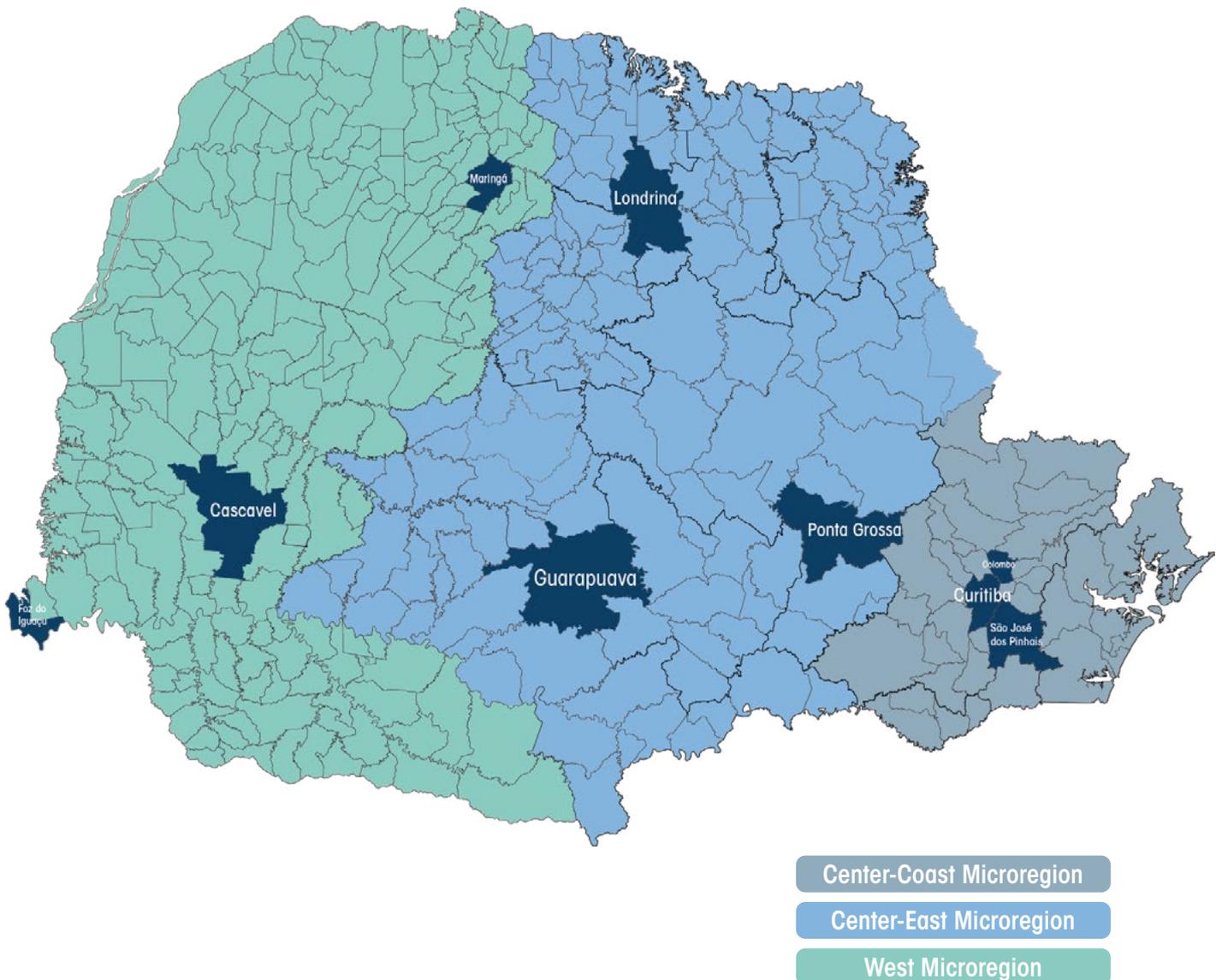
Microregions

The ownership of public basic sanitation services is now shared in collegiate bodies, in which the municipalities have 60% of the votes and the State of Paraná the other 40%. Among the council's duties are the planning and the developing of guidelines for water distribution, sanitary sewage and urban rainwater management services. Therefore, by December 31, 2022, the municipal basic sanitation plans were replaced by the regional plans in each microregion, considering a 30-year horizon for all these services, as well as the integration of the actions with the Paraná State's Solid Waste Management Plan (PERS-PR).

Within this context, on March 30, 2022, all the Company's current contracts were adjusted to the newly established Microregions, in compliance with article 11 B of Federal Law 11,445/2007, amended by Federal Law 14,026/2020.

- Center-Coast Microregion: with **3.92 million inhabitants**, it comprises **36 Municipalities**, including Curitiba, São José dos Pinhais and Colombo.
- Center-East Microregion: with **3.64 million inhabitants**, it comprises **155 Municipalities**, including Londrina, Ponta Grossa and Guarapuava.
- West Microregion: with **3.87 million inhabitants**, it comprises **208 Municipalities**, including Maringá, Cascavel and Foz do Iguaçu.

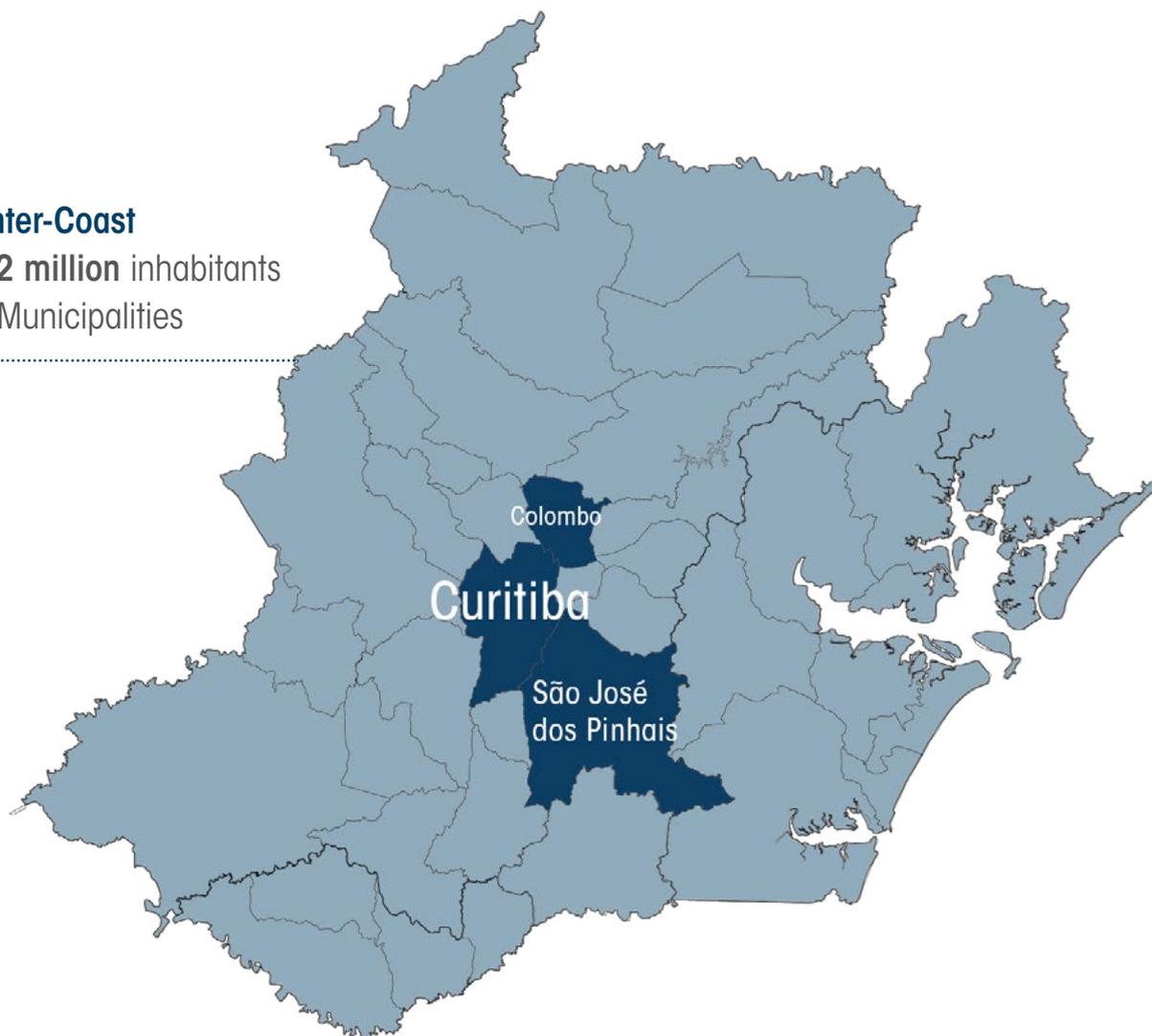
Paraná Microregions



*The nine municipalities mentioned are the most populated in each Microregion.

Center-Coast Microregion

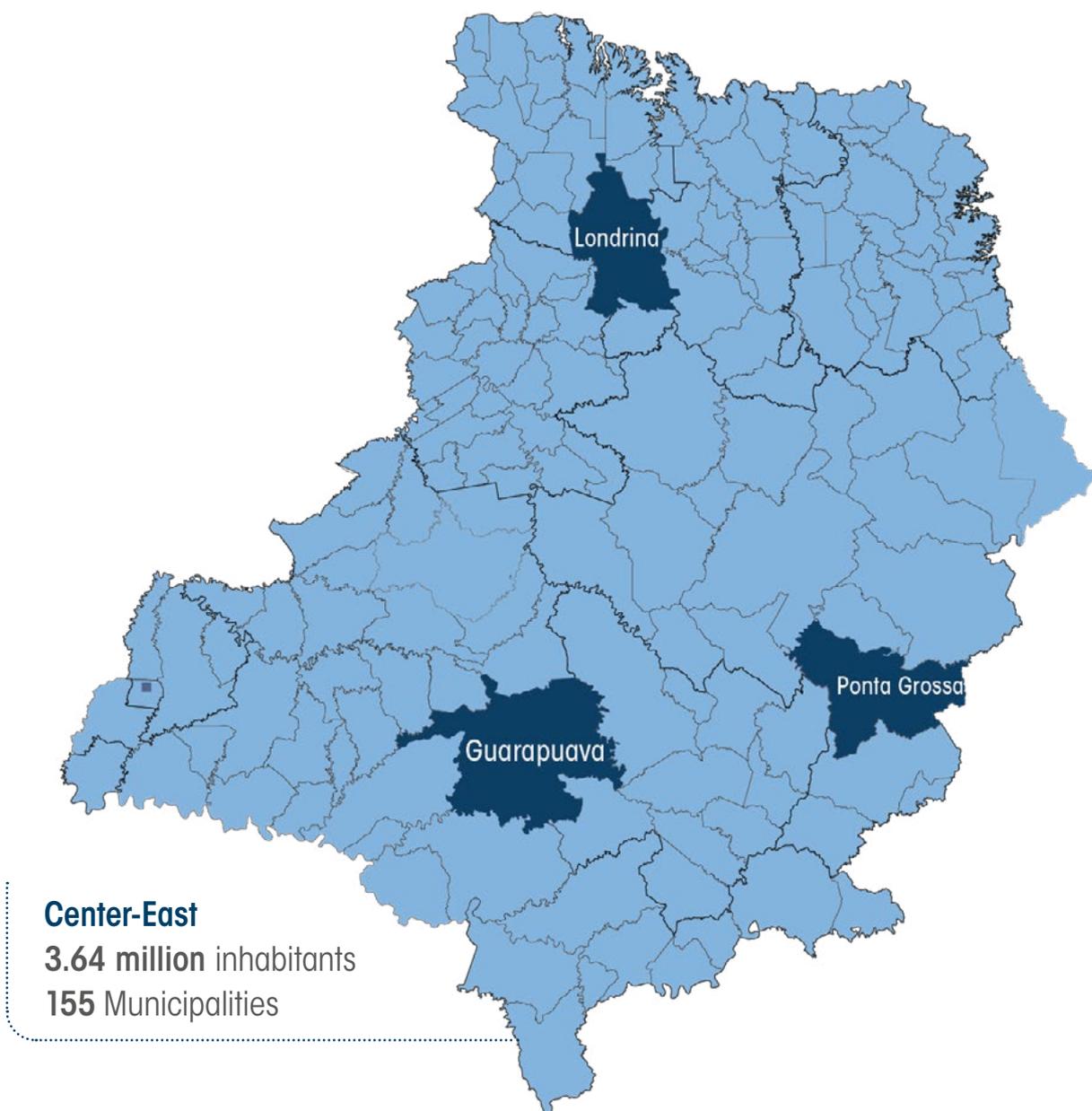
Center-Coast
3.92 million inhabitants
36 Municipalities



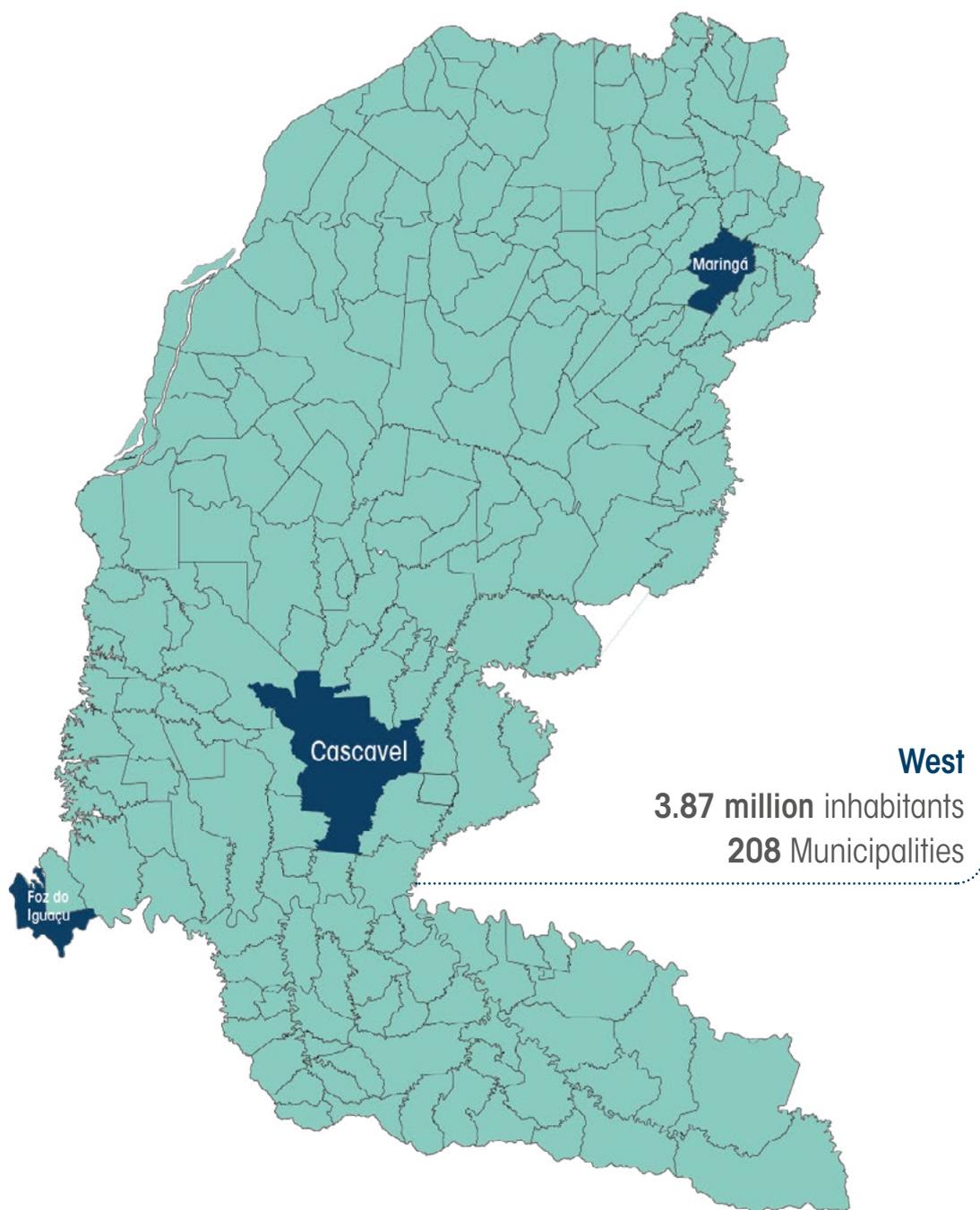
Iguaçu Water Treatment Plant - Curitiba/PR



Center-East Microregion



West Microregion





In 2022 BRL 11 million were invested in rural sanitation. There were 80 works in progress in 2022, some of them scheduled to be completed by 2023. The 2023-2027 plan should serve 16 indigenous communities.

In compliance with Federal Decree 10,710/2021, documents stating Sanepar’s economic and financial capacity were filed with the State – AGEPAR (Paraná) and ARIS (Santa Catarina), and the Federal – ANA (National Water Agency) regulatory agencies, as well as drafts of contract amendments which were approved by the microregion councils.

To achieve universalization, Sanepar has intensified its investments in rural sanitation and in quilombola and indigenous communities, sticking to the participation of 0.15% of water and sewage net revenue in the previous year, that represented approximately BRL 11 million in 2022, despite the greater effort demanded from a social stance.

There were 80 works in progress in 2022, some of them scheduled to be completed by 2023. The 2023-2027 plan should serve 16 indigenous communities in the municipalities of Vitorino, Guaíra, Terra Roxa, Tamarana and Santa Helena.

Contract profile

325

Municipalities

with contracts in effect

1

Municipality

with contract under adjudication

20

Municipalities

with expired contracts

Access to Water During the Pandemic

Also according to Law 20,187/2020, which lays down the guidelines, health measures and other provisions for the immediate response and intervention in emergency situations in case of endemics, epidemics and pandemics in the State of Paraná, Sanepar maintained the suspension of water service cuts in 2022, in line with its social commitment, thus ensuring sanitation to the most vulnerable population in the midst of the crisis.

Until November 30, 2021, the population could rely on the Credit Recovery Program for Active and Inactive Private Customers (RECLIP in Portuguese), which enabled the Company to renegotiate overdue accounts amounting to approximately BRL 93 million, helping many families plan their budgets and contributing to reducing default. This renegotiation did not charge down payment or fines and the amount due could be paid in up to 60 installments, with an interest rate of 0.1% per month.

To continue mitigating the economic impacts exerted by the pandemic on the population, the Company launched an updated version of the program, RECLIP/2022, in July 2022, with flexible negotiation rules, among them the waiver of the down payment, the removal of the fine, and the installment in up to 60 months, in addition to lower interest rates of 0.3% per month.

RECLIP/2022 Result



* Data up to the first half of January 2023.



Sanepar customer service channels – Whatsapp

Vision, Purpose and Values

Sanepar is constantly seeking innovations that make processes, techniques and materials used more efficient, in order to continue making the necessary investments to achieve the goal of universal access with quality and preserving the Company's economic and financial balance. Innovative solutions are encouraged among employees and are present in all departments and processes, as part of Sanepar's own culture.

VISION

Universalize environmental sanitation with excellence, in all municipalities served, committed to customer satisfaction.

PURPOSE

Health and Sustainability for Society.

VALUES

Responsibility - Be responsible for your actions and decisions, committed to the Company's goals.

Innovation - Search for new solutions, aiming at efficiency and the universalization of environmental sanitation;

Competence - Carrying out professional duties with the support of knowledge, skills and assertive attitudes;

Respect - Act in a correctly, respecting diversity, society and the environment;

Commitment - Act in a dedicated and committed way with the Company's Principles, Values, Vision, and Mission;

Professionalism - Performing your duties with dedication, ethics and respect;

Transparency - Clearly and truthfully act and report;

Ethics - Act in accordance with values that guide an upright, transparent, and honest conduct.



Water Treatment Plant - Praia de Leste

2023-2027 Strategic Plan

Sanepar's challenge for the upcoming years is to adapt to the new scenarios that impact the efforts to achieve the universalization goals set forth on the New Legal Framework, without neglecting the quality of service delivered to the population or the Company's economic and financial balance. Coupled with the regulatory changes are climate change, the shortage of raw materials arising from the pandemic and the war in Ukraine, and the anticipation of investments to deal with water scarcity.

All these particularities, occurring concomitantly, increase the need for the Company to implement innovative solutions.

Within this context, the investment plan had to be re-evaluated to promote the use of innovations, which included employing more efficient, sustainable and lower-cost raw materials, as well as new construction methods, within the limits of the environmental legislation, allowing construction time reductions in order to mitigate impacts of the water crisis more quickly. Moreover, operational adaptations were made to maintain the quality of services provided to the population. All of this was carried out very adherently to the investment projections approved by Management.

Solid Values

Despite the several changes that have taken place, Sanepar's strategic objectives and guiding principles remain unshakable:

- › **Sustainability** – ensure economic-financial balance of the business; protect the environment; promote social responsibility.
- › **Customers and Granting Authority** – maintain and expand the market; increase customer satisfaction and loyalty; strengthen the Company's image.
- › **Processes** – ensure product and service quality; improve and innovate projects and processes; ensure regulatory and corporate governance practices.
- › **Learning and Growth** – strengthen the innovation culture; improve knowledge, skills and attitudes; develop the organizational environment.

Corporate Governance

Corporate governance is a priority at Sanepar. Reinforcing its commitment to transparency and integrity, every year the Company publishes the Integrated Strategic Risk Management, Corporate Internal Controls and Compliance Work Plan, which, like all Sanepar's policies, is approved by the Board of Directors. This plan details the principles, guidelines, rules, responsibilities and concepts, in order to enable the identification, assessment, treatment, monitoring and communication of risks and internal controls in the Company's processes.

In order to align the plan with good market practices and to strengthen this initiative, the Integrity Program was revised in 2022, to introduce the pillars of Third Parties and Diversity, which were added to those of Governance, Risks, Instruments, Communication, Consequence Management and Monitoring.

In addition to these eight pillars, the Integrity Program mainly considers the set comprised by the Code of Conduct and Integrity, Disciplinary Code, Internal Rules of Conduct Committee and internal rules that unfold the rules. The Code of Conduct and Integrity is one of the main instruments for ensuring integrity at Sanepar, as it sets forth conducts accepted and not accepted by the Company. In case of any misconduct, it can be reported to the Whistleblowing Channel, the management or other Sanepar's channel. The Disciplinary Code lays down measures to be taken: situations considered mild, educational and medium are dealt with by the immediate

manager, and the serious and very serious ones by the Conduct Committee. This procedure provides transparency and equity to the process, reinforcing the integrity behavior recommended by the Code.

Every year, Sanepar holds the “Integrity Week” during one week in which the International Anti-Corruption Day is celebrated (December 9), presenting panels on related matters. In 2022, the event counted on Sanepar’s governance agents, especially the Board of Directors’ Chairman and other members of the board, in addition to Company’s CEO and Executive Officers, and notorious Brazilian authorities. Topics such as Ethics and Compliance, Legal Aspects of Integrity, Diversity, Corporate and Operational Risks, International Anti-Corruption Day and the General Data Protection Act were addressed.

In addition to integrity instruments, in 2022, the Company also made progress in mapping process risks, to enable the evaluation of internal control systems and, therefore, improve and ensure management at all Company levels, including tactical and operational. The processes are prioritized in accordance with the materiality criteria of the executive boards and with guidelines of the Risk Management Committee, and are carried out with support of the Statutory Audit Committee and the Board of Directors.

Also in 2022, the following documents were revised: Company Bylaws; Code of Conduct and Integrity; Code of Conduct for Third Parties; Policy on Investments and Related-Party Transactions; Fiscal Council Internal Rule; and Disciplinary Code. The Internal Rules of the ESG Committee were also implemented. The Material Act or Fact Disclosure Policy and the Securities Trading Policy were unified in the Policy on Material Act or Fact Disclosure and Trading of Securities Issued by Sanepar. A new policy on Innovation was implemented.

Looking Towards the Future

Sanepar has important elements necessary to consolidate itself in the New Legal Framework environment: employees with excellent technical skills and commitment, internal controls mapped out and strictly adhered to, and solid integrity and ethics guidelines. The Company’s mission is to offer quality services at fair tariffs, providing the population with health and quality of life.



Environmental monitoring project. Stingless Bees of the Serra's Springs
Socio-Environmental Education Center (CEAM, in Portuguese)

Sustainability

Sustainability is intrinsic to the sanitation sector activities. Company's operations create positive and negative environmental impacts, related to the preservation of nature's water cycle and distribution services in increasingly urbanized areas. There are also social aspects related to water supply and sewage treatment within quality standards through payment of an affordable tariff, which contributes to sustainable development.

To improve the Environmental Compliance and mitigate the negative impacts created by sanitation infrastructure investments and operations, seeking innovative compensatory solutions, the 18th Extraordinary Meeting of the Board of Directors, held on November 17, 2022, approved the signing of the first two Direct Conversion Agreements (Termos de Conversão Direta), proposed by the Brazilian Environmental Institute – (IBAMA in Portuguese), totaling BRL 87.6 million, which will be spent over a 10 (ten) year period, and will enable the requalification of approximately 1,200 (one thousand and two hundred) hectares. The measure is based on modern accountability and prudent investment concepts to remedy negative impacts while promoting responsible expansion of the sanitation service coverage.

In 2022, the ESG committee gained robustness. Formalized in July 2021, the committee's meeting schedule was intensified, and it worked hard on the development of a Corporate ESG agenda, which was approved by the Senior Management in September. Created in April 2022, the Innovation Committee aims to strengthen the communication of this culture to all Company's levels. Another year highlight was the consolidation of the Sustainability Policy, which is an advancement from the Environmental Policy, and aims to establish guidelines to holistically foster environmental sustainability and water resources, as well as social and economic responsibility in all activities undertaken. The policy focuses on creating value for all stakeholders, in a sustainable and resilient way.

As signatory of the Global Compact since 2019, the Company has embraced the SDGs (Sustainable Development Goals) and works to meet the established goals, as well as advocates for and promotes the 2030 Agenda.

For Sanepar, all 17 SDGs are equally important and intrinsically linked to each other; however, to assist the approach and enable a proper internalization, the Company has strategically decided to prioritize 5 of these goals:



Sanepar’s Actions That Meet Prioritized SDGs:



Clean Water and Sanitation

- Differentiated tariffs;
- Sanitation services;
- Basin committees;
- Sustainability from school to river;
- Energy efficiency;
- Environmental agenda;
- Sewage sludge - agricultural use;
- MASPP (loss problem analysis and solutions methodology);
- Research agreements;
- *Se Ligue na Rede* Program (connect to the network);
- Environmental education in spring basins;
- *Caixa d’água Boa* Project (good water tank project);
- Rural sanitation;
- Training of sanitation facilitators;
- Guided tours;
- Regulated environment.

3 GOOD HEALTH AND WELL-BEING



Good Health and Well-Being

- Differentiated tariffs;
- Greenhouse gas inventory;
- Diversity, equality and inclusion committee;
- Sanitation services;
- *Se Ligue na Rede* (connect to the network);
- *Caixa d'água Boa* (good water tank project);
- Summer operation at the beaches / Paraná summer: Live Life;
- Rural sanitation;
- Distance learning.

5 GENDER EQUALITY



Gender Equality

- Distance learning on gender;
- Code of conduct;
- Diversity, equality and inclusion committee;
- *Se Ligue na Rede* (connect to the network);
- Compensation policy;
- Inova award;
- Summer operation at the beaches / Paraná summer: Live Life;

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Responsible Consumption and Production

- Greenhouse gas inventory;
- Sanitation services;
- Sustainability from school to river;
- Summer operation at the beaches / Paraná summer: Live Life;
- Training of sanitation facilitators;
- Environmental education in spring basins;
- Guided tours;
- Research agreements;
- Differentiated tariffs;
- Regulated environment;
- Sewage sludge - agricultural use;
- Energy efficiency;
- Basin committees;
- Environmental agenda.



Climate Action

- Research agreements;
- Environmental agenda;
- Sustainability from school to river;
- Green curtains;
- Energy efficiency;
- Basin committees;
- Greenhouse gas inventory;
- Training of sanitation facilitators;
- Environmental education in spring basins;
- MASPP (loss problem analysis and solutions methodology);
- Sanitation services.

The prioritization studies were conducted with representatives from all of the Company's executive offices and will guide investments, initiatives and programs, establishing an optimal path to achieve the 2030 Agenda goals with responsibility and consistency, creating value for shareholders, employees and society as a whole.

The prioritization work shows Sanepar's care for both internal and surrounding environment, seeking to ensure good conditions so that the organization, as well as its employees and business partners, nature and the society can develop and prosper together.

Water Scarcity

Within the sustainability context, it is important to emphasize the initiatives carried out in order to face the water crisis: reservoir volume forecasting in different climate behavior scenarios; negotiation with the farming community; Meta20 to raise awareness of the need to reduce water consumption levels by the supplied population – fundamental to end the rotation schedule by January 2022 -; capturing water from pits and quarries; river transpositions; and calibration of the public supply rotation frequency. All these actions have helped to mitigate the crisis' negative impacts and supported the understanding of the importance of a sustainable environment for water security.

Among other structuring works, Sanepar anticipated pipeline interconnections from the Corte Branco Reservoir, in Curitiba, to reinforce water distribution in more distant regions, and also built an emergency water collection system from the Capivari River, in Colombo, which now carries up to 714 liters of water per second to the Iraí Dam. This construction work, scheduled to start in 2025, was built in the record time of six months.

Two scenarios for the Curitiba and Metropolitan Region Integrated Water Supply System are compared in the following graph during the effectiveness of the rotation schedule (Rodízio, in Portuguese), showing that the interventions adopted were essential for the outlook improvement. Moreover, at the end of 2022, period in which the population kept its water consumption levels 15% below that of before the shortage, it was verified that the Integrated Supply System's (SAIC in Portuguese) reservoirs maintained the average level of 80.34% throughout the year – signaling the end of the most critical drought period in the last 90 years in Paraná.

Supply System Chart



SAIC - Integrated Water Supply System of Curitiba and Metropolitan Region.

Every year, Sanepar publishes its social and environmental information in the Sustainability Report and, as of 2023, the document will be prepared according to the Integrated Reporting Framework- following the Global Reporting Initiative (GRI 2021) methodology.



GGML's Good Ideas Seminar

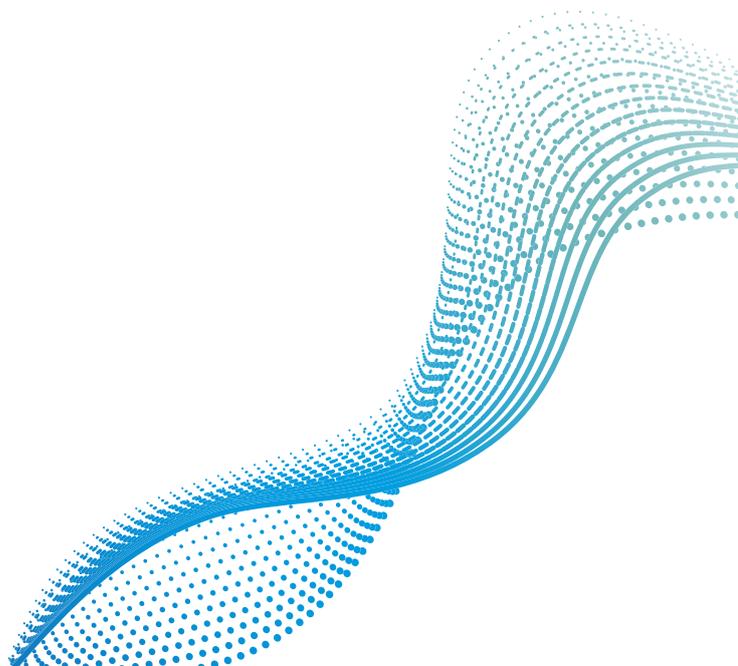
Human capital

The effects of the COVID-19 pandemic were still felt throughout 2022, however they were faced with strength and skills of Sanepar's employees, who managed to upkeep the quality and service standards in this third atypical year.

Once again, the team overcame the challenges and, with creativity and efficiency, conquered another year of good results.

Remote Work

In December 2021, the Company formalized the remote work regime. Based on the experience gained by having most of the administrative staff working from home during the pandemic, Sanepar proposed an update to labor agreements, which was submitted to unions' approval. Once the proposal was approved, each department should define who would be entitled to adopt this work regime and define the work schedules. Employees adhered to this new regime by an addendum to their individual employment agreements, which was monitored by the People Management team, which offered all the support when called upon.



People Management Policy

The safety, health and well-being guideline of Sanepar's People Management Policy advocates for the need to "provide a healthy and safe work environment, directly reflecting on the improvement of workers' quality of life and, by extension, on that of their families."

The document approved by the Board of Directors contributes to the implementation of Environmental, Social and Governance (ESG) practices. frequent updates to the policy are planned, so that it is perceived as a current instrument, adherent to the main trends of good corporate practices, that always makes sense for employees.

Organizational Climate

Employee satisfaction is assessed every two years through a survey called Fale Francamente (Speak Freely). The most recent one took place in 2021, when participants could choose the following concepts to rate the various topics covered: very satisfied, satisfied, unconcerned dissatisfied, and very dissatisfied. The change is aligned with the Reference Guide Model for Performance Measurement (GRMD in Portuguese), from the Brazilian Association of Sanitary and Environmental Engineering (ABES in Portuguese).

The employee satisfaction survey is an important tool, which provides for the ongoing improvement of processes, including the Career and Compensation Plan (PCCR in Portuguese), which significantly changed from one cycle to the next, adding improvements that were largely suggested by the employees, through action plans carried out by the Company's departments. Other new programs implemented were: Leadership Development Program, Education Incentive Program, Workday Reduction Program for parents or legal guardians of children who need special monitoring, as well as improvements in benefits, e.g., school supplies and uniform voucher, food vouchers in the coastal area, among others.

Diversity, Equity and Inclusion

In 2021, Sanepar perceived the need to transform its Equity Committee into something bigger and more comprehensive, in line with the challenges presented by society and the principles advocated by the ESG agenda. The body was remodeled to meet new demands, in a more plural and inclusive way, becoming the Comitê Existir – Diversity, Equity and Inclusion Committee. Since January 2022, Existir started a grassroots structuring work, reviewing rules and suggesting guidelines and measures to make the corporate environment more diverse and inclusive, through initiatives such as:

- › Suggesting inclusive goals and criteria to Sanepar’s Eligibility Policy, in order to make senior management more plural and representative of the social diversity.
- › Changing the Domestic Violence Leave (Approved in collective Labour Agreement – ACT in Portuguese) so it does not make gender differentiation.
- › Reviewing and extending the Family Medical Monitoring rule to male employees and creating the pregnancy monitoring, fostering parenthood.
- › Defining the positioning of Corporate Campaign and participating in events such as Sanepar’s Women Month, Lilac August (domestic violence), Parenthood (Fathers’ Day) and Pink October (breast cancer awareness).
- › A Breastfeeding Room at the Administrative Headquarters - based on the assessment of internal statistics of pregnant women and maternity leave, Existir has reviewed Anvisa’s normative requirements and has recommended adaptations to the space and realignment of the concept in order to create a space for lactating women.

Webinar - A woman’s profession is any profession she wants. Venue Training Center - Curitiba. Author: André Thiago Chaves Aguiar



Managing the Pandemic

As an essential service provider, Sanepar did not stop operating for a single day during the pandemic. To minimize risks to its workers, most of the initiatives that started in 2020 have been maintained until 2022: disclosing informative notices; publishing a map monitoring cases in the Company; full subsidy for employees’ RT-PCR tests; strict sanitizing procedures and active whistleblowing channel to report misconduct regarding preventive measures.

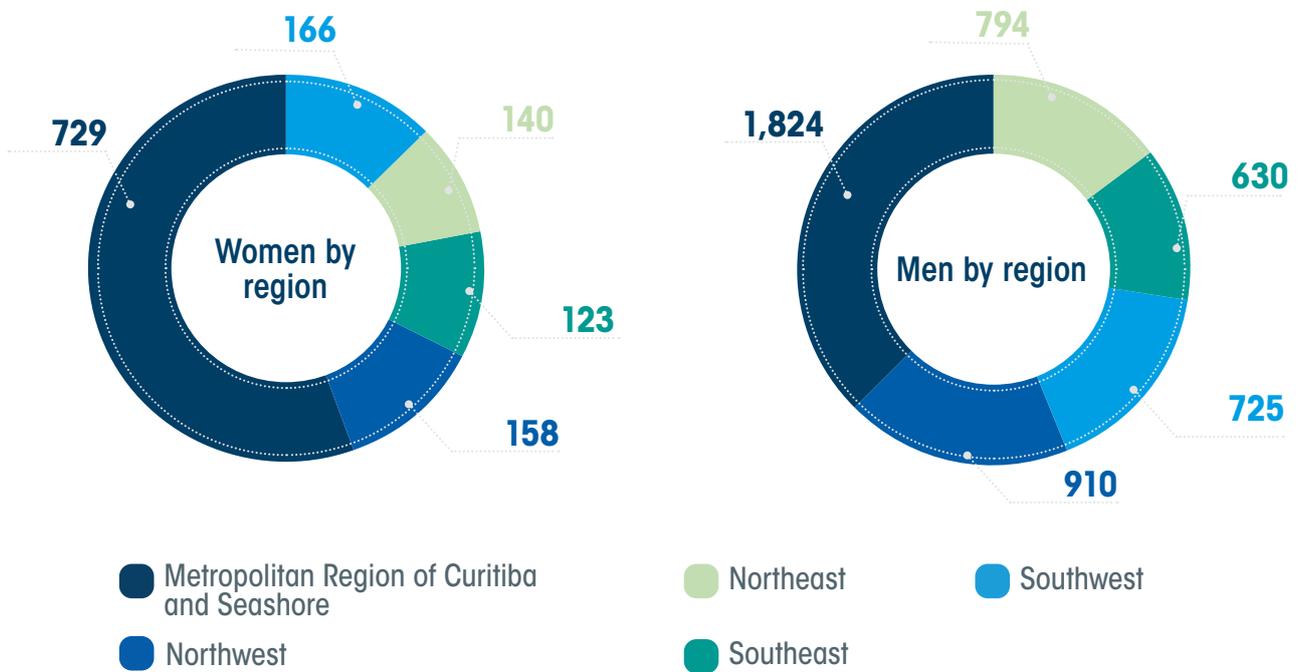
The Covid-19 Special Commission, appointed by Resolution 332/2022 of the CEO’s Office / Administrative Executive Board, comprised professionals from occupational health and safety, psychology, social work and communication departments, and remained active in 2022, meeting in the last months of the year on an occasional or emergency basis. The Commission’s role was to assist the Company in making decisions related to the pandemic, in line with the recommendations of the Ministry of Health and local health authorities. Since the Special Commission retraction, the initiatives to fight pandemic have been under the exclusive responsibility of the Occupational Medicine team, supported by the Occupational Safety, Social Services and People Development departments.

The Company believes that all efforts it devoted to the matter has contributed to mitigate transmission among employees. The main tool for this was the fast, clear and accessible communication to all levels. Sanepar believes this fluid communication, always present in the company’s routines since the first days of the pandemic, has an important part in raising engagement and commitment of its employees to the necessary care.

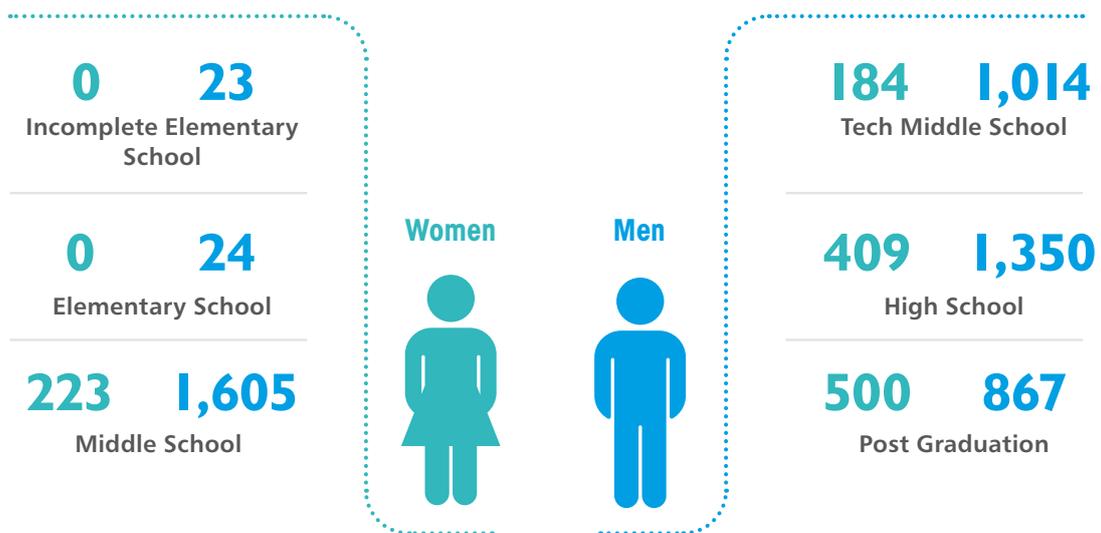
Right away the Sanepar employees profile:



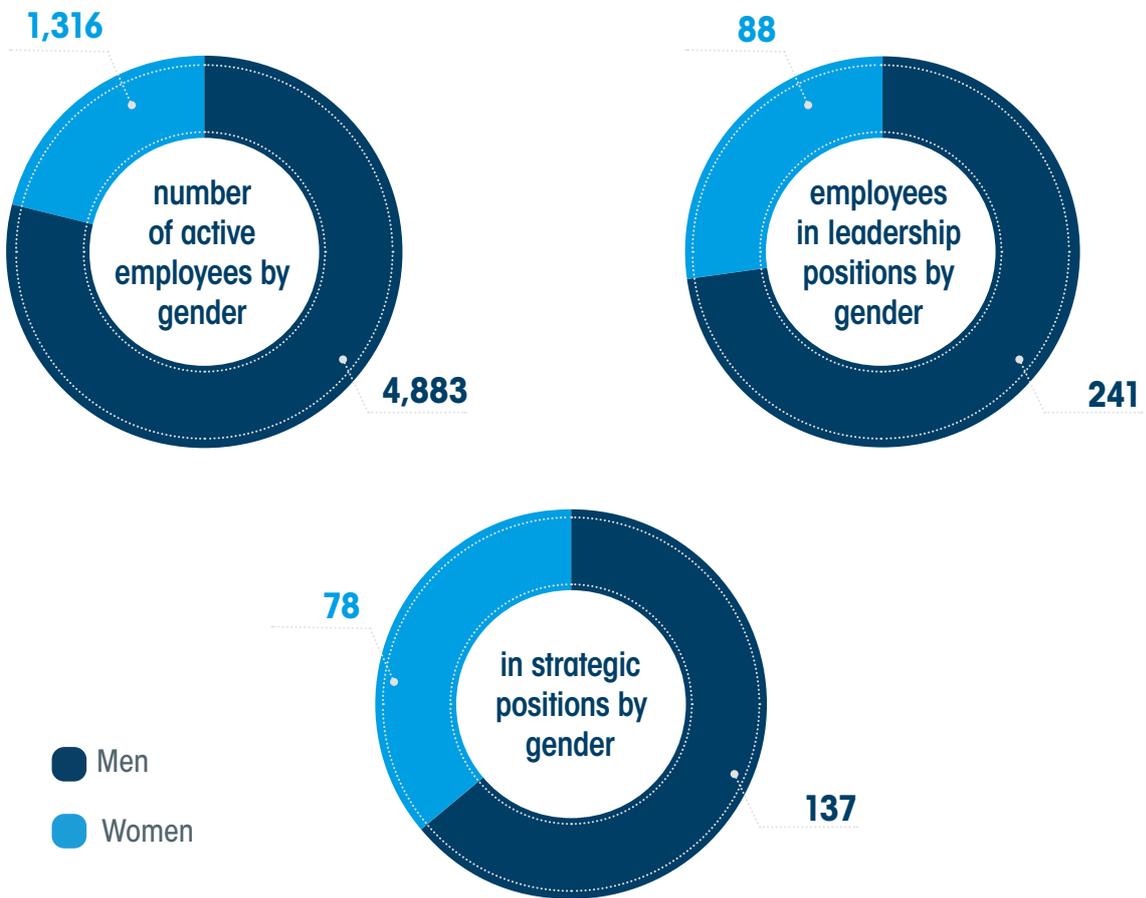
Geographic Distribution



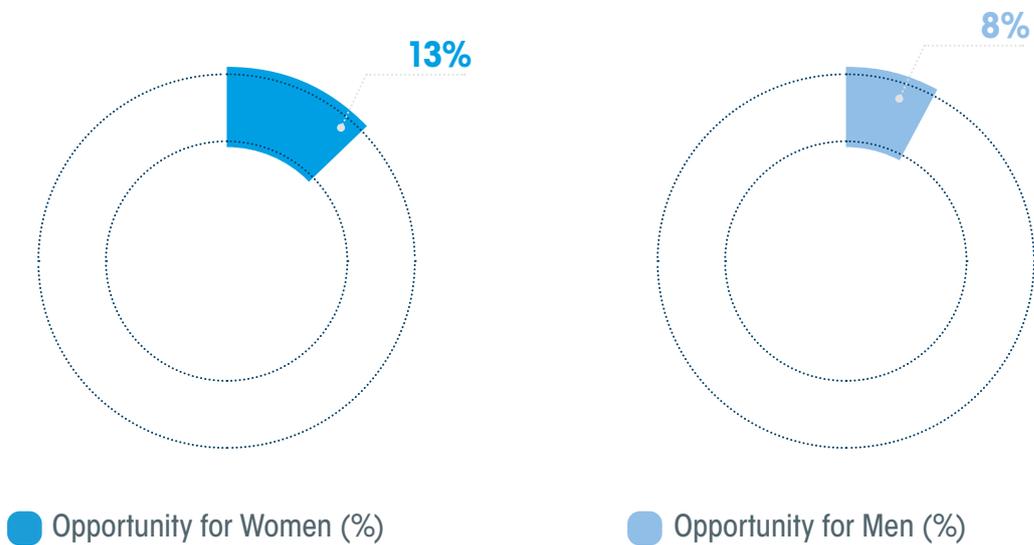
Education



Leadership Position



Opportunity Index - Women X Men





Action "Kindness in line" at the Ouidor Pardinho Health Unit - Curitiba Author: André Thiago Chaves Aguiar

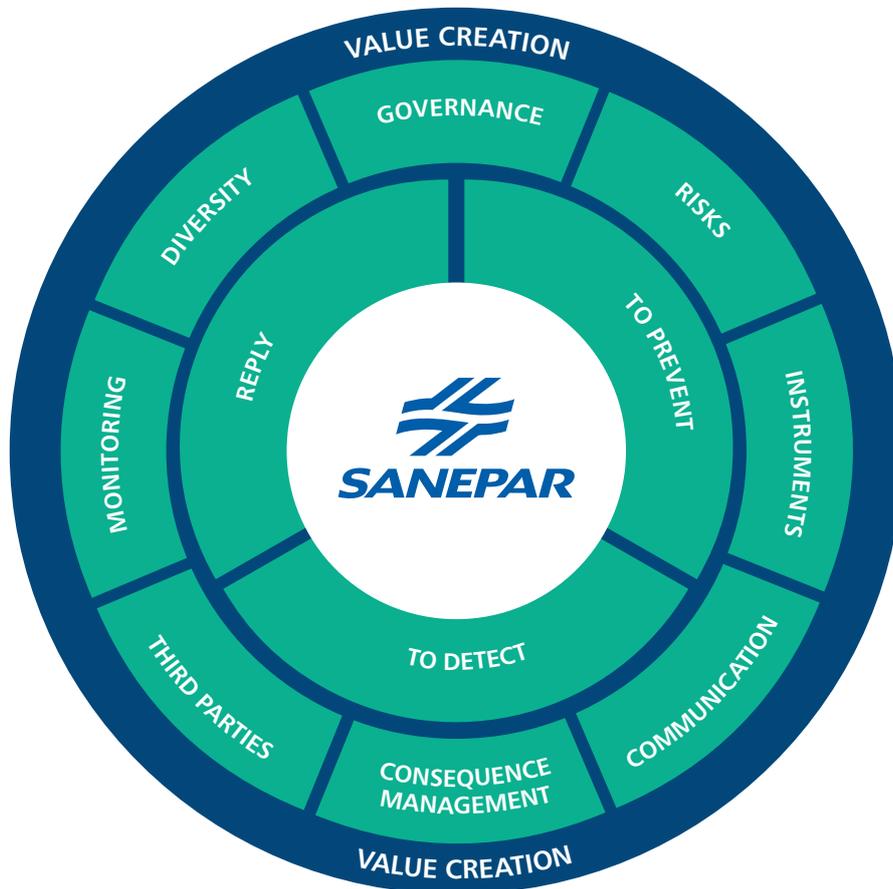
Additional Information

Governance, Risk and Compliance

After the Compliance and Risk Management departments were restructured and the Governance, Risks and Compliance Deputy Board (DAGRC in Portuguese) was created in 2020, years 2021 and 2022 were periods for consolidating practices and reaping the rewards.

During the second half of 2022, this Board's team, championed the integrity culture in the Company, made tours to disseminate the Integrity Program, visiting management offices in all regions of the state. The goal was to present Sanepar's governance structure and its main activities, and to raise awareness about the importance of fostering an environment of integrity and transparency, in accordance with legal provisions to which the Company is subject and, mainly, an environment where everyone is respected.

The Integrity Program is grounded on eight pillars:



In partnership with the Communication and People Development departments, Sanepar continued with the mandatory Distance Learning training track – about Governance, Integrity and Compliance –, aimed at fostering a greater alignment of all employees with the Company’s values and processes and bringing them closer to the proposed goals.

For integrity and consequence management, Sanepar widely informs about the Code of Conduct and the Disciplinary Code, which provide more instrumentality and efficiency for both the Conduct Committee and the leadership. Every quarter, the senior management and its Governance agents are informed of the outcomes of investigations and measures taken by the Compliance department, the Compliance Center, the Conduct Committee, and the Company’s leadership, in order to improve and monitor this process.

In 2022, the rules for the external independent Whistleblowing Channel were defined, which were created to guarantee anonymity and non-retaliation to the whistleblowers. This set of rules lay down that all reports must receive the appropriate treatment and the departments must respond to them within a reasonable period of time.

The reports received are investigated for truthfulness, which, once confirmed, lead to the start of internal investigation procedures. Reports are forwarded according to the Disciplinary Code, which establishes the decision-making procedures, involving disciplinary measures arising from breaches to the Code of Conduct and Integrity, and non-compliance with laws, rules, policies and other internal procedures. Said code indicates the action to be taken according to the level of magnitude of the reported conduct, and the case may be submitted to the Conduct Committee or to the immediate leadership of the accused, for the appropriate measures to be taken. Throughout the entire process, the accused parties have the right to defense, and the anonymity of the whistleblowers are respected.

The performance of Sanepar's governance bodies is assessed on a regular basis by an independent external company, which, in addition to complying with a legal determination, allows for its ongoing improvement.

Transparency

Sanepar maintains a website with information on transparency, with an established flow of how to request and obtain information. The Information Security Management System (ISMS) aims at exercising transparency focused on the corporate environment.

When the General Data Protection Act (LGPD in Portuguese – Law 13,709) came into effect on August 1, 2021, the Company appointed an employee in charge of data protection. Moreover, Sanepar is implementing tools to increasingly protect the personal data of its employees, suppliers and consumers in order to ensure the robustness of its Data Privacy Policy, as required by the national data protection regulatory agency. These measures arise from a technical work that involved the Governance and Information Technology (IT) departments.

Services Provided by Independent Auditors

Sanepar respects the external auditor's independence and understands the importance of the auditing entity's capacity to judge and act with integrity and objectivity to be able to issue impartial reports or opinions.

BDO RCS Auditores Independentes S.S. has an agreement with the Company for rendering independent auditing services of the Financial Statements for the fiscal years 2019, 2020, 2021, 2022 and 2023, and for the issuance of the special review reports on the quarterly information (ITR) of the 1st, 2nd and 3rd quarters of 2020 to 2023. BDO's auditors also certified the Sustainability indicators included in the 2022 Integrated Report, as recommended by the Brazilian Securities and Exchange Commission (CVM).

No services other than those reported herein were performed by the independent auditors.



Water tap at Mananciais da Serra in Piraquara. Author: André Thiago Chaves Aguiar

Annual Social Balance

Sanepar presents its Social Balance geared towards strengthening transparency with its employees, investors, market analysts, shareholders, customers and the community in general.

The Company uses the model created by the Brazilian Institute of Social and Economic Analysis (IBASE in Portuguese). In order to display its ethical values, such as participation, equality, gender and race diversity, inclusion of persons with disabilities, among others, the Company renders accounts of Sanepar's real situation.

The analysis of the following data elucidates in which points the Company has already made progress and in which it needs to improve, unveiling the challenges to be addressed in the coming years.

ANNUAL SOCIAL BALANCE SHEET - 2022						
1) Calculation basis	2022			2021		
	Value (Thousand Reais)			Value (Thousand Reais)		
Net Operating Revenue (NOR)	5,673,647			5,204,412		
Operating Profit (LO, in Portuguese)	1,545,547			1,603,566		
Gross Payroll (FPB, in Portuguese)	1,092,060			930,852		
2) Internal Social Indicators	Value (Thnd BRL)	% over FPB	% over NOR	Value (Thnd BRL)	% over FPB	% over NOR
Food	105,223	9.64	1.85	96,505	10.37	1.85
Compulsory social charges	231,870	21.23	4.09	208,144	22.36	4.00
Private pension	37,913	3.47	0.67	33,626	3.61	0.65
Health	85,955	7.87	1.51	79,100	8.50	1.52
Transportation vouchers	933	0.09	0.02	641	0.07	0.01
Safety and health at work	15,386	1.41	0.27	12,544	1.35	0.24
Education	-	-	-	-	-	-
Training and professional development	3,876	0.35	0.07	1,911	0.20	0.04
Day care or day care support	2,055	0.19	0.04	1,848	0.20	0.04
Profit sharing or results	88,093	8.07	1.55	80,197	8.61	1.54
Others	142,438	13.04	2.51	78,190	8.40	1.50
Total - Internal Social Indicators	713,742	65.36	12.58	592,706	63.67	11.39
3) External Social Indicators	Value (Thnd BRL)	% over LO	% over NOR	Value (Thnd BRL)	% over LO	% over NOR
Cultural, Artistic, Audiovisual and Sports	6,129	0.40	0.11	5,571	0.35	0.11
Children and Elderly Funds	3,500	0.23	0.06	4,000	0.25	0.08
Health and Oncology Assistance Programs	-	-	-	1,500	0.09	0.03
Leisure and fun	3,247	0.21	0.06	-	-	-
Others	80	0.01	-	132	0.01	-
Total Contributions to Society	12,956	0.85	0.23	11,203	0.70	0.22
Taxes (excluding social charges)	870,570	56.33	15.34	853,310	53.21	16.39
Total - External Social Indicators	883,526	57.18	15.57	864,513	53.91	16.61

4) Environmental Indicators	Value (Thnd BRL)	% over LO	% over NOR	Value (Thnd BRL)	% over LO	% over NOR
Related to the company's operation	1,796,243	116.22	31.66	1,313,571	81.92	25.24
In External Programs and/or Projects	159,378	10.31	2.81	91,266	5.69	1.75
Total Investments in the Environment	1,955,621	126.53	34.47	1,404,837	87.61	26.99
5) Functional Body Indicators	2022			2021		
Number of employees at the end of the period	6,199			6,281		
Number of admissions during the period	1			2		
Number of interns	116			43		
Number of employees over 45 years old	3,099			2,935		
Number of women working in the company	1,316			1,328		
% of leadership positions held by women	30.60%			26.90%		
Number of black people working in the company ¹	317			316		
Number of people with disabilities or special needs ²	98			99		
6) Relevant Information regarding the Exercise of Corporate Citizenship						
Relationship between the highest and lowest remuneration in the company	21.4			17.2		
Total number of work accidents	108			141		
The social and environmental projects developed by the company were defined by:	<input type="checkbox"/> directors	<input checked="" type="checkbox"/> directors and managers	<input type="checkbox"/> all employees	<input type="checkbox"/> directors	<input checked="" type="checkbox"/> directors and managers	<input type="checkbox"/> all employees
The safety and health standards in the work environment were defined by:	<input type="checkbox"/> directors and managers	<input type="checkbox"/> all employees	<input checked="" type="checkbox"/> all + Cipa	<input type="checkbox"/> directors and managers	<input type="checkbox"/> all employees	<input checked="" type="checkbox"/> all + Cipa
Private pension includes:	<input type="checkbox"/> directors	<input type="checkbox"/> directors and managers	<input checked="" type="checkbox"/> all employees	<input type="checkbox"/> directors	<input type="checkbox"/> directors and managers	<input checked="" type="checkbox"/> all employees
Profit sharing includes:	<input type="checkbox"/> directors	<input type="checkbox"/> directors and managers	<input checked="" type="checkbox"/> all employees	<input type="checkbox"/> directors	<input type="checkbox"/> directors and managers	<input checked="" type="checkbox"/> all employees
In the selection of suppliers, the same ethical standards, social and environmental responsibility adopted by the company:	<input type="checkbox"/> not considered	<input type="checkbox"/> suggested	<input checked="" type="checkbox"/> mandatory	<input type="checkbox"/> not considered	<input type="checkbox"/> suggested	<input checked="" type="checkbox"/> mandatory
Regarding the participation of employees in volunteer work programs, the company:	<input type="checkbox"/> not involved	<input type="checkbox"/> supports	<input checked="" type="checkbox"/> organizes and promotes	<input type="checkbox"/> not involved	<input type="checkbox"/> supports	<input checked="" type="checkbox"/> organizes and promotes
Total added value to be distributed (in thousand BRL)	In 2022: 3,851,694			In 2021: 3,544,969		
Added Value Distribution (DVA):	26.5% government	30.3% employees		27.9% government	28.0% employees	
	11.2% shareholders	13.3% third parties	18.7% retain	9.7% shareholders	10.9% third parties	23.5% retain

¹ Quota of Afro-descendants in Public Tenders from the 2005 calendar year on;

² Quota of Physically Disabled in Public Tender as of calendar year 2000.

The image is a cover for a financial report. It features a black calculator in the top left corner, a silver pen with a perforated barrel in the center, and a line graph with blue, green, and red lines on a white background. The text 'Financial Statements 2022' is written in a bold, dark blue font in the upper right quadrant. A large, light blue number '14' is positioned in the bottom right corner.

Financial Statements 2022

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Companhia de Saneamento do Paraná - SANEPAR

ACCOUNTING STATEMENTS

As of December 31, 2022, and 2021

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Companhia de Saneamento do Paraná - SANEPAR

STATEMENTS OF FINANCIAL POSITION

As of December 31, 2022 and 2021

(In thousands of Brazilian Reais)

ASSETS

	Note	2022	2021
Current			
Cash and Cash Equivalents	5	1.207.932	983.127
Trade Accounts Receivable	6.a	1.086.163	971.478
Inventories		76.943	57.680
Recoverable Taxes and Contributions	7	38.334	11.420
Restricted Deposits	8	23.705	14.375
Derivative Financial Instruments	4.1	16.053	12.716
Other Accounts Receivable	9	20.699	20.851
Total Current		2.469.829	2.071.647
Noncurrent			
Trade Accounts Receivable	6.a	125.750	51.551
Restricted Deposits	8	75.214	58.982
Court Deposits	18.c	507.294	408.593
Contractual Financial Assets	10	676.465	603.014
Contract of Assets	11	2.746.449	1.869.743
Deferred Income Tax and Social Contribution	16.c	686.874	679.462
Other Accounts Receivable	9	42.152	44.027
Investments	12	1.988	2.030
Fixed Assets	13.a	370.524	312.679
Intangible Assets	13.b	8.954.657	8.538.861
Total Noncurrent		14.187.367	12.568.942
TOTAL OF ASSETS		16.657.196	14.640.589

The accompanying notes are an integral part of these financial statements.

Companhia de Saneamento do Paraná - SANEPAR

STATEMENTS OF FINANCIAL POSITION

As of December 31, 2022 and 2021

(In thousands of Brazilian Reais)

LIABILITIES

	Note	2022	2021
Current			
Loans, Financing, Debentures and Leases	14.a	575.651	407.680
Contractors and Suppliers		297.045	269.397
Taxes and Contributions	15	102.767	84.602
Salaries and Social Charges		245.965	214.440
Dividends and Interest on Equity Capital	20/22	227.335	243.551
Unearned Revenue	17	3.560	700
Derivative Financial Instruments	4.1	15.746	11.606
Collateral and Contractual Retentions		2.217	2.210
Pension Plan and Health Insurance	19	67.404	77.341
Other Accounts Payable	21	91.968	85.644
Total Current		1.629.658	1.397.171
Noncurrent			
Loans, Financing, Debentures and Leases	14.a	4.507.593	3.712.885
Contractors and Suppliers		1.077	2.829
Unearned Revenue	17	11.273	-
Provisions	18.a	689.000	615.625
Pension Plan and Health Insurance	19	943.652	1.082.775
Other Accounts Payable	21	88.056	2.962
Total Noncurrent		6.240.651	5.417.076
Total of Liabilities		7.870.309	6.814.247
Equity			
	22		
Capital Stock		3.996.137	3.996.137
Revaluation Surplus		54.426	59.002
Asset and Liability Valuation Adjustments		4.322	4.458
Income Reserves		4.515.837	3.696.944
Other Comprehensive Income		216.165	69.801
Total of Equity		8.786.887	7.826.342
TOTAL OF LIABILITIES AND EQUITY		16.657.196	14.640.589

The accompanying notes are an integral part of these financial statements.

Companhia de Saneamento do Paraná - SANEPAR

STATEMENTS OF INCOME

For the years ended December 31, 2022 and 2021
(In thousands of Brazilian Reais, except earnings per share)

	Note	2022	2021
Net Operating Revenue	23	5.673.647	5.204.412
Costs of Services Rendered	24	(2.383.355)	(2.120.008)
Gross Profit		3.290.292	3.084.404
Operating Expenses			
Selling	25	(469.608)	(356.540)
Administrative	25	(692.613)	(612.189)
Other Operating Revenues (Expenses)	25	(102.055)	(25.399)
Equity in Earnings (Losses) of Controlled Companies	12	(3.300)	(2.958)
Civil, Labor, Tax and Environmental Provisions	18.a	(73.375)	(70.948)
Provision for Pension Plan and Health Insurance	19	(72.703)	(57.425)
Profit Sharing Program	26	(88.093)	(80.197)
		(1.501.747)	(1.205.656)
Financial Income (Expenses)			
Financial Income	27	264.891	105.281
Financial Expenses	27	(507.889)	(380.463)
		(242.998)	(275.182)
Income Before Income Tax and Social Contribution		1.545.547	1.603.566
Income Tax and Social Contribution	16.a	(394.009)	(425.935)
Current		(476.820)	(472.247)
Deferred		82.811	46.312
NET INCOME FOR THE YEAR		1.151.538	1.177.631
Net Income Attributable to Common Shares		359.856	368.010
Net Income Attributable to Preferred Shares		791.682	809.621
Basic and Diluted Earnings per Share	22.g		
Common		0,71437	0,73056
Preferred		0,78581	0,80362

The accompanying notes are an integral part of these financial statements.

Companhia de Saneamento do Paraná - SANEPAR

STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2022 and 2021

(In thousands of Brazilian Reais)

	<u>2022</u>	<u>2021</u>
Net Income for the Year	1,151,538	1,177,631
Items that will not be reclassified to income	146,364	45,315
Actuarial Gains and Losses on Pension Plan and Health Insurance	221,764	68,660
Taxes on Actuarial Gains and Losses	(75,400)	(23,345)
Items that will be reclassified to income	(4,712)	(5,500)
Realization of the Revaluation Surplus	(6,933)	(8,015)
Taxes on Realization of the Revaluation Surplus	2,357	2,725
Deemed Cost Realization	(207)	(318)
Taxes on Deemed Cost Realization	71	108
Total of comprehensive income for the year, net from taxes	<u>1,293,190</u>	<u>1,217,446</u>

The accompanying notes are an integral part of these financial statements.

Companhia de Saneamento do Paraná - SANEPAR

STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2022 and 2021 (In thousands of Brazilian Reais)

	Income Reserve					Retained Earnings	Other Comprehensive Income	Total
	Capital Stock	Investment Plan	Legal	Tax Incentives	Additional Proposed Dividend			
Balance as of January 01, 2021	3,996,137	2,732,201	49,757	11,539	60,083	-	93,446	6,943,163
Net income for the year	-	-	-	-	-	1,177,631	-	1,177,631
Realization of Revaluation Surplus	-	-	-	-	-	8,015	(8,015)	-
Realization of Taxes on Revaluation Surplus	-	-	-	-	-	(2,725)	2,725	-
Realization of Deemed Cost	-	-	-	-	-	318	(318)	-
Realization of Taxes on Deemed Cost	-	-	-	-	-	(108)	108	-
Actuarial Gains and Losses	-	-	-	-	-	-	68,660	68,660
Provision for Taxes on Actuarial Gains and Losses	-	-	-	-	-	-	(23,345)	(23,345)
Total Comprehensive Income for the Year	-	-	-	-	-	1,183,131	39,815	1,222,946
Additional Dividends from 2020	-	-	-	-	(60,083)	-	-	(60,083)
Proposed Destination for A.G.O.:								
Recognition of Legal Reserve	-	-	58,881	-	-	(58,881)	-	-
Tax Incentives	-	-	-	12	-	(12)	-	-
Interest on Equity Capital	-	-	-	-	-	(325,863)	-	(325,863)
Additional Proposed Dividends	-	-	-	-	63,880	(17,701)	-	46,179
Retained Earnings	-	780,674	-	-	-	(780,674)	-	-
Balance as of December 31, 2021	3,996,137	3,512,875	108,638	11,551	63,880	-	133,261	7,826,342
Net income for the year	-	-	-	-	-	1,151,538	-	1,151,538
Realization of Revaluation Surplus	-	-	-	-	-	6,933	(6,933)	-
Realization of Taxes on Revaluation Surplus	-	-	-	-	-	(2,357)	2,357	-
Realization of Deemed Cost	-	-	-	-	-	207	(207)	-
Realization of Taxes on Deemed Cost	-	-	-	-	-	(71)	71	-
Actuarial Gains and Losses	-	-	-	-	-	-	221,764	221,764
Provision for Taxes on Actuarial Gains and Losses	-	-	-	-	-	-	(75,400)	(75,400)
Total Comprehensive Income for the Year	-	-	-	-	-	1,156,250	141,652	1,297,902
Additional Dividends from 2021	-	-	-	-	(63,880)	-	-	(63,880)
Proposed Destination for A.G.O.:								
Recognition of Legal Reserve	-	-	57,574	-	-	(57,574)	-	-
Tax Incentives	-	-	-	55	-	(55)	-	-
Interest on Equity Capital	-	-	-	-	-	(432,623)	-	(432,623)
Additional Proposed Dividends	-	-	-	-	159,146	-	-	159,146
Retained Earnings	-	665,998	-	-	-	(665,998)	-	-
Balance as of December 31, 2022	3,996,137	4,178,873	166,212	11,606	159,146	-	274,913	8,786,887

The accompanying notes are an integral part of these financial statements.

Companhia de Saneamento do Paraná - SANEPAR

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2022 and 2021
(In thousands of Brazilian Reais)

	2022	2021
CASH FLOW FROM OPERATING ACTIVITIES		
Net Income for the Year	1,151,538	1,177,631
Adjustments to Reconcile Income to Cash From Operating Activities		
Depreciation and Amortization	433,420	394,466
Cost of Fixed and Intangible Assets Write-Offs	16,378	18,055
Impairment of Assets	2,464	656
Present Value of Financial Assets Adjustment	(14,456)	(17,495)
Allowance for Losses on Doubtful Accounts	192,257	103,830
Deferred Income Tax and Social Contribution, net	(82,812)	(46,312)
Provisions	73,375	70,948
Pension Plan and Health Insurance	72,703	57,425
Interest on Financing	358,225	240,071
Monetary Variations on Financing	99,905	95,551
Interest and Leasing Monetary Update	66,837	56,026
Net Exchange Rate Variation	(1,093)	(165)
Derivative Financial Instruments Variation	3,387	595
Equity in Earnings (Losses) of Controlled Companies	3,300	2,958
Appropriation of Costs of Funds Raised from Third Parties	5,442	4,272
Adjustment to Fair Value - Investments	41	225
	1,229,373	981,106
Changes in Assets and Liabilities		
Trade Accounts Receivable	(381,141)	(327,256)
Recoverable Taxes and Contributions	(26,914)	(4,610)
Inventories	(19,263)	(3,823)
Court Deposits	(98,701)	(88,118)
Other Accounts Receivables	2,461	8,914
Contractors and Suppliers	25,896	58,406
Taxes and Contributions	443,238	434,385
Salaries and Social Charges	31,525	(54,479)
Collaterals and Contractual Retentions	7	(97)
Unearned Revenue	14,133	(4,200)
Income Tax and Social Contribution Paid	(469,301)	(457,455)
Other Accounts Payable	88,403	(18,868)
	(389,657)	(457,201)
Net Cash Generated by Operating Activities	1,991,254	1,701,536
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in Fixed and Intangible Assets	(1,744,142)	(1,320,162)
Investments	(5,180)	(950)
Net Cash Applied in Investing Activities	(1,749,322)	(1,321,112)
CASH FLOW FROM FINANCING ACTIVITIES		
Financing Obtained	1,073,339	799,220
Amortization of Financing	(328,486)	(469,674)
Payment of Interest on Financing	(326,645)	(230,741)
Leasing Payments	(87,578)	(78,591)
Cost of Funds Raised from Third Parties	(12,848)	(12,516)
Restricted Deposits	(25,562)	(11,743)
Payment of Dividends and Interest on Equity Capital	(309,347)	(267,575)
Net Cash Applied in Financing Activities	(17,127)	(271,620)
VARIATION IN CASH AND CASH EQUIVALENTS AMOUNT	224,805	108,804
Beginning Balance of Cash and Cash Equivalents	983,127	874,323
Ending Balance of Cash and Cash Equivalents	1,207,932	983,127

The accompanying notes are an integral part of these financial statements.

Companhia de Saneamento do Paraná - SANEPAR

STATEMENTS OF VALUE ADDED

For the years ended on December 31, 2022 and 2021
(In thousands of Brazilian Reais)

	<u>2022</u>	<u>2021</u>
Revenues		
Sales of Services Rendered	6,110,008	5,593,903
Other results	(102,055)	(25,399)
Losses in the Realization and Recovery of Assets	(192,257)	(103,830)
	5,815,696	5,464,674
Inputs Acquired from Third Parties		
Consumed Chemical Products	(200,851)	(142,078)
Consumables	(99,258)	(84,345)
Electricity	(532,543)	(568,995)
Other Costs of Products and Services	(645,589)	(468,678)
Third-Party Services	(285,161)	(265,883)
Other Operating Expenses	(28,771)	(97,583)
	(1,792,173)	(1,627,562)
Gross Added Value	4,023,523	3,837,112
Depreciation and Amortization	(433,420)	(394,466)
Added Value, Net	3,590,103	3,442,646
Added Value Received in Transfer		
Equity in Earnings (Losses) of Controlled Companies	(3,300)	(2,958)
Financial Income	264,891	105,281
Total Added Value to be Distributed	3,851,694	3,544,969
Added Value Distribution		
Employees and Manament		
Payroll and Social Charges	943,928	790,789
Remuneration of Directors and Governance Agents	9,871	9,850
Profit Sharing Program	88,093	80,197
Pension Plan and Health Insurance	123,868	112,726
	1,165,760	993,562
Government		
Federal Taxes	1,016,045	984,073
State Taxes	418	329
Municipal Taxes	4,248	3,072
	1,020,711	987,474
Financing Agents		
Rents	5,796	5,839
Interest and Monetary Adjustment	507,889	380,463
	513,685	386,302
Shareholders		
Interest on Equity Capital	432,623	325,863
Dividends	-	17,701
Net Income for the Year Not Distributed	718,915	834,067
Total	3,851,694	3,544,969

The accompanying notes are an integral part of these financial statements.

Companhia de Saneamento do Paraná - SANEPAR

NOTES TO THE FINANCIAL STATEMENTS

Base Date December 31, 2022

(In thousands of Brazilian Reais)

1. OPERATIONS

Companhia de Saneamento do Paraná – SANEPAR (also identified as “Company” or “Sanepar”), located at Rua Engenheiros Rebouças in Curitiba – Paraná, is a mixed capital company, controlled by the government of the state of Paraná and its municipalities, and engaged in rendering basic sanitation services, mainly water distribution, collection and treatment of sewage and solid waste, as well as studies, projects and construction work of new facilities, expansion of water distribution and collection and treatment of sewage networks, and rendering of advisory services and technical assistance in its areas of activity. The Company also collaborates with federal, state, municipal agencies and other entities in issues relevant to the achievement of its basic purposes.

On July 28, 2020, Law No. 20,266 / 2020 was sanctioned, which amended Article 1 of Law No. 4,684 of January 24, 1963, authorizing the Company to operate, including abroad, in the exploration of public services and private systems water supply, collection, removal and final destination of effluents, domestic and industrial solid waste, urban drainage, related services to protection of the environment and its water resources, in addition to being authorized to sell the energy generated in its units, services and rights arising from its patrimonial assets and to use networks for the installation of optical fibers. The Company may also participate, majority or minority, in consortia, investment funds or companies with public and private companies. The operation of these businesses may be directly or through subsidiaries, through special purpose companies or other legal types of association approved by the General Shareholders' Meeting.

The Company, through municipal concessions, provides water treatment and distribution services and sewage collection and treatment. Contract renewals are valid for an average of 30 years. The current status of the 346 operated municipal concessions is presented below:

Concession / Program Contracts ¹	Number of Contracts ¹	Intangible Assets + Contract Assets + Financial Assets ^{1 2}	% of Total Revenue ¹	% of EBITDA ¹
Overdue	20	646,095	4.8	4.2
Maturity in 2023	17	103,335	0.7	0.7
Maturity between 2024 and 2033	53	2,388,518	19.5	16.8
Maturity after 2033 ³	256	8,905,697	75.0	78.3
Total	346	12,043,645	100.0	100.0

¹ Information not audited or reviewed by independent auditors.

² Book value.

³ Includes the municipality of Maringá, whose amendment, that extended the concession until 2040, is currently being discussed in court.

Companhia de Saneamento do Paraná - SANEPAR

NOTES TO THE FINANCIAL STATEMENTS

Base Date December 31, 2022

(In thousands of Brazilian Reais)

Upon expiration of the concessions, the municipality must reimburse the Company for the values of the assets related to the concession. Additionally, the Company is discussing in court the validity of the amendment that extended the concession with the municipality of Maringá. The last procedural movement, in this case, refers to the distribution in the Federal Supreme Court (STF), to Minister Ricardo Lewandowski, of the Extraordinary Appeal with Agravo (ARE), under No. pending the analysis of the Internal appeal filed on 09/19/2022. Also, in the STF, on 04/20/2022, 05/23/2022, and 08/05/2022, conciliation hearings were held, with the support of the STF Mediation and Conciliation Center and participation of the Paraná State Public Ministry, in which Sanepar presented a proposal to the Municipality, however, these remained unfruitful. On 02/07/2023, the Company and the Municipality of Maringá requested the suspension of the Public Civil Action pending at the Federal Supreme Court (STF), for a period of 30 (thirty) days, due to internal demands, at administrative headquarters, inherent to the object of the action. According to the court order, the contract is not terminated until the Municipality pays the compensation owed to the Company.

The Company is registered under CVM (Brazilian Securities and Exchange Commission) as a public company type A (issuers authorized to negotiate any securities) and has its shares negotiated in São Paulo's stock exchange ("B3 – Brasil, Bolsa, Balcão"), listed in Level 2 of Corporate Governance.

The Company has 40% interest in the Special Purpose Entity, organized as a closely held corporation, named "CS Bioenergia S/A", engaged in rendering services of proper final destination of solid and organic waste and of the sludge generated in the sewage stations, production of biogas and generation of energy, as mentioned in Note 12.

2. PRESENTATION OF THE FINANCIAL STATEMENTS

2.1. Statement of Compliance

The financial statements are presented in conformity with Laws 6,404/76, 11,638/07 and 11,941/09. They were prepared following the Accounting Practices Adopted in Brazil, which covers Brazilian corporate law, the Pronouncements, Guidelines, and Interpretations issued by the Accounting Pronouncements Committee - CPC and also based on the accounting standards and procedures established by the Securities and Exchange Commission – CVM.

The Financial Information was authorized for disclosure by the Company's Management on February 16, 2023.

2.2. Change of accounting practice

Until 2021, the Company's accounting practice was to record expenses with "Municipal Sanitation and Environmental Management Funds" as "Commercial Expenses". These amounts derive from financial commitments assumed in the Program/Concession Agreements between the Company and the granting municipalities and represent a percentage value calculated on the Company's gross revenue in the respective municipalities.

Companhia de Saneamento do Paraná - SANEPAR

NOTES TO THE FINANCIAL STATEMENTS

Base Date December 31, 2022

(In thousands of Brazilian Reais)

As of 2022, the Company began to record expenses with “Municipal Sanitation and Environmental Management Funds” as Cost of Services Rendered, and no longer under Commercial Expenses. This classification did not affect the result for the year. Therefore, as required by Technical Pronouncement CPC 23 - Accounting Policies, Changes in Estimates and Error Rectification, to preserve the comparability of accounting information and financial statements between years, the Company reclassified the amounts of expenses with "Funds Municipal Sanitation and Environmental Management" presented in the Income Statement as of December 31, 2020 and December 31, 2021, as shown below:

Description	Stated 2020	Adjustment	Reclassified 2020
Cost of Services Rendered	(1,921,161)	(65,927)	(1,987,088)
Commercial Expenses	(437,859)	65,927	(371,932)
Impact on Statements of Income	-	-	-

Description	Stated 2021	Adjustment	Reclassified 2021
Cost of Services Rendered	(2,050,737)	(69,271)	(2,120,008)
Commercial Expenses	(425,811)	69,271	(356,540)
Impact on Statements of Income	-	-	-

2.3. Going Concern

The Company's Management has carried out all its planning and actions aimed at the continuity of its business, thus evaluating that it is able to make available all resources for the continuity of its operations, including evaluating the impacts of COVID-19, according to Explanatory Note 30. Management is not aware of any material uncertainty that may raise doubts about the Company's going concern, so the Financial Statements were prepared considering this assumption.

New Legal Framework for Sanitation

On July 15, 2020, Federal Law No. 14,026/2020 was published, which updated the legal framework for basic sanitation and adapted other rules to contemplate the updates proposed in the new legal text, increased competition in the sector, and imposed compliance targets of 99% of the population served with drinking water and 90% with sewage collection and treatment until December 31, 2033, encouraging operators to act more efficiently, and in case of non-compliance with the above term, the contracts may be considered irregular.

With the edition of Provisional Measure nº 1.154/2023, of January 1, 2023, in force on this date, its article 60 provided for the amendment of article 3 of Law 9.984/2000, with the creation of the National Water Agency – ANA, which became linked to the Ministry of the Environment and Climate Change, to implement, within its sphere of attributions, the National Water Resources Policy, part of the National Water Resources Management System.

Companhia de Saneamento do Paraná - SANEPAR

NOTES TO THE FINANCIAL STATEMENTS

Base Date December 31, 2022

(In thousands of Brazilian Reais)

Article 20 of the aforementioned Provisional Measure determined that the Ministry of Cities would be responsible for, among others, carrying out activities in the area of sanitation. Together, art. 1 of Annex I and art. 22, XVII, both of Decree No. 11.333/2023, of January 1, 2023, in force on this date, established that it is up to the National Secretariat for Environmental Sanitation, belonging to the organizational structure of the Ministry of Cities, to establish reference standards for the regulation of public basic sanitation services and monitor their implementation process, among other assignments.

The Law prohibits the formalization of new program contracts for the provision of public basic sanitation services.

It provides for the States to establish regional provision structures meeting the criteria of the Metropolis Statute.

On May 31, 2021, Decree No. 10.710 regulated art. 10-B of Federal Law No. 11,445/2007, establishing the methodology for proving the economic-financial capacity of public service providers for drinking water supply or sanitary sewage.

On July 9, 2021, Complementary State Law No. 237 was enacted, establishing the micro-regions of public water supply and sanitary sewage services in the West, Center-East, and Center-Coast and their respective governance structures, covering all 399 municipalities in Paraná, of which the Company operates in 345 municipalities.

On October 1, 2021, State Decrees nº 8.924/2021, nº 8.925/2021, and nº 8.926/2021 were published, which implemented the provisory internal regulations of each of the micro-regions.

On March 30, 2022, the General Meetings of the Paraná Water and Sewage Microregions (MRAE-1, MRAE-2, and MRAE-3) approved the inclusion, in the contractual amendments to the Concession/Program Agreements, of the targets outlined in article 11-B of Federal Law No. 11.445/2007, assigned by Federal Law No. 14.026/2020.

The Company, in compliance with the obligations outlined in Federal Decree No. 10,710/2021, filed the proof of economic and financial capacity to meet the goals outlined in art. 11-B of Law No. 11,445/2007 on December 29, 2021, at the Paraná Regulatory Agency - AGEPAR and the Intermunicipal Sanitation Regulatory Agency - ARIS, and between December 29 and 30, 2021 at the National Water and Basic Sanitation – ANA.

On March 7, 2022, AGEPAR's Board of Directors, at its Extraordinary Meeting No. 07/2022, decided to: i) endorse Sanepar's approval in the first stage of the assessment of its financial-economic capacity; ii) attest, in the second stage, with reservations, to Sanepar's economic and financial capacity to serve 296 municipalities, including Porto União/SC; and iii) not attesting, in the second stage, Sanepar's economic and financial capacity to serve 35 municipalities, justified by the lack of sufficient contractual time for engineering activities. Given this, the Company filed on March 21, 2022, within the scope of AGEPAR an Administrative Appeal regarding the proof

Companhia de Saneamento do Paraná - SANEPAR

NOTES TO THE FINANCIAL STATEMENTS

Base Date December 31, 2022

(In thousands of Brazilian Reais)

of Sanepar's economic and financial capacity to: i) withdraw the reservations in the proof of the municipalities certified by AGEPAR; and ii) include, through supplementary documentation, the evidence for the municipalities not previously certified.

On March 28, 2022, the Board of Directors of AGEPAR, at its Extraordinary Meeting No. 10/2022, resolved to: i) remove the reservations regarding the intermediate goals of non-intermittence, losses, and improvement of the quality of the provision of services exclusively as a requirement to obtain a certificate of economic and financial capacity; ii) reaffirm the inclusion of AGEPAR as a regulatory entity in the terms of the update and amendments; and iii) recognize as a formal error and rectify the original vote, including 21 municipalities and, thus, issue a certificate of economic and financial capacity to serve 310 municipalities.

On March 29, 2022, the Company filed a request for reconsideration with AGEPAR, regarding the decision of the Board of Directors.

On March 31, 2022, the Board of Directors of AGEPAR, at its Extraordinary Meeting No. 12/2022, decided not to accept the Request for Reconsideration filed by the Company regarding the Agency's decision not to attest to the proof of the Company's economic and financial capacity concerning 21 municipalities, which in the 2022 fiscal year represented 0.41% of the Company's Net Revenue, emphasizing the legality of said contracts until their final terms, as expressed by AGEPAR.

In December 2022, the micro-regions published the Regional Basic Sanitation Plan, as established in art. 17 of Law No. 11,445/2007.

2.4. Measurement and Presentation Basis

The Financial Statements were prepared considering the historical cost, except for the recognized revaluations, as a value basis, the financial assets measured at fair value and certain classes of current and noncurrent assets and liabilities, as presented in the Explanatory Note on accounting practices.

2.5. Functional and Reporting Currency

All amounts presented in the Financial Statements, including the amounts in the Notes, are stated in thousands of Brazilian Reais, which the Company's functional currency, unless otherwise stated.

3. MAIN ACCOUNT PRACTICES

The Company has applied the accounting practices described below consistently to all the years presented in these financial statements.

The main accounting practices, for which the details are available in the respective Explanatory Notes, adopted in the preparation of the financial statements were:

Companhia de Saneamento do Paraná - SANEPAR

NOTES TO THE FINANCIAL STATEMENTS

Base Date December 31, 2022

(In thousands of Brazilian Reais)

- a) **Risk Management and Financial Instruments** – Note 4
- b) **Cash and Cash Equivalents** – Note 5
- c) **Trade Accounts Receivable** – Note 6
- d) **Allowance for Losses on Doubtful Accounts** – Note 6
- e) **Contractual Financial Assets** – Note 10
- f) **Contract Assets** – Note 11
- g) **Capitalization of Interest and Financial Charges** – Note 11
- h) **Investments** – Note 12
- i) **Fixed and Intangible Assets** – Note 13
- j) **Lease:** The leased assets are shown in Note 13 and the corresponding debt in Note 14.
- k) **Evaluation of the Recoverable Value of Assets (Impairment test)** – Note 13
- l) **Loans, Financing, Debentures and Lease** – Note 14
- m) **Income Tax and Social Contribution** – Note 16
- n) **Provisions and Contingent Liabilities** – Note 18
- o) **Pension Plan and Health Insurance** – Note 19
- p) **Related-Party Transactions** – Note 20
- q) **Shareholders' Compensation** – Note 22.f
- r) **Revenues** – Note 23
- s) **Inventories:** Inventories are mainly composed of maintenance and repair materials, recorded at their average acquisition cost, in Current Assets. The amounts accounted for do not exceed its replacement or realization costs.
- t) **Current and Noncurrent Liabilities:** All liabilities are recorded at known or estimated amounts and, when applicable, adjusted on a *pro-rata die* basis, until the closing date of the financial statements, based on the indexes and agreed-upon charges, with no need of adjustment to present value.

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- u) **Licenses:** The Company records the infrastructure used for the operation of public services of basic sanitation as follows:

Concession contracts: the assets from "concession contracts" signed before the enactment of Law 11.445/07 (still ruled by Concessions Law - Law 8.987/95), are recorded as intangible assets and amortized by the economic useful life, based on a technical study made by the Company.

Program contracts: the assets arising from "Program Contracts", in compliance with the rules of Law No. 11,445/07 - Regulatory Framework, entered into until the enactment of Law No. 14,026, of July 15, 2020, which establishes the national guidelines for basic sanitation, are recorded under the bifurcated model (intangible asset and financial asset) defined by ICPC 01 (R1) and OCPC 05. In this model the Company records part of the intangible asset, to the extent that receives a right (license) to charge the user for the use of the public service, and part of the value in the financial asset to the extent that the economic useful life of the assets recorded in the intangible asset exceeds the term of the Program Agreement. The financial asset represents the remaining amount of the intangible asset to be reimbursed to the Company by the granting authority at the end of the contract term. Equity assets are amortized according to the terms of the contracts or their useful life, whichever is less.

Law No. 14,026, of 2020, prohibited the formalization of a Program Agreement with a Mixed Economy Society or Public Company, without a prior bidding procedure. The Company did not enter into new contracts after the enactment of Law No. 14,026.

- v) **Statements of Cash Flows (Indirect Method) and Added Value:** The statements of cash flows were prepared and are presented following Technical Pronouncement CPC 03 (R2) – Statements of Cash Flows. The Statements of Added Value were prepared and are being presented according to technical pronouncement CPC 09 – Statement of Added Value.
- w) **Use of Estimates and Judgment:** The preparation of the financial statements in compliance with Brazilian accounting practices requires the Company's Management to use estimates and assumptions that affect the amounts disclosed in these statements and notes. Actual results could differ from those estimates.

Estimates and assumptions are continuously reviewed. Reviews of accounting estimates are recognized in the year in which the estimates are reviewed and in any future years affected. The main estimate processes are summarized as follows:

Impairment of financial assets

The Company analyzes at the balance sheet dates if there is objective evidence that the financial asset or group of financial assets is not recoverable.

A financial asset or a group of financial assets is considered not to be recoverable if, and only if, there is objective evidence of impairment as a result of one or more events that happened after the initial recognition of the asset (an incurred 'impairment event'), with such event

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impacting estimated future cash flow of the financial asset or group of financial assets that can be reasonably estimated.

Impairment loss of non-financial assets

An impairment loss occurs when the book value of an asset or cash-generating unit exceeds its recoverable value, which is the higher between fair value less sale cost and value in use. The calculation of the fair value fewer sale costs are based on available information on sales of similar assets or market price less additional costs to discard the asset. The calculation of value in use is based on the discounted cash flow model. Cash flows derive from the budget for the next five years and do not include reorganization activities to which the Company has not yet committed itself or future significant investments which will improve the asset's basis of a cash-generating unit object of test. The recoverable value is sensitive to the discount rate used in the discounted cash flow method, as well as to expected future cash receipts and the growth rate used for extrapolation purposes.

Provisions for tax, civil, labor and environmental risks

The Company recognizes a provision for tax, civil, labor, and environmental proceedings. The assessment of the likelihood of loss includes assessing the evidence available, the hierarchy of the laws, available case law, the most recent court decisions and their significance in the legal system, as well as the opinion of legal advisors.

The Company's Management believes that the provisions for tax, civil, labor, and environmental risks are necessary and appropriate based on the effective legislation and represent the best estimate.

Allowance for losses on doubtful accounts

The allowance for doubtful accounts is set up in an amount deemed sufficient by Management to cover possible losses on the realization of accounts receivable, considering historical losses and an individual evaluation of accounts receivable with realization risks.

Taxes

There are uncertainties concerning the interpretation of complex tax regulations, and to the amounts and the time of future taxable income. Given the long-term nature and complexity of the existing contractual instruments, differences between the actual results and assumptions adopted, or future changes in such assumptions, may require future adjustments to tax revenue and expenses already recorded. The Company recognized provisions, based on the applied estimates, for the possible effects of audits conducted by tax authorities of the related jurisdictions in which it operates. The amount of these provisions is based on several factors, such as experience in previous tax audits and different interpretations of tax regulations by the taxable entity and responsible tax authority. These differences in interpretation may appear in several subjects, depending on the conditions in effect in the respective domicile of the Company.

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A significant judgment from Management is required to determine the number of deferred tax assets that can be recognized, according to a term considered reasonable, as well as the level of future taxable income expected for future years, along with future strategies of tax planning.

In compliance with ICPC 22, the Company understands that all tax adjustments made in the calculation of taxes and contributions on profit do not present a subject that can be questioned by the federal tax authorities as a result of different tax interpretations.

Pension plan and health insurance

The cost of the pension plan with defined benefits and other post-employment benefits of medical assistance, as well as the present value of the retirement obligation, are established using methods of actuarial evaluation. The actuarial evaluation involves the use of assumptions on discount rates, expected return rates of assets, future increases in salaries, mortality rates, and future increases of pension and retirement benefits. The obligation of the defined benefit is highly sensitive to changes in these assumptions. All assumptions are reviewed at each base date.

New IFRS e IFRIC interpretations (IASB Financial Information Interpretation Committee)

In the year ended December 31, 2022, no new standards, amendments, and interpretations of standards were issued. Additionally, the IASB issued/revised some IFRS standards, which are to be adopted for the year 2023 or after, and the Company is evaluating the impacts on its Financial Statements of the adoption of these standards:

Amendment to IAS 1 standards - Classification of liabilities as Current or Non-current: Clarifies aspects to be considered for the classification of liabilities as Current Liabilities or Non-Current Liabilities. This amendment to the standard is effective for years beginning on or after 01/01/2023. The Company does not expect significant impacts on its Financial Statements.

Amendment to IAS 1 and Disclosure of accounting practices 2 – Disclosure of accounting policies: Clarifies aspects to be considered in the disclosure of accounting policies. This rule change is effective for years beginning on or after 01/1/2023. The Company does not expect significant impacts on its Financial Statements.

Amendment to IAS 8 – Definition of accounting estimates: Clarifies aspects to be considered when defining accounting estimates. This rule change is effective for years beginning on or after 01/1/2023. The Company does not expect significant impacts on its Financial Statements.

Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction: Clarifies aspects to be considered in the recognition of deferred tax assets and liabilities related to taxable temporary differences and deductible temporary differences. This rule change is effective for years beginning on or after 01/1/2023. The Company does not expect significant impacts on its Financial Statements.

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Amendment to IFRS 16 - Lease liabilities in a sale and leaseback: Clarifies aspects to be considered for treating an asset transfer as a sale. This rule change is effective for fiscal years beginning on/or after 1/1/2024. The Company does not expect significant impacts on its Financial Statements.

Amendment to IAS 1 – Noncurrent liabilities with "Covenants": Clarifies aspects of separate classifications on the balance sheet of current and noncurrent assets and liabilities, establishing the presentation based on liquidity when providing reliable and more relevant information. This rule change is effective for fiscal years beginning on/or after 01/01/2024. The Company does not expect significant impacts on its Financial Statements.

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company is exposed to financial risks, however, they are managed or mitigated to not significantly affect the results of its operations and are described in this Note.

4.1. Financial Risk Management

Business Risk: the Company's business relates primarily to capturing, treating, and distributing water, collecting, and treating sewage for 345 municipal concessions operated in the State of Paraná and 1 in the State of Santa Catarina. The Company's results depend on the maintenance of concessions in the municipalities where it operates, the concession contracts and program contracts have an average term of 30 years. These contracts foresee meeting targets for the expansion and maintenance of water and sewage systems, related to the rate of service of the water supply and sewage collection networks. In some situations, the municipality may terminate the contract before its final term or not authorize its renewal upon compensation at the fair value of the balances of investments not yet depreciated/amortized. The process of readjustment and review of the tariff is approved by the Paraná's Regulatory Agency - AGEPAR.

Credit Risk: the Company is exposed to the credit risk of the counterpart in its financial transactions (cash and cash equivalents, bank deposits, and financial institutions) and accounts receivable (credit to customers and balances with related parties). The maximum exposure is equivalent to the accounting value as of December 31, 2022, and is stated in Notes 6, 9, and 20. The risks related to customers are mitigated by their composition, that includes a pulverized base that covers practically the entire population of the State of Paraná. Considering the type of business, Management does not carry out a credit analysis on the customer's ability to pay, adopting the practice of cutting off the supply in the event of default upon prior written notice delivered to the user, at least thirty days in advance of the scheduled date for the cut, except for the duration of State Law No. 20.187 of 2020 resulting from the coronavirus pandemic. The level of losses on the realization of accounts receivable is considered normal for the sanitation sector.

The practice of cutting the supply does not apply to public bodies, however, Management is intensifying efforts to reduce default levels with negotiations with debtor municipalities and if there is no agreement, the Company enters with judicial collection.

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Interest Rate Risk: interest rate risk is the risk that the fair value of future cash flows of a certain financial instrument changes due to variations in market interest rates. The Company's exposure to the risk of changes in market interest rates refers mainly to the Company's long-term obligations subject to variable interest rates.

This risk is due to the possibility of the Company incurring losses on account of interest rate fluctuations, which may increase the financial expenses on loans and financing.

Sensitivity Analysis of interest rate: the Company's Management calculates the sensitivity to a possible change in the rate of return on financial investments and interest on loans, financing, debentures, and leases subject to variable interest rates, which may generate significant impacts. If the rates of return on financial investments and interest on loans held in reais varied around 25% and 50%, with all other variables held constant, the effect on pre-tax earnings would be R\$26,423 and R\$52,846 more or less, mainly as a result of income from financial investments and lower or higher interest expenses on financial investments and variable rate loans as described below:

Description	Index	+25%	-25%	+50%	-50%
Financial Investments	DI	42,412	(42,412)	84,824	(84,824)
Assets		42,412	(42,412)	84,824	(84,824)
Caixa Econômica Federal	TR	(4,676)	4,676	(9,352)	9,352
BNDES	TJLP	(69)	69	(138)	138
BNDES-PAC2	TJLP	(4,909)	4,909	(9,818)	9,818
BNDES-AVANÇAR	IPCA	(763)	763	(1,526)	1,526
Debentures - 2nd Issuance - 1st and 3rd Series	TJLP	(1,070)	1,070	(2,140)	2,140
Debentures - 2nd Issuance - 2nd Series	IPCA	(906)	906	(1,812)	1,812
Debentures - 4th Issuance - 1st Series	TJLP	(2,062)	2,062	(4,124)	4,124
Debentures - 4th Issuance - 2nd Series	IPCA	(1,162)	1,162	(2,324)	2,324
Debentures - 7th Issuance - 1st to 4th Series	IPCA	(2,547)	2,547	(5,094)	5,094
Debentures - 8th Issuance - 2nd Series	DI	(5,181)	5,181	(10,362)	10,362
Debentures - 9th Issuance - 1st e 2nd Series	DI	(11,511)	11,511	(23,022)	23,022
Debentures - 10th Issuance - Single Series	IPCA	(5,816)	5,816	(11,632)	11,632
Debentures - 11th Issuance - 1st Series	DI	(4,131)	4,131	(8,262)	8,262
Debentures - 11th Issuance - 2nd and 3rd Series	IPCA	(5,830)	5,830	(11,660)	11,660
Debentures - 12th Issuance - 1st Series	DI	(5,966)	5,966	(11,932)	11,932
Debentures - 12th Issuance - 2nd Series	IPCA	(3,635)	3,635	(7,270)	7,270
Lease - Coastal	IPC-FIPE	(7,717)	7,717	(15,434)	15,434
Lease - Right of Use	DI	(884)	884	(1,768)	1,768
Liabilities		(68,835)	68,835	(137,670)	137,670
Effects in Income Before Taxation		(26,423)	26,423	(52,846)	52,846

The index considered for the 12-month period ended on December 31, 2022, were TR of 1.63% and the TJLP of 6.78% obtained from BACEN - Banco Central do Brasil, the IPCA at the rate of

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5.79% obtained from IBGE – Instituto Brazilian Geography and Statistics, the DI at the rate of 12.39% obtained from B3 – Brasil, Bolsa e Balcão and the IPC at the rate of 7.32% obtained from Fipe.

Exchange Rate Sensitivity Analysis: we present below the impacts that would be generated by changes in the risk variables related to derivative financial instruments intended to hedge the foreign currency loan. According to data from the Central Bank of Brazil - BACEN, obtained from the Market Expectations System, the probable scenario for the next quarter is an increase of 0.437% in the dollar rate. This scenario uses the average exchange rate projected for March 2023, in relation to the PTAX rate informed for 12/30/2022.

Considering the notional amount of €2,882 thousand (R\$16,053 thousand), the value of the Euro quotation as R\$5.5694 for December 30, 2022 (Ptax – Banco Central) and considering the premise of maintaining the proportional value of U\$1.0674 for each euro, according to a dollar PTAX of R\$5.2177, we present below the exchange rate variation for 25% e 50% for appreciation and depreciation concerning the exposure:

Effects on Results	Probable	+25%	-25%	+50%	-50%
Euro's Variation Risk (increase of 0.437%)	(70)	(4,013)	4,013	(8,026)	8,026

Liquidity Risk: Liquidity risk consists of the eventuality that the Company does not have sufficient funds to meet its commitments due to the different currencies and terms of realization/settlement of its rights and obligations. The Company structures the maturities of non-derivative financial contracts, as shown in Note 14, so as not to affect their liquidity. The management of liquidity and cash flow is carried out daily by the Company's management areas, to ensure that operating cash generation and prior fundraising, when necessary, are sufficient to maintain its schedule of commitments, reducing liquidity risks. Additionally, the Company has a dividend policy and treasury and market risk management.

Derivative Financial Instruments: Under the Company's Risk, Treasury, and Market Management Policy, to mitigate the risks related to foreign exchange exposure, 3 financial institutions were hired to carry out non-speculative hedge operations upon receipt of funds arising from the loan from Banco KfW, through the exchange (Swap) of the variation of the debt in Euros + 1.35% interest per year for a percentage of the CDI. The Company does not apply the hedge accounting policy for this contract, measuring it at fair value through profit or loss, presented in the financial result. The debt of this loan is shown in Note 14.

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On December 31, 2022, the Company has swap contracts (Euro + Interest x CDI) as shown below:

Financial Instruments - Swap Contracts							
Operation	Agent	Operation Start Date	Maturity of the Operation	Notional Value EUR	Fair Value of the Asset Position	Fair Value of the Liability Position	Gain (Loss) with Derivative Instruments - Swap
1	Banco Bradesco	06/01/2022	06/27/2023	598	3,331	3,059	272
2	Banco Itaú	11/28/2022	06/27/2023	1,783	9,930	9,903	27
3	Banco Itaú	11/28/2022	12/26/2023	501	2,792	2,784	8
TOTAL				2,882	16,053	15,746	307

4.2. Capital risk management

The purpose of the capital management of the Company is to guarantee a strong credit rating to financial institutions and an optimal capital ratio in order to support business and maximize values to the shareholders. The Company manages its capital structure by means of adjustments and adequacy to current economic conditions. With this objective, the company can make payments of dividends, enter new loans, issue promissory notes and contract operations with derivatives. For the year ended on December 31, 2022, there was no change in the objectives, policies or capital structure processes.

In order to preserve its liquidity and payment capability, the Company uses as leverage metrics on net debt/equity. For net debt effect purposes, loans, financing, debentures and lease, minus cash and cash equivalents:

Description	2022	2021
Loans, Financing, Debentures and Leases	5,083,244	4,120,565
Cash and Cash Equivalents	(1,207,932)	(983,127)
Net Debt *	3,875,312	3,137,438
Equity	8,786,887	7,826,342
Net Debt/Equity Ratio *	0.44	0.40

* Information not audited or not reviewed by independent auditors

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4.3. Financial Instruments

The financial instruments are recognized in the Company's Financial Statements and the fair value is the same as the book value, as follows:

Description	2022	2021
Assets		
Fair value measured through income		
Financial Investments	1,169,170	942,304
Derivative Financial Instruments	16,053	12,716
Restricted Deposits	98,919	73,357
Amortized cost		
Cash and Banks	38,762	40,823
Trade Accounts Receivable, net	1,211,913	1,023,029
Contractual Financial Assets	676,465	603,014
Other Accounts Receivable	62,851	64,878
Total	3,274,133	2,760,121
Liabilities		
Fair value measured through income		
Derivative Financial Instruments	15,746	11,606
Amortized cost		
Loans, Financing, Debentures and Leases	5,083,244	4,120,565
Contractors and Suppliers	298,122	272,226
Other Accounts Payable	180,024	88,606
Total	5,577,136	4,493,003

The hierarchy level of fair value through profit or loss of the Company's assets is framed in level 2, which corresponds to financial investments, derivative instruments, and restricted deposits, according to CPC 48 – Financial Instruments.

5. CASH AND CASH EQUIVALENTS

Accounting practice:

They include cash, bank deposits and short-term investments that are stated at cost, plus income earned by the rates agreed with the Financial Institutions, calculated pro-rata die and appropriated monthly. A financial investment qualifies as a cash equivalent when it has characteristics of immediate convertibility with the issuer in a known amount of cash and is not subject to the risk of significant change in value.

These have the following composition:

Description	2022	2021
Unrestricted Bank Deposits	5,803	3,842
Restricted Bank Deposits	32,959	36,981
	38,762	40,823
Financial Investments	1,169,170	942,304
Total of Cash and Cash Equivalents	1,207,932	983,127

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Financial investments are close to fair value and have short-term characteristics, high liquidity, and low risk of changes in value. They are made up of a fixed income fund, invested in an exclusive Investment Fund (CNPJ 03.737.212/0001-44 – Caixa SANEPAR I Fixed Income Exclusive Investment Fund) whose portfolio is composed mostly of federal government bonds and by CDB along with Caixa (CNPJ 00.360.305/0001-04), with an average yield of 99.65% of CDI (97.24% in 2021). The increase in the balance of Financial Investments is due to the funding, on January 2022, of the 12th issuance of debentures for R\$600,000.

6. TRADE ACCOUNTS RECEIVABLE

Accounting practice:

Accounts Receivable from Customers: Include services measured and invoiced, not yet received, and revenues from water supply and sewage collection, not yet invoiced, accounted for on an accrual basis, according to the estimated consumption between the date the last reading and the end of each month, based on the average consumption of each customer.

Present Value Adjustment: The balances of accounts receivable from customers referring to installments were adjusted to present value. The installments of individual accounts are updated by SELIC, plus a management and risk fee, and those of government agencies based on the interest of 6% per year, brought to present value at the same rates.

Provision for Losses on Realization of Credits: In order to estimate the amount of the provision for expected losses on the realization of credits, to be recognized in the period, the Company's Management performs analyzes of its accounts receivable considering the expected loss on the amounts due and overdue amounts.

For the accounts receivable amounts, the provision for expected losses is constituted using a matrix that segments the balances by consumption category and maturity age, resulting in the best expectation of recovery of these credits. For the past due amounts of accounts receivable from customers, a provision is constituted considering the credit recovery policy currently adopted by the Company, which contemplates the interruption of services provided to defaulting customers, and based on the past due amounts segregated by the categories of residential consumers, commercial, industrial and Federal Government overdue for more than 180 days, and based on amounts overdue for more than 2 years for the Municipal Government, except for city halls that are not paying overdue bills, for which it is provision for all credits. The Company does not set up a provision for losses in the realization of credits from the State sector because it is a related party and due to its history of settling debts.

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a) The balances of trade accounts receivables break down per maturity as follows:

Description	2022	2021
Falling Due Accounts Receivable	334,328	319,892
Accounts Receivable from Installment Payments	248,679	129,639
Adjustment to Present Value	(32,060)	(17,211)
Accounts to be Billed (Unbilled Consumption)	256,713	241,906
	<u>807,660</u>	<u>674,226</u>
Overdue Accounts Receivable		
From 1 to 30 days	175,395	164,796
From 31 to 60 days	82,055	71,331
From 61 to 90 days	54,852	46,293
From 91 to 180 days	116,384	90,306
Over 180 days	557,711	366,825
Allowance for losses on doubtful accounts	(582,144)	(390,748)
	<u>404,253</u>	<u>348,803</u>
Total of Trade Accounts Receivable, net	<u>1,211,913</u>	<u>1,023,029</u>
Current	1,086,163	971,478
Noncurrent	125,750	51,551

We present below the breakdown of total overdue accounts receivable, net of the allowance for doubtful credits:

Description	Trade Accounts Receivable	Allowance for Doubtful Accounts	Adjustment to Present Value	2022	2021
Municipal Administration	110,402	(52,314)	(27,837)	30,251	34,757
Private	1,702,819	(529,830)	(4,223)	1,168,766	976,308
Federal Entity	1,396	-	-	1,396	1,274
State Entity	11,500	-	-	11,500	10,690
Balance at the End of the Year	<u>1,826,117</u>	<u>(582,144)</u>	<u>(32,060)</u>	<u>1,211,913</u>	<u>1,023,029</u>

b) Changes in the allowance for doubtful accounts were as follows:

Description	2022	2021
Balances at the Beginning of the Year	(390,748)	(286,954)
Amounts Recorded as Expenses	(192,257)	(103,830)
Write-Offs, Net from Recoveries	861	36
Balances at the End of the Year	<u>(582,144)</u>	<u>(390,748)</u>

Increase in the balance of allowance for expected losses on the realization of credits arising from overdue accounts, is mainly a reflection of the default of accounts receivable from private customers, overdue for more than 180 days.

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c) The balance of allowance for expected losses on the realization of accounts receivable breaks down as follows:

Description	2022	2021
Private Customers	(529,830)	(333,411)
Municipal Administration	(52,314)	(57,337)
Total	(582,144)	(390,748)

d) The balances of short and long-term trade accounts receivable arising from installment payments have been discounted to present value. The changes in adjustment present value were as follows:

Description	2022	2021
Balances at the Beginning of the Year	(17,211)	(8,860)
Adjustment to Present Value	(14,849)	(8,351)
Balances at the End of the Year	(32,060)	(17,211)

7. RECOVERABLE TAXES AND CONTRIBUTIONS

These have the following composition:

Description	2022	2021
Recoverable Income Tax	31,399	11,411
Recoverable Social Contribution	6,935	9
Total	38,334	11,420
Current	38,334	11,420

8. RESTRICTED DEPOSITS

Restricted deposits breakdown as follows:

Description	2022	2021
National Health Foundation - FUNASA	3,198	4,438
Reserves Kept CAIXA (1)	75,214	58,982
Other Agreements (2)	20,507	9,937
Total	98,919	73,357
Current	23,705	14,375
Noncurrent	75,214	58,982

(1) Reserve accounts linked to financing contracts in amounts sufficient to meet contractual clauses.

(2) Technical and financial cooperation agreement signed with Itaipu Binacional for the development of the project "Management of Water Resources and Water Security in the Western Region of Paraná".

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9. OTHER ACCOUNTS RECEIVABLE

The composition is as follows:

Description	2022	2021
Advances to Employees	15,501	13,439
Reimbursable Payments	965	3,436
Guarantee Deposits	1,768	1,760
Municipal Fund for Sanitation and Environment Administration (1)	43,254	45,130
Prepaid Expenses	302	254
Securities and Other Credits	1,061	859
Total	62,851	64,878
Current	20,699	20,851
Noncurrent	42,152	44,027

(1) Anticipation of transfer to the Municipal Funds for Sanitation and Environment Administration, as provided in the program contract.

10. CONTRACTUAL FINANCIAL ASSETS

Accounting practice:

Contractual financial assets represent the portion of the total amount of constructed operating assets with useful life higher than the contractual term and which, consequently, shall be paid by the Granting Power by the end of the contract. These amounts are initially recognized upon the signature of each Program Contract and then upon the addition of the portion referring to the investment in new assets that exceed the contractual term.

Adjustment to Present Value: The financial assets are discounted to present value using the IPCA projected for the year (index published by BACEN), and the Weighted Average Cost of Capital (WACC) as discount rate, resulting in the application of an equivalent rate which represents the spread between IPCA and WACC rate. The adjustments to present value may represent a revenue or an expense to be recorded in the statement of income in the year they occur.

Changes in Financial Assets are as follows:

Description	2021	Additions	NPV Revenue	NPV Expenses	2022
Unamortized Investment	1,609,292	154,226	-	-	1,763,518
Adjustment to Present Value	(1,006,278)	(95,231)	24,310	(9,854)	(1,087,053)
Total	603,014	(a) 58,995	24,310	(9,854)	676,465

a) Amount transferred from property, plant and equipment and intangible assets, referring to the expectation of residual value receivable at the end of program contracts, net of Adjustment to Present Value for the period (note 13c).

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The equivalent discount rate applied to calculate the present value adjustment was 4.18% (*spread* between the IPCA projected for the year and the WACC rate) and took into account the terms of the Program Contracts.

11. CONTRACT ASSETS

Accounting practice:

As determined by CPC 47 / IFRS 15 - Revenue from contract with client, assets linked to the concession under construction, registered under the scope of ICPC 01 (R1) / IFRIC 12 - Concession Contracts, must be classified as Contract Assets during the construction period and transferred to Intangible Assets only after the completion of the work.

Capitalization of Interest and Financial Charges: Interest and other financial charges related to the financing of property, plant, and equipment and intangible assets in progress, are appropriated at the cost of the same, until the conclusion of the construction and/or installation of the asset after that period charges are appropriated as financial expense.

It has the following movement:

Description	2021	Additions	Interest Capitalisation	Write-Offs and Losses	Transfers to Intangible Assets	Requisition for Construction	2022
Projects and Work in Progress	1,736,808	1,566,231	41,731	864	(731,357)	-	2,614,277
Inventories for Construction Work	132,935	77,906	-	-	-	(78,669)	132,172
Total	1,869,743	1,644,137	41,731	864	(731,357)	(78,669)	2,746,449

During 2022 the amount of R\$1,644,137 (R\$1,157,149 in 2021) was recorded as projects and works in progress, arising from: (i) expansion of the Water Supply System, mainly in the municipalities of Curitiba, São José dos Pinhais, Londrina, Laranjeiras do Sul and Guarapuava; (ii) Sewage Collection and Treatment mainly in the municipalities of Curitiba, Londrina, Ivaiporã, União da Vitória and Araçongas. Amounts referring to completed works for the expansion of the Water Supply and Sewage Collection and Treatment System were transferred to Intangible Assets, mainly in the municipalities of Curitiba, São José dos Pinhais, Paranavaí, Cascavel and Araucária.

During 2022 interest and other financial charges were capitalized on the funds and loans that financed the Company's projects and works, for R\$41,731 (R\$24,202 in 2021). The average rate used to determine the amount of capitalized borrowing costs concerning total costs was 9.0%.

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12. INVESTMENTS

Accounting practice:

Joint Venture: *The Company's investment in the joint venture is accounted for based on the equity method, being initially recognized at cost and adjusted for the recognition of changes in the Company's interest in the joint venture's equity as from the acquisition date.*

The statement of income reflects the Company's interest in the operating results of the joint venture.

The financial statements of the joint venture are prepared for the same period of disclosure and with the accounting practices aligned with those of the Company.

An annual impairment test is carried out on the balances of jointly controlled investments, whenever there is an indicator that the investment may not be recoverable.

The Company has the following investments:

Description	2022	2021
Investment in Joint Ventures - CS Bioenergia S.A.	16,655	14,774
Impairment Test	(16,655)	(14,774)
Other Investments	1,988	2,030
Total	1,988	2,030

Investment in Joint Venture – CS Bioenergia S. A.

The Company owns 40% of CS Bioenergia SA, a company located next to the ETE – Belém Sewage Treatment Station, whose purpose is the exploration and proper disposal of solid and organic waste and the sludge produced in the aforementioned ETE, in addition to the production of biogas and energy generation through the bio digestion process. CS Bioenergia S.A. partially started its operations in June 2017 and in 2019 it reached its operational stability and started the process of transferring electricity credits to Sanepar's consumer units. The financial contribution made by the Company comprises the amount of R\$36,104 recorded in its Capital Stock and R\$5,181 as an Advance for Future Capital Increase - AFAC.

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The Company's investment is accounted for using the equity method in the financial statements of the investee, which are summarized below:

Statements of Financial Position - CS Bioenergia S.A.	2022	2021
Current Assets	4,500	2,573
Noncurrent Assets	53,906	53,278
• Fixed Assets	43,928	51,158
• Other	9,978	2,120
Total Assets	58,406	55,851
Current Liabilities	8,538	5,953
• Loans, Financing and Leases ¹	4,446	3,353
• Other	4,092	2,600
Noncurrent Liabilities	8,232	12,962
• Loans, Financing and Leases ¹	6,870	9,313
• Other	1,362	3,649
Equity	41,636	36,936
Total Liabilities	58,406	55,851
Statement of Income (Loss) - CS Bioenergia S.A.	2022	2021
Gross Revenue	16,741	14,014
(-) Cost of Services	(19,287)	(16,090)
Gross Profit (Loss)	(2,546)	(2,076)
(-) Operational Expenses	(4,093)	(3,041)
Loss before Net Financial Results and Taxes	(6,639)	(5,117)
(-) Net Financial Result	(1,611)	(2,278)
Loss before Taxes	(8,250)	(7,395)
Income Taxes (IRPJ and CSLL)	-	-
Loss for the Year	(8,250)	(7,395)

¹ The Company has a guarantor obligation, in the proportion of 40%, of the bank credit note in the amount of R\$4,184 issued by Banco Santander against CS Bioenergia S.A., with an amortization period of 60 months, as of December 17, 2020.

Changes in the investment in the year are as follows:

Description	2022	2021
Balance at the beginning of the year	-	-
Financial contribution	5.181	1.046
Equity in earnings (losses) of controlled companies (participation percentage of 40%)	(3.300)	(2.958)
Impairment Test - (Constitution) /Reversion	(1.881)	1.912
Balance at the end of the year	-	-

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Impairment of Investments on CS Bioenergia S.A.

As a result of the delay in the conclusion and start of the operation of the CS Bioenergia SA plant, as recommended by CPC 18 (R2) - Investments in Associates and Joint Ventures and CPC 01 (R1) - Impairment of Assets, at the end of 2022, the Management of Sanepar carried out the impairment test of this investment, considering the history of losses and that future cash flows present negative results, for the analyzed period of 5 years, concluded that the investment has no recoverable value. Thus, the impact of the Impairment Test of the investment in CS Bioenergia was recorded in the Company's results, and this amount was adjusted with the recognition of the equity in the period.

Other Investments

The Company has investment quotas in FINAM (Amazon Investment Fund), classified as level I, resulting from the application of Income Tax Incentive of R\$2,201 and other investments over which do not have significant influence in the amount of R\$320, with no maturity date and that are not immediately convertible, which at fair value, considering the quotation on 12/31/2022, are equivalent to R\$1,988.

13. FIXED AND INTANGIBLE ASSETS

Accounting practice:

Fixed assets: These are stated at acquisition or construction cost, plus revaluations made in previous years and asset and liability valuation adjustments to the new deemed cost, less the depreciation calculated using the straight-line method, according to the rates mentioned in this Note. The impairment test of the fixed assets is carried out annually, whenever there is an indicator that the fixed assets may not be recoverable.

Intangible assets: Intangible assets linked to concession contracts are recorded at their acquisition, construction or contractual cost and include the Right of Use and Concession Contracts. Intangible assets linked to Program Contracts are initially recognized by the difference between the amounts invested in assets related to the concessions and the present value of the Contractual Financial Asset calculated according to Note 10. It is an intangible asset with finite useful life and its value will be amortized within the term of the contract.

The amortization of intangible assets linked to Concession Contracts is calculated based on the economic useful life and the amortization of the assets linked to Program Contracts is calculated according to the effective terms of the contracts or to the economic useful life of the assets forming the infrastructure necessary for the rendering of public services, whichever is lower. For the assets whose useful life exceeds the contract term, a financial asset is recognized, as mentioned in Note 3 (u). An impairment test of intangible assets balances is conducted annually, whenever there is an indication that the intangible asset may not be recoverable.

Leases: The accounting record is made upon the asset's actual availability for use, considering its fair value or, if lower, the present value of minimum payments of the lease. The debt amount is stated in Note 14. After initial recognition, the asset is accounted for according to the applicable policy.

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a) Fixed assets

These have the following composition:

By Account			2022	2021
Description	Cost	Accumulated Depreciation	Net Amount	
Goods for Administrative Use	378,234	(160,778)	217,456	224,376
Other Fixed Assets	4,184	(2,139)	2,045	1,351
Lease of Right of Use	243,198	(92,175)	151,023	86,952
Total	625,616	(255,092)	370,524	312,679

By Nature				2022	2021
Description	Yearly Depreciation Rate	Cost	Accumulated Depreciation	Net Amount	
Plots of Land	-	2,922	-	2,922	2,922
Civil Construction	*1.84%	118,359	(23,639)	94,720	94,637
Improvements	*2%	2,746	(884)	1,862	1,784
Facilities	*5.83%	9,815	(4,167)	5,648	6,196
Equipments	*6.23%	100,279	(40,626)	59,653	58,989
Furniture and Fixtures	*7.14%	52,890	(25,068)	27,822	28,962
IT Equipment	*19.82%	39,881	(27,085)	12,796	15,656
Vehicles	*13.05%	28,300	(19,535)	8,765	11,073
Machinery, Tractors and Similar	*19.35%	24,355	(21,225)	3,130	4,050
Tools	*6.67%	1,616	(688)	928	966
Patrimonial Assets to be Incorporated	-	1,255	-	1,255	492
Lease of Right of Use	*29.96%	243,198	(92,175)	151,023	86,952
Total		625,616	(255,092)	370,524	312,679

* Weighted Average Rate

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b) Intangible Assets

These have the following composition:

By Account			2022	2021
Description	Cost	Accumulated Amortization	Net Amount	
Water Mains	5,965,276	(2,010,628)	3,954,648	3,822,569
Sewage Mains	6,264,914	(1,654,664)	4,610,250	4,355,429
Solid Waste	4,897	(4,897)	-	-
Right of Use and System Operation	125,114	(77,457)	47,657	49,531
Other Intangible Assets	262,568	(97,955)	164,613	129,152
Lease of Right of Use	199,856	(22,367)	177,489	182,180
Total	12,822,625	(3,867,968)	8,954,657	8,538,861

By Nature				2022	2021
Description	Yearly Amortization Rate	Cost	Accumulated Amortization	Net Amount	
Plots of Land	-	279,477	-	279,477	222,277
Wells	*3.10%	173,999	(43,579)	130,420	125,670
Dams	*2.67%	148,524	(66,742)	81,782	84,074
Civil Construction	*2.59%	2,907,957	(734,100)	2,173,857	2,036,999
Improvements	*2.67%	48,476	(6,616)	41,860	32,411
Piping	*2.64%	6,290,050	(1,787,788)	4,502,262	4,382,330
Building Connections	*3.33%	954,305	(316,080)	638,225	608,294
Facilities	*5.83%	233,706	(102,499)	131,207	127,169
Hydrometers	*10%	294,360	(117,830)	176,530	161,625
Macro-meters	*10%	7,444	(5,334)	2,110	2,307
Equipments	*6.23%	855,512	(373,851)	481,661	447,172
Furniture and Fixture	*7.14%	7,595	(4,340)	3,255	2,756
IT Equipment	*19.82%	93,105	(85,844)	7,261	6,390
Computer Programs	*20%	111,648	(57,300)	54,348	40,175
Vehicles	*13.05%	23,173	(15,324)	7,849	6,275
Machinery, Tractors and Similar	*19.35%	26,169	(23,989)	2,180	3,495
Tools	*6.67%	365	(252)	113	75
Rights of Use and Transmission Lines	*6.25%	4,521	(461)	4,060	4,337
Environmental Protection and Preservation	*20%	35,036	(26,214)	8,822	9,225
Concession of the Municipality of Curitiba (1)	*1.5%	125,000	(77,344)	47,656	49,531
Concession of the Municipality of Cianorte (2)	*5%	114	(114)	-	-
Patrimonial Assets to be Incorporated	-	2,233	-	2,233	4,094
Lease of Right of Use	*16.78%	199,856	(22,367)	177,489	182,180
Total		12,822,625	(3,867,968)	8,954,657	8,538,861

* Weighted Average Rate

- (1) Right to grant the onerous concession contract signed on December 6, 2001 and whose concession was previously renewed on June 5, 2018 upon signature of the program agreement in accordance with Law No. 11.445, of January 5, 2007, and other relevant legal acts.
- (2) High of grant an onerous concession agreement with the Municipality of Cianorte, assigned on March 7, 2002, to provide public utility services of collection, treatment, and final disposition of solid waste for a period of 20 years. The continuity of the operation of the services was authorized on a precarious basis by Municipal Decree of Cianorte nº 3, of January 12, 2023, for the period until April 30, 2025, or until the service provision in the municipality is regularized under the terms of the current legislation.

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Leases:

The Company has lease agreements, with the following characteristics:

(i) asset lease agreement valued at R\$199.3 million resulting from the expansion of the sewage system in the municipalities of Matinhos and Pontal do Paraná, for a period of 240 (two hundred and forty) months, the payment of which started in February 2017, with a substantial transfer of the risks and benefits of the assets which will be owned by the Company at the end of the contract; and

(ii) vehicle, movable and real estate lease contracts, in which the risks and benefits of using the assets remain with the lessor. These contracts do not exceed 5 years.

The obligations arising from these contracts are shown in note 14.

As of December 31, 2022, the book value for each category of assets under a Lease commitment recorded in Intangible and Fixed Assets is shown below:

By Account				2022	2021
Description	Yearly Amortization Rate	Cost	Accumulated Amortization	Net Amount	
Civil Construction	1.67%	37,434	(3,451)	33,983	34,609
Piping	2.00%	147,315	(15,026)	132,289	135,235
Building Connections	3.33%	8,227	(1,430)	6,797	7,070
Facilities	6.67%	309	(114)	195	216
Equipments	6.00%	6,013	(2,011)	4,002	4,364
Lease - Coastal		199,298	(22,032)	177,266	181,494
Car Rental	21.01%	137,230	(49,630)	87,600	24,779
Civil Construction	20.65%	43,510	(10,519)	32,991	34,323
Equipments	19.26%	1,017	(253)	764	127
IT Equipments	22.48%	61,999	(32,108)	29,891	28,409
Lease - Right of Use		243,756	(92,510)	151,246	87,638
Total		443,054	(114,542)	328,512	269,132
Fixed Assets		243,198	(92,175)	151,023	86,952
Intangible Assets		199,856	(22,367)	177,489	182,180

The Company recorded in its Income Statement the amount of R\$5,796 relating to low value and short-term lease contracts (less than 12 months).

Assets resulting from leasing contracts present the following changes:

Assets	2021	Additions	Amortization	2022
Lease - Coastal	181,494	-	(4,228)	177,266
Vehicles	24,779	91,660	(28,839)	87,600
Civil Construction	34,323	7,668	(9,000)	32,991
Equipments	127	833	(196)	764
IT Equipments	28,409	15,420	(13,938)	29,891
Amount	269,132	115,581	(56,201)	328,512

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c) Changes in fixed and intangible assets for the year ended on December 31, 2022:

Description	2021	Additions	Depreciation and Amortization	Write-Offs and Losses	Transfers from Work in Progress	Transfers	2022
Fixed Assets							
Plots of Land	2,922	-	-	-	-	-	2,922
Civil Construction	94,637	346	(2,353)	-	1,936	154	94,720
Improvements	1,784	85	(52)	-	45	-	1,862
Facilities	6,196	-	(548)	-	-	-	5,648
Equipments	58,989	6,927	(5,518)	(216)	-	(529)	59,653
Furniture and Fixture	28,962	3,520	(3,204)	(1,321)	-	(135)	27,822
IT Equipments	15,656	1,558	(4,040)	(378)	-	-	12,796
Vehicles	11,073	-	(2,308)	-	-	-	8,765
Machinery, Tractors and Similar	4,050	393	(1,313)	-	-	-	3,130
Tools	966	54	(92)	-	-	-	928
Patrimonial Assets to be Incorporated	492	763	-	-	-	-	1,255
Lease of Right of Use	86,952	115,618	(51,742)	-	-	195	151,023
Total Fixed Assets	312,679	129,264	(71,170)	(1,915)	1,981	(315)	370,524
Intangible Assets							
Plots of Land	222,277	7,434	-	-	49,766	-	279,477
Wells	125,670	47	(2,094)	(2,383)	9,184	(4)	130,420
Dams	84,074	104	(3,239)	-	1,130	(287)	81,782
Civil Construction	2,036,999	1,950	(70,956)	(1,094)	232,251	(25,293)	2,173,857
Improvements	32,411	304	(1,187)	-	11,461	(1,129)	41,860
Piping	4,382,330	33,253	(153,639)	(541)	270,710	(29,851)	4,502,262
Building Connections	608,294	273	(29,453)	(525)	62,231	(2,595)	638,225
Facilities	127,169	676	(13,559)	(1,051)	17,972	-	131,207
Hydrometers	161,625	-	(26,284)	(3,602)	44,791	-	176,530
Macro-meters	2,307	11	(395)	-	187	-	2,110
Equipments	447,172	49,498	(34,618)	(6,459)	25,545	523	481,661
Furniture and Fixture	2,756	488	(324)	(107)	301	141	3,255
IT Equipments	6,390	11	(1,253)	(51)	2,163	1	7,261
Computer Programs	40,175	28,188	(13,918)	(97)	-	-	54,348
Vehicles	6,275	2,860	(1,286)	-	-	-	7,849
Machinery, Tractors and Similar	3,495	11	(1,326)	-	-	-	2,180
Tools	75	50	(12)	-	-	-	113
Right of Use and Transmission Lines	4,337	-	(277)	-	-	-	4,060
Environmental Protection and Preservation	9,225	-	(2,096)	-	1,684	9	8,822
Concession of the Municipality of Curitiba	49,531	-	(1,875)	-	-	-	47,656
Patrimonial Assets to be Incorporated	4,094	(1,861)	-	-	-	-	2,233
Lease of Right of Use	182,180	(37)	(4,459)	-	-	(195)	177,489
Total Intangible Assets	8,538,861	123,260	(362,250)	(15,910)	729,376	(58,680)	8,954,657
Grand Total	8,851,540	252,524	(433,420)	(17,825)	(a) 731,357	(b) (58,595)	9,325,181

a) Amount transferred from the Contract Asset account (note 11).

b) Amount transferred to the Contractual Financial Assets line, regarding the expected residual amount receivable by the end of the program contracts, net of present value adjustment (note 10).

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d) Impairment analysis

As of December 31, 2022, even though there are no indicators of impairment on property, plant, and equipment, and intangible assets with defined useful lives, the Company carried out a technical study to determine the recoverable value of its assets, identifying them as generating units of the water, industrial water, sewage, and, separately, solid waste business segments.

d.1) Cash generating unit (CGU) – Water, Industrial Water and Sewage Segments

- For the determination of the recoverable value of the assets, or cash-generating units of the Company, the value in use method was adopted, that is, the value generated by the use of these assets;
- Useful life based on the expectation of using the set of assets that make up the UGC, also considering the Company's maintenance policy;
- Cash flow estimates were projected over five years, as suggested by CPC 01 (R1) in item 33b, in current currency, that is, the effects of inflation were considered and, in the end, deflated;
- Pre-tax discount rate (11.47%) derived from the methodology for calculating the Weighted Average Cost of Capital (WACC), as suggested by CPC 01 (R1) in its items 55 and 56;
- Assumptions for business growth, tariff adjustment, and evolution of OPEX and maintenance CAPEX, projected as established in the Company's strategic planning;
- The residual book value of the assets (or cash-generating unit), on the final date of the cash flow estimates, was considered as recoverable value, this procedure was adopted due to the concession contracts and program contracts, providing for reimbursement to the company residual assets in the event of non-renewal or breach of contract;
- The evolution of expenses was carried out in line with the growth in demand and inflation in each expense.

The technical study concluded that the Fixed and Intangible Assets that are in operation, generating cash flows, are fully recoverable, and it is not necessary to set up a provision for impairment.

d.2) Cash Generating Unit – Solid Waste Segment

The cash generating unit for Solid Waste operation has the following characteristics:

- Solid waste segment contracts were treated separately, that is, each as a UGC;
- The economic results of all cash-generating units in this operation show a history of losses;

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- There is no concrete fact that shows a change in the trend in the negative economic results of these contracts.

Considering that the solid waste CGUs presented negative results, and also, that there is no prospect of improvement for the segment, the technical study concluded that the fixed and intangible assets that are in operation of R\$10,482 are not recoverable, therefore, an additional provision for R\$1,446. As of December 31, 2022, revenue and net loss from the solid waste segment were R\$12,503 and R\$6,514, respectively.

14. LOANS, FINANCING, DEBENTURES AND LEASES

Accounting practice:

Loans, financing and debentures are initially recognized at fair value upon the receipt of the funds, net of transaction costs. Then, they are presented at amortized cost. Additionally, loans, financing and debentures are classified as current liabilities, unless the Company has an unconditional right to defer the settlement of the liability for at least 12 months after the balance sheet date.

The obligations related to lease, net of finance charges, are classified in current and noncurrent liabilities according to the contract term. Payments of lease are allocated considering finance charges and reduction in the corresponding liabilities to obtain constant interest rate on the remaining balance of liabilities. The finance charges are recognized in the statement of income in each period during the lease.

The debentures issued by the Company are not convertible into shares and are accounted for as loans.

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a) Composition of loans, financing, debentures and leases are as follows:

Description	Yearly Interest Rate	Index	2022			2021		
			Current	Noncurrent	Total	Current	Noncurrent	Total
In Brazilian Reais:								
Bank Credit Notes - CCB	DI + 2.75%	-	-	-	-	66,632	-	66,632
Debentures 8th Issuance - 2nd Series	108.00% of DI	-	155,563	-	155,563	401	154,967	155,368
BNDES	TJLP + 1.82%	-	645	-	645	7,687	638	8,325
Banco do Brasil - PSI	3.00% to 6.00%	-	2,097	190	2,287	3,379	2,283	5,662
Debentures 2nd Issuance - 1st Series	TJLP + 1.92%	-	12,383	9,232	21,615	12,323	21,384	33,707
Debentures 2nd Issuance - 2nd Series	9.19%	IPCA	24,196	22,992	47,188	23,479	43,539	67,018
Debentures 2nd Issuance - 3rd Series	TJLP + 1.92%	-	16,510	12,310	28,820	16,431	28,511	44,942
Debentures 9th Issuance - 1st Series	106.05% of DI	-	1,476	199,137	200,613	999	199,106	200,105
Banco Itaú - PSI	3.00% to 6.00%	-	3,067	1,445	4,512	3,559	4,502	8,061
Debentures 12th Issuance - 1st Series	DI + 1.08%	-	18,571	296,519	315,090	-	-	-
Debentures 9th Issuance - 2nd Series	107.25% of DI	-	1,137	150,810	151,947	772	150,793	151,565
Debentures 11th Issuance - 1st Series	DI + 1.65%	-	4,899	128,590	133,489	2,698	127,939	130,637
Debentures 4th Issuance - 1st Series	TJLP + 1.67%	-	24,406	86,143	110,549	24,267	109,371	133,638
Debentures 4th Issuance - 2nd Series	7.44%	IPCA	16,301	57,507	73,808	15,486	69,643	85,129
Debentures 10th Issuance - Single Series	4.66%	IPCA	4,276	417,946	422,222	4,053	394,250	398,303
Debentures 11th Issuance - 2nd Series	4.25%	IPCA	2,237	234,893	237,130	2,121	221,616	223,737
BNDES - PAC2	TJLP + 1.67% to 2.05%	-	62,214	232,093	294,307	51,263	239,099	290,362
Lease - Coastal	11.14%	IPC-FIPE	13,899	303,313	317,212	11,652	284,360	296,012
Lease - Right of Use	8.70%	-	81,667	100,972	182,639	59,274	49,725	108,999
Debentures 11th Issuance - 3rd Series	4.49%	IPCA	1,965	182,057	184,022	1,870	171,852	173,722
Debentures 12th Issuance - 2nd Series	5.89%	IPCA	7,837	309,978	317,815	-	-	-
Debentures 7th Issuance - 1st Series *	5.20%	IPCA	2,854	39,611	42,465	2,988	42,267	45,255
Debentures 7th Issuance - 2nd Series *	4.79%	IPCA	4,648	64,714	69,362	4,869	69,052	73,921
Debentures 7th Issuance - 3rd Series	6.97%	IPCA	1,477	20,953	22,430	1,402	21,164	22,566
Debentures 7th Issuance - 4th Series	6.57%	IPCA	2,379	33,851	36,230	2,259	34,192	36,451
BNDES - AVANÇAR	3.58% to 4.00%	IPCA	1,360	77,418	78,778	175	27,864	28,039
Caixa Econômica Federal	6.62% to 12.00%	TR	92,235	1,524,919	1,617,154	75,698	1,244,768	1,320,466
Total in Brazilian Reais			560,299	4,507,593	5,067,892	395,737	3,712,885	4,108,622
In Foreign Currency:								
Bank KfW	1.35%	EURO	15,352	-	15,352	11,943	-	11,943
Total in Foreign Currency			15,352	-	15,352	11,943	-	11,943
Balance at the End of the Year			575,651	4,507,593	5,083,244	407,680	3,712,885	4,120,565
Loans and Financing			176,970	1,836,065	2,013,035	220,336	1,519,154	1,739,490
Debentures			303,115	2,267,243	2,570,358	116,418	1,859,646	1,976,064
Leases			95,566	404,285	499,851	70,926	334,085	405,011

* IPCA as a variable component of TLP

Foreign Currency Debt:

On December 11, 2017, the Company signed a loan agreement with KfW Bank of EUR 50 million, with interest subsidy provided by the Federal Republic of Germany for projects that meet the eligibility criteria of the development policy as per terms that meet the OECD - Organization for Economic Co-operation and Development requirements for recognition as Official Development Assistance. The first release of funds took place in August 2019.

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The Company will use the Loan exclusively to finance the promotion of the DKTI climate-friendly biogas technology promotion program in the state of Paraná regarding: (i) rehabilitation, expansion and construction of sewage treatment systems and plants; (ii) collection, treatment, disposal and use of biogas from sewage treatment plants; (iii) sludge treatment; (iv) equipment and accessories; and (v) consulting services.

The Company will promote the execution of the contractually planned activities and Banco KfW will disburse the amounts by 06/30/2023. Half-yearly payment of a 0.25% commitment fee will be due per year on the amount not yet disbursed and interest of 1.35% per year. On the amount disbursed. The debt will be repaid in 21 semi-annual payments, with the first installment being amortized in December 2022 .

Throughout the term of the agreement, the Company shall comply with the covenants pursuant to item 'f' of this Note.

The Company contracted derivative financial instruments for hedging with Banco Bradesco S/A, Banco Santander Brasil S/A, and Itaú Unibanco S/A, which were signed on 11/06/2017, 12/07/2017, and 22 /01/2018 respectively, to mitigate the exchange risk, assuming a variation of the CDI as a counterpart, as described in Note 4.1. Until December 31, 2022, there was a release of €2,882 mil thousand by Banco KfW, with swap operations being carried out to protect the interest rate and exchange variation, without a speculative nature, converting the financial charges to 105.32% of CDI (weighted average), weighted average 13.05% for a rate of 12.39 % of CDI.

Leases:

The obligations arising from Leases are allocated to financial charges and reduction of the corresponding liability, reflecting a periodic and constant interest rate on the remaining balance of the liability. Lease liabilities have the following characteristics:

(i) The asset lease agreement resulting from the expansion of the sanitary sewage system in the municipalities of Matinhos and Pontal do Paraná (Lease - Coastal) provides for an annual monetary update of the debt balance linked to the IPC-FIPE during the term of the agreement. The discount rate applied in the initial recognition of this contract was carried out in the period in which the contractual stages were delivered, being the weighted average of 11.1%; and

(ii) Vehicle, movable and immovable leasing contracts (Lease – Right of Use) do not have a contractual term exceeding 5 years. The incremental borrowing rate (weighted average) applied to the liabilities of these leases varies according to the period in which they are signed, when the respective initial accounting record is carried out. As of January 1, 2019, the weighted average discount rate applied to contracts was 6.88%. As of December 31, 2019, the weighted average discount rate applied in the recognition of these contracts was 6.76%, as of December 31, 2020, it was 6.12%, as of December 31, 2021, it was 4.77% and as of December 31, 2022, it was 8.70%. The Company does not have variable rent payments in its leasing contracts, nor does it have a sale or leaseback transaction of assets.

The lease liability recognized by the Company is gross of PIS/COFINS, and has the following changes:

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Liabilities	2021	Additions	Restatement	Financial Charges	Payments	2022
Lease - Coastal	296,012	-	30,869	32,100	(41,769)	317,212
Lease - Right of Use	108,999	115,581	-	3,868	(45,809)	182,639
Total	405,011	115,581	30,869	35,968	(87,578)	499,851
Current	70,926					95,566
Noncurrent	334,085					404,285

As of December 31, 2022, the present value of the minimum future financial obligations related to the Lease is shown below:

Description	Minimum Future Payments	Financial Charges	2022	2021
			Present Value of Future Payments	Present Value of Future Payments
Lease - Coastal				
Less than a year	44,187	(30,288)	13,899	11,652
More than a year and less than five years	178,616	(118,978)	59,638	49,150
Above five years	374,664	(130,989)	243,675	235,210
Subtotal	597,467	(280,255)	317,212	296,012
Lease - Right of Use				
Less than a year	92,857	(11,189)	81,668	59,274
More than a year and less than five years	111,141	(10,170)	100,971	49,725
Subtotal	203,998	(21,359)	182,639	108,999
Total	801,465	(301,614)	499,851	405,011

The liabilities for use rights lease were measured considering the discount rate of the incremental loan, with the incorporation of projected inflation, and presents the following composition:

Description	2022
Lease - Coastal	397,809
Vehicles	97,356
Mobile Goods	31,654
Real Estate	43,857
Total	570,676

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Below we present the future payment flows, considering the projected inflation until the maturity of the contracts, by nature of the lease, in relation to the right to use and coastal lease commitments:

Description	2023	2024	2025	2026	2027	2028	2029 to 2036	Total
Lease-Coastal	45,644	47,764	49,490	51,180	52,915	54,708	460,399	762,100
Vehicles	41,689	38,730	32,336	-	-	-	-	112,755
Mobile Goods	16,748	7,409	6,757	2,663	47	-	-	33,624
Real Estate	9,489	9,881	10,255	11,432	12,786	-	-	53,843
Total	113,570	103,784	98,838	65,275	65,748	54,708	460,399	962,322

The composition of the Company's loans, financing, debentures and lease expressed in Brazilian Reais subject to variable and fixed interest rates are shown below:

Index	2022	2021
TR	1,617,154	1,320,466
TJLP	455,936	510,974
IPCA	1,531,450	1,154,141
DI	956,702	704,307
IPC-FIPE	317,212	296,012
EURO	15,352	11,943
With No Monetary Adjustment	189,438	122,722
Total	5,083,244	4,120,565

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b) Description of loans, financing, debentures and leases:

Description	Period of Issuance	Final Maturity	Hired Amount	Number of Debentures	Payments	
					Amortization	Interest
Debentures 8th Issuance - 2nd Series	2018	2023	155,000	15,500	2023	Six-Monthly
BNDES - 1 Contract	2007	2023	81,357	-	Monthly	Quarterly during grace period and monthly at
Debentures 9th Issuance - 1st Series	2019	2024	199,150	19,915	2024	Six-Monthly
Banco do Brasil - PSI - 11 Contracts	2013 to 2014	2024	30,793	-	Monthly	Quarterly during grace period and monthly at
Debentures 2nd Issuance - 1st e 3rd Series	2011	2024	261,304	7,000	Monthly	Quarterly during grace period and monthly at
Debentures 2nd Issuance - 2nd Series	2011	2024	118,547	3,000	Yearly	Yearly
Banco Itaú - PSI - 13 Contracts	2013 to 2014	2025	33,175	-	Monthly	Quarterly during grace period and monthly at
Debentures 9th Issuance - 2nd Series	2019	2026	150,850	15,085	2026	Six-Monthly
Debentures 11th Issuance - 1st Series	2021	2026	130,000	130,000	2025/2026	Six-Monthly
Lease - Right of Use	2017 to 2022	2023 to 2027	229,127	-	Monthly	Monthly
Debentures 4th Issuance - 1st Series	2014	2027	223,716	7,000	Monthly	Quarterly during grace period and monthly at
Debentures 4th Issuance - 2nd Series	2014	2027	95,590	3,000	Monthly	Quarterly during grace period and monthly at
Debentures 10th Issuance - Single Series	2020	2027	350,000	35,000	2027	Six-Monthly
Debentures 12th Issuance - 1st Series	2022	2027	300,000	300,000	2027	Six-Monthly
BNDES - PAC2 - 4 Contracts	2011 to 2014	2029	629,594	-	Monthly	Quarterly during grace period and monthly at
Debentures 11th Issuance - 2nd Series	2021	2029	208,300	208,300	2029	Six-Monthly
Debentures 11th Issuance - 3rd Series	2021	2031	161,700	161,700	2031	Six-Monthly
Bank KfW (Euro)	2017	2032	50,000	-	Six-Monthly	Six-Monthly
Debentures 12th Issuance - 2nd Series	2022	2032	300,000	300,000	2032	Six-Monthly
Lease - Coastal	2013	2036	460,592	-	Monthly	Monthly
Debentures 7th Issuance - 1st Series	2018	2038	47,279	19,733	Monthly	Quarterly during grace period and monthly at
Debentures 7th Issuance - 2nd Series	2018	2038	120,437	50,267	Monthly	Quarterly during grace period and monthly at
Debentures 7th Issuance - 3rd Series	2018	2038	20,263	8,457	Monthly	Quarterly during grace period and monthly at
Debentures 7th Issuance - 4th Series	2018	2038	51,616	21,543	Monthly	Quarterly during grace period and monthly at
BNDES - AVANÇAR - 2 Contracts	2020 to 2021	2041	566,434	-	Monthly	Quarterly during grace period and monthly at
Caixa Econômica Federal - 284 Contracts	2007 to 2022	2046	3,132,746	-	Monthly	Monthly

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c) The amortization timeline is as follows:

Description	2023	2024	2025	2026	2027	2028	2029	2030
Debentures 2nd Issuance	53,089	44,534	-	-	-	-	-	-
Debentures 4th Issuance	40,707	40,092	40,092	40,092	23,374	-	-	-
Debentures 7th Issuance	11,358	10,668	10,668	10,668	10,668	10,668	10,668	10,668
Debentures 8th Issuance	155,563	-	-	-	-	-	-	-
Debentures 9th Issuance	2,613	199,137	-	150,810	-	-	-	-
Debentures 10th Issuance	4,276	-	-	-	417,946	-	-	-
Debentures 11th Issuance	9,101	-	64,295	64,295	-	-	234,893	-
Debentures 12th Issuance	26,408	-	-	148,260	148,260	-	-	-
Debentures Subtotal	303,115	294,431	115,055	414,125	600,248	10,668	245,561	10,668
BNDES	645	-	-	-	-	-	-	-
BNDES - PAC2	62,214	61,287	61,287	50,854	29,770	25,168	3,727	-
BNDES - AVANÇAR	1,360	3,503	4,604	4,596	4,596	4,596	4,596	4,596
Banco do Brasil - PSI	2,097	190	-	-	-	-	-	-
Banco Itaú - PSI	3,067	1,420	25	-	-	-	-	-
Caixa Econômica Federal	92,235	93,258	99,049	105,482	111,655	117,407	117,450	113,336
Bank KfW	15,352	-	-	-	-	-	-	-
Loans and Financing Subtotal	176,970	159,658	164,965	160,932	146,021	147,171	125,773	117,932
Lease - Coastal	13,899	12,862	14,203	15,700	17,374	19,247	21,343	23,692
Lease - Right of Use	81,667	49,008	38,683	10,140	3,141	-	-	-
Leases Subtotal	95,566	61,870	52,886	25,840	20,515	19,247	21,343	23,692
Total	575,651	515,959	332,906	600,897	766,784	177,086	392,677	152,292

Description	2031	2032	2033	2034	2035	2036	2037 a 2046	Total
Debentures 2nd Issuance	-	-	-	-	-	-	-	97,623
Debentures 4th Issuance	-	-	-	-	-	-	-	184,357
Debentures 7th Issuance	10,668	10,668	10,668	10,668	10,668	10,668	20,445	170,487
Debentures 8th Issuance	-	-	-	-	-	-	-	155,563
Debentures 9th Issuance	-	-	-	-	-	-	-	352,560
Debentures 10th Issuance	-	-	-	-	-	-	-	422,222
Debentures 11th Issuance	182,057	-	-	-	-	-	-	554,641
Debentures 12th Issuance	-	309,977	-	-	-	-	-	632,905
Debentures Subtotal	192,725	320,645	10,668	10,668	10,668	10,668	20,445	2,570,358
BNDES	-	-	-	-	-	-	-	645
BNDES - PAC2	-	-	-	-	-	-	-	294,307
BNDES - AVANÇAR	4,596	4,596	4,596	4,596	4,596	4,596	18,755	78,778
Banco do Brasil - PSI	-	-	-	-	-	-	-	2,287
Banco Itaú - PSI	-	-	-	-	-	-	-	4,512
Caixa Econômica Federal	106,657	79,035	77,684	71,274	74,130	76,913	281,589	1,617,154
Bank KfW	-	-	-	-	-	-	-	15,352
Loans and Financing Subtotal	111,253	83,631	82,280	75,870	78,726	81,509	300,344	2,013,035
Lease - Coastal	26,326	29,280	32,596	36,322	37,435	16,933	-	317,212
Lease - Right of Use	-	-	-	-	-	-	-	182,639
Leases Subtotal	26,326	29,280	32,596	36,322	37,435	16,933	-	499,851
Total	330,304	433,556	125,544	122,860	126,829	109,110	320,789	5,083,244

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d) Loans, financing, debentures and leases had the following changes:

Description	2022		2021	
	Current	Noncurrent	Current	Noncurrent
Balances at the Beginning of the Year	407,680	3,712,885	521,505	3,126,083
Releases	17,576	1,055,763	-	799,220
Interest and Fines on Financing	358,225	-	240,071	-
Monetary Variation on Financing	-	99,905	-	95,551
Transfers	385,747	(385,747)	327,114	(327,114)
Amortization	(742,709)	-	(779,006)	-
Costs of Funds Raised with Third Parties	(1,324)	(6,082)	(1,082)	(7,162)
Exchange Rate Variation	(1,093)	-	-	(165)
Interest and Monetary Variation on Leases	35,968	30,869	29,554	26,472
Leases	115,581	-	69,524	-
Balances at the End of the Year	575,651	4,507,593	407,680	3,712,885

e) The main events during the year were as follows:

During 2022, the Company obtained and amortized funds from third parties, as stated below:

Index	Releases	Amortization
Debentures 2nd Issuance	-	(62,707)
Debentures 4th Issuance	-	(54,770)
Debentures 7th Issuance	-	(27,572)
Debentures 8th Issuance	-	(20,024)
Debentures 9th Issuance	-	(44,013)
Debentures 10th Issuance	-	(19,002)
Debentures 11th Issuance	-	(33,447)
Debentures 12th Issuance (1)	600,000	(23,531)
BNDES	-	(8,047)
BNDES - PAC2	56,427	(76,059)
BNDES - AVANÇAR2	49,728	(1,444)
Banco do Brasil - PSI	-	(3,534)
Banco Itaú - PSI	-	(3,864)
Bank Credit Notes - CCB	-	(69,123)
Caixa Econômica Federal	349,608	(194,640)
Bank KfW	17,576	(13,354)
Subtotal	1,073,339	(655,131)
Leases (2)	115,581	(87,578)
Total	1,188,920	(742,709)

(1) In February 2022, the Company raised R\$600,000 in the capital markets to complement the investment plan, divided into two series of R\$300,000 each, the first series being institutional, and the second series incentivized. The first series has a final maturity of 5 years, with renegotiation after 30 months, counting from the issue date of the debentures, which took place on 01/15/2022. The second series matures in 10 years;

(2) Releases represent right of use (no impact on cash and cash equivalents).

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f) Restrictive Contractual Clauses – Covenants (*Information unaudited and not reviewed by independent auditors*)

Covenants and restrictive clauses linked to the loans, financing and debentures are shown below:

(i) Covenants in BNDES contracts and in 2nd, 4th and 7th Issuance of Debentures

Index	Limit	Range
EBITDA / Debt Service	Equal to or higher than 1.5	Less than 1.5 and equal to or higher than
Net Bank Debt/ EBITDA	Equal to or under than 3.0	Equal to or under 3.8 and higher than 3.0
Other Onerous Debt/ EBITDA	Equal to or under than 1.0	Equal to or under 1.3 and higher than 1.0

(ii) Covenants of contracts of the 8th, 9th, 10th, 11th and 12th Issuance of Debentures

Index	Limit
Adjusted EBITDA /Net Financial Expenses	Equal to or higher than 1.5
Net Bank Debt / adjusted EBITDA	Equal to or under than 3.0

(iii) Covenants of contracts with Caixa Econômica Federal

Index	Limit
Adjusted EBITDA /Net Financial Expenses	Equal to or higher than 1.5
Net Bank Debt / adjusted EBITDA	Equal to or under 3.0
Other Onerous Debt/Adjusted EBITDA	Equal to or under 1.0

(iv) Covenants of contracts with KfW Bank

Index	Limit
EBITDA / Debt service	Equal to or higher than 1.5
Net Bank Debt / Adjusted EBITDA	Equal to or under than 3.0
Other Onerous Debt / Adjusted EBITDA	Equal to or under 1.0
Levels of debt	Equal to or under 60

For BNDES financings contracts, including the new contract called “AVANÇAR” and the 2nd, 4th and 7th Issuance of Debentures, the Company shall maintain throughout the term of the financing agreements the limit ratios, calculated on a quarterly basis and related to cumulative values for the past 12 (twelve) months.

In case one or more of the Company covenants should exhibit for a minimum of two (02) quarters, consecutive or not, within 12 months, ratios within the range mentioned above, the monthly amount for the installment of the transferred rights granted in escrow in the terms of the

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clause “Fiduciary Assignment of Rights” for each of the contracts will be automatically increased by 20% (twenty percent).

For contracts in item (ii), of the 8th, 9th, 10th, 11th, and 12th issuances of simple debentures, not convertible into shares, considering that it does not confer any special or general privilege to the holders, the Company must maintain the ratios mentioned above throughout the period and until the final maturity.

In relation to the contracts of the Caixa Econômica Federal, related to the 3rd phase of Normative Instruction 14, Normative Instruction 22 and Normative Instruction 29, pursuant to Item 16.1 of Clause Six of said agreements, the Company shall maintain throughout the term and until the final maturity the indexes stated above.

Regarding the KfW Bank agreement, pursuant to paragraph 11.11 of the loan agreement, the Borrower undertakes to comply at all times with the stipulated financial ratios above.

As of December 31, 2022, the Company complies with the restrictive clauses stipulated when issuing debentures, financing from BNDES, Caixa Econômica Federal and KfW Bank.

15. TAXES AND CONTRIBUTIONS

The composition is as follows:

Description	2022	2021
COFINS (tax on sales) payable	34,025	29,889
PASEP (tax on sales) payable	7,354	6,449
IPTU (property tax) - Installment	-	125
Taxes and Contributions Withheld at Source	61,388	48,139
Total of Taxes and Contributions	102,767	84,602
Current	102,767	84,602

16. INCOME TAX AND SOCIAL CONTRIBUTION

Accounting practice:

Income and social contribution taxes are recorded according to taxable income and prevailing rates: 15% for Corporate Income Tax, plus a surtax of 10% on the income exceeding (if applicable) the limit established by the law, and 9% for Social Contribution Tax.

Deferred income and social contribution taxes were calculated based on the effective rates of these taxes and recorded as established by law, according to CPC 26 (R1) and CPC 32, addressing the temporary differences of these taxes.

The Company prepares periodical analysis that show that these taxes are recoverable through future operations.

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Deferred tax assets and liabilities are presented net given that there is a legal or contractual right to offset the tax assets against the tax liabilities.

The Company assesses whether there is evidence of uncertainties regarding taxes on profit, as required by ICPC 22 and discloses when applicable.

a) Reconciliation of Income Tax and Social Contribution Expenses Recorded in the Statements of Income

Description	2022		2021	
	Income Tax	Social Contribution	Income Tax	Social Contribution
Income Before Income Tax and Social Contribution	1,545,547	1,545,547	1,603,566	1,603,566
Income Tax and Social Contribution - Current Rate	(386,387)	(139,099)	(400,891)	(144,321)
Deductibility Benefit of Interest on Equity	108,156	38,936	81,466	29,328
Worker's Meal Program - PAT (1)	13,912	-	12,073	-
Corporate Citizen Incentive (2)	551	-	609	-
Equity in Earnings (Losses) of Controlled Companies	(825)	(297)	(740)	(266)
Term of Commitment - IBAMA	(21,908)	(7,886)	-	-
Other	671	167	(2,287)	(906)
Total of Expenses	(285,830)	(108,179)	(309,770)	(116,165)
Total of Income Tax and Social Contribution	(394.009)		(425.935)	
Effective Rate	25.5%		26.6%	

(1) According to Law no. 6,321, of 04/14/1976.

(2) According to Decree 7,052, of December 23, 2009, regulating Law no. 11,770, of 09/09/2008.

b) Current and deferred income and social contribution taxes

The breakdown in profit or loss for the period presents the following values:

Description	2022	2021
Income Tax	(347,056)	(344,180)
Social Contribution	(129,765)	(128,067)
Realization of Deferred Income Tax	61,226	34,410
Realization of Deferred Social Contribution	21,586	11,902
Total	(394,009)	(425,935)

The tax impacts related to the recognition of actuarial gains and losses in Equity are disclosed in the Statement of Comprehensive Income.

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c) Deferred income and social contribution taxes

The composition of the basis for deferred income tax and social contribution on assets and liabilities for future realization is as follows:

Description	Estimated Realization Term	2022				2021
		Calculation Basis	Income Tax	Social Contribution	Total	Total
ASSETS						
NPV on Financial Contractual Assets	30 years	1,087,053	271,763	97,835	369,598	342,135
Impairment of Assets - Solid Waste	18 years	10,630	2,657	957	3,614	4,824
Pension Plan and Health Insurance	15 years	1,011,056	252,764	90,995	343,759	394,440
Lease - Coastal (Assets)	14 years	317,212	79,303	28,549	107,852	100,644
Impairment of Assets	10 years	4,163	1,041	375	1,416	-
Civil, Labor, Tax and Environmental Provisions	5 years	689,000	172,250	62,010	234,260	209,312
Lease - Right of Use (Assets)	5 years	182,640	45,660	16,438	62,098	37,060
NPV of Trade Accounts Receivable	5 years	32,060	8,015	2,885	10,900	5,852
Impairment of Assets - CS Bionergia	5 years	16,655	4,164	1,499	5,663	5,023
FVA - Investments Appraised at Fair Value	5 years	532	133	48	181	167
Provision for Losses on Credits	3 years	50,968	12,742	4,587	17,329	18,835
Provision for Expected Losses on Trade Accounts Receivable - CPC 48	3 years	24,670	6,168	2,220	8,388	7,012
Net Realizable Value of Inventories	3 years	260	65	23	88	89
Provision for PPR	1 year	88,093	22,023	7,928	29,951	27,267
PAI - Encourage Retirement Program	1 year	155	39	14	53	46
Total			878,787	316,363	1,195,150	1,152,706
LIABILITIES						
NPV on Financial Contractual Assets	30 years	988,368	247,092	88,953	336,045	317,532
Revaluation Surplus	26 years	82,464	20,616	7,422	28,038	30,395
Deferred IRPJ on Construction and Improvements	21 years	105,308	26,327	-	26,327	27,594
Donation from Public Agencies	20 years	11,605	2,901	1,045	3,946	3,927
Lease - Coastal (Liabilities)	14 years	177,266	44,317	15,954	60,271	61,708
Attribution of Deemed Cost to Fixed Assets	13 years	6,547	1,636	589	2,225	2,296
Lease - Right of Use (Liabilities)	5 years	151,247	37,812	13,612	51,424	29,792
Total			380,701	127,575	508,276	473,244
Total Amount, Net			498,086	188,788	686,874	679,462

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d) Estimated future realization of Deferred Income Tax and Social Contribution

The estimated future realization of deferred tax assets and deferred tax liabilities as of December 31, 2022, is as follows:

Realization Period	Deferred Tax Assets			Deferred Tax Liabilities		
	Income Tax	Social Contribution	Total	Income Tax	Social Contribution	Total
2023	99,869	35,953	135,822	21,387	7,225	28,612
2024	77,808	28,011	105,819	21,387	7,225	28,612
2025	96,685	34,807	131,492	21,387	7,225	28,612
2026	77,775	27,999	105,774	21,387	7,225	28,612
2027	77,775	27,999	105,774	21,387	7,225	28,612
2028 to 2030	95,192	34,269	129,461	41,473	13,509	54,982
2031 to 2033	96,232	34,644	130,876	41,473	13,509	54,982
2034 to 2036	95,192	34,269	129,461	41,200	13,410	54,610
2037 to 2039	44,496	16,019	60,515	31,567	9,943	41,510
2040 to 2042	27,176	9,783	36,959	31,567	9,943	41,510
2043 to 2045	27,176	9,783	36,959	27,183	9,786	36,969
2046 to 2048	27,176	9,783	36,959	26,358	9,489	35,847
2049 to 2051	27,176	9,783	36,959	24,709	8,896	33,605
2052 to 2054	9,059	3,261	12,320	8,236	2,965	11,201
Total	878,787	316,363	1,195,150	380,701	127,575	508,276

17. UNEARNED REVENUE

The Company signed the assignment agreement for the exploration of financial services with Caixa Econômica Federal for 60 (sixty) months, effective as of March 2022, in the amount of R\$17,800. The revenue corresponding to this agreement is recognized monthly, for the term of the agreement following the accrual basis. The amount registered in income during the year of 2022 was R\$3,667 (R\$4,200 in 2021). The balance on December 31, 2022, is R\$14,833 (R\$700 in 12/31/2021), of which R\$3,560 (R\$700 in 12/31/2021) is recorded in current liabilities and R\$11,273 in noncurrent liabilities.

18. PROVISIONS, CONTINGENT LIABILITIES AND COURT DEPOSITS

Accounting practice:

The Company records provisions when Management, supported by the opinion of its legal counselors, understands that there are chances of probable loss in certain legal proceedings arising in the normal course of its business.

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The provisions are reviewed and adjusted to take into consideration changes in circumstances, such as applicable statutes of limitations, conclusions from tax inspections or additional exposures identified based on new matters or court decisions.

a) Provisions

The Company books provisions for civil, labor, tax and environmental claims classified as probable losses, with the following changes:

Nature	2021	Additions	Reversals	Payments	2022
Labor Claims (i)	342,444	148,867	(5,510)	(86,132)	399,669
Civil Claims (ii)	221,188	48,204	(2,789)	(3,252)	263,351
Environmental Claims (iii)	42,324	69,728	(96,644)	(2)	15,406
Tax Claims (iv)	7,654	2,920	-	-	10,574
Ductos Operation (v)	2,015	-	(2,015)	-	-
Total	615,625	269,719	(106,958)	(89,386)	689,000

Main events during the year:

Complement of labor provisions in the amount of R\$42,713, referring to a lawsuit filed by the Union of Engineers of the State of Paraná - SENGE, related to salary differences in the Position, Career, and Remuneration Plan; R\$33,741 referring to labor claims whose object is a result of salary parity; and R\$67,993 referring to the restatement of amounts provisioned for labor claims due to court decisions and new claims filed in the period. On the other hand, there was a reduction in labor provisions (Reversals and Payments) in the amount of R\$91,642, due to the shelving and definitive write-off of legal claims.

Civil claim in the amount of R\$24,929, referring to the questioning of the minimum residential consumption tariff, filed by 61 condominiums located in the municipalities of Matinhos and Guaratuba.

Reversal of the Environmental Provision of R\$32,863, net of the supplementary provision set up in November 2022 in the amount of R\$54,768, referring to 5 Notices of Environmental Infractions – AIA, drawn up by the Brazilian Institute of the Environment and Renewable Resources – IBAMA in the year 2012, converted into 2 Terms of Commitment for Conversion of Fines – TCCM, in the amount of R\$87,631, recorded as Environmental Fines in Other Operating Expenses. This amount will be disbursed over 120 months in the execution of Environmental Actions related to the execution of an environmental project called "Requalification of Cave Complexes for the environmental improvement of the Iguaçu River and surrounding wetlands".

Considering the reports prepared by the committees designated by Resolutions No. 091/2022 and No. 116/2022 (Operation Ductos), approved by the Board of Directors at the 12th Extraordinary Meeting, on June 27, 2022, the Company reversed the provision of R\$2,015 constituted in 4th quarter of 2021.

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b) Contingent Liabilities

The Company, based on the nature of the lawsuits in which it is involved, and supported by the opinion of its legal advisors, discloses its contingent liabilities for which it has an expectation of possible loss. For these actions, no provisions were made for possible losses, as established by CPC 25 – Provisions, Contingent Liabilities, and Contingent Assets issued by the Accounting Pronouncements Committee.

The position of contingent liabilities with an expected possible loss for labor, civil, environmental, and tax claims is as follows:

Nature	Contingent Liabilities	
	2022	2021
Labor Claims (i)	98,239	75,798
Civil Claims (ii)	488,163	651,934
Environmental Claims (iii)	134,732	343,023
Tax Claims (iv)	28,568	25,051
Total	749,702	1,095,806

c) Nature of Provisions and Contingent Liabilities

(i) Labor

Labor claims are mostly related to claims filed by former employees of the company, providers (joint responsibility) and syndicates, who vindicate salary differences and labor charges. The main suits involving the Company are concerning: i) job position plans and wages; ii) premium for unhealthy risks; iii) functional reintegration; iv) wage equalization; v) meal ticket integration and vi) work accident.

(ii) Civil

Civil proceedings are related to requests for compensation of customers and suppliers, and third-party damages. The main suits involving the Company are in relation to: i) reimbursement of costs incurred for the replacement of materials; ii) other proceedings resulting from indemnification related to the suspension of the contract, traffic accidents, property damage, loss of profits, among others.

(iii) Environmental

The Company has several environmental actions, related to infraction notices issued by Municipal, State and Federal environmental agencies, motivated by different non-conformities, presented primarily in the sewage process, as specified below: i) Leakage and overflow of collection networks; ii) Deficiencies in environmental licensing and grants from Sewage Treatment Plants - ETE; iii) Release of effluents from sewage treatment stations in disagreement

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with the parameters required by law; and iv) Incorrect destination of the residues (sludge) resulting from the treatment.

Some tax assessment notices are being challenged both at the administrative level, by the respective bodies, and in court.

As a result of the infraction notices drawn up by IBAMA, this Federal Agency filed in 2014 and 2015, 17 Public Civil Actions (ACP) that are being processed before the 11th Federal Court of Curitiba. In 2018, 17 Terms of Judicial Agreements - TAJ were signed in these Public Civil Actions, duly signed by the Federal Public Ministry, IBAMA and Instituto Água e Terra - IAT and ratified by the Federal Court. Of the 258 ETEs in operation that make up Sanepar's Sanitary Sewage System (SES), 184 were covered by these Judicial Agreement Terms (TAJ).

In 2019, the Court of the 11th Federal Court of Curitiba decided not to comply with two agreements (ACP 5001669-33.2015.4.04.7015 and ACP 5001739-56.2015.4.04.7013) regarding a Clause provided for therein that oblige the Company to pay fine in the estimated amount of R\$ 14.6 million. Said amount was disclosed at the time as a contingent liability, with a "Possible" probability of loss. The Company appealed to the Federal Regional Court of the 4th Region– TRF4, obtaining an injunction to suspend the effects of the decision.

In April 2021, the TRF4 upheld both SANEPAR's appeals. The decisions became final and the loss amount was deducted from the liability.

After noting the need to adjust the schedules of some sewage treatment plants and drafting new clauses in the agreements signed in 2018, the Company, together with IBAMA, asked the Court of the 11th Federal Court of Curitiba to renegotiate the agreements. In November 2021, the renegotiation was not approved in court, which is why the Company appealed. In July 2022, TRF4 suspended the decision of the first degree and determined a hearing for clarification. At the hearing held in December 2022, the lower court upheld the decision to not approve the renegotiation. Currently, we await the judgment of SANEPAR's interlocutory appeal by TRF4. In November 2022, SANEPAR signed with the Brazilian Institute of the Environment and Renewable Natural Resources - IBAMA the Environmental Conversion of 05 (five) infraction notices drawn up in 2012, with the application of a discount of 60% (sixty percent), resulting in 2 Terms of Commitment for Conversion of Fines - TCCM, in the amount of R\$87,631.

The Terms of Commitment aim at the execution of an environmental project called Requalification of Pit Complexes for Environmental Improvement of the Iguaçu River and the Surrounding Wetlands.

The project has an essentially environmental context and aims to promote the environmental recovery of the floodplains of the Iguaçu River, reclassifying the pit complexes originating from mineral extraction in the Metropolitan Region of Curitiba through Nature-Based Solutions (SbN), in areas with a deficit of native vegetation cover in APPs and relevant areas for aquifer recharge, aiming at improving water quality and enabling the establishment of biodiversity corridors, from the upper region of the Alto Iguaçu Basin to the municipality of Porto Amazonas-PR.

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The project's specific objectives are: Linking structures for the conservation of natural resources, with a focus on water; Rehabilitate the mineral extraction pits to compose a system to improve the quality of the waters of the Iguaçu River, through SbN, called “dilution wetlands”; Promote plant regeneration in floodplains, forest formations and riparian forests around the Iguaçu River, forming ecological corridors with other protected areas; Help mitigate impacts of critical hydrological events; Improve local biodiversity and Establish a System of Protected Areas, aiming to promote the conservation of fauna and urban redefinition of these floodplains.

Among the benefits that the environmental project will bring to the population, the issue of irregular occupation in risk areas, more adequate environmental planning and the rehabilitation and recovery of degraded areas stand out.

(iv) Tax

Tax proceedings are mainly in relation to queries connected to collection of ISSQN (Tax over Services of Any Nature) due to divergent interpretations of the law. The main claims with which the Company is involved include the municipalities of Londrina, Paranavaí, Campina da Lagoa, Campo Mourão, Porecatu, Maringá and Pinhais.

d) Court Deposits

The Company has made court deposits that will only be recovered in case of a favorable sentence for the Company.

The breakdown is as follows:

Nature	Court Deposits	
	2022	2021
Labor Claims (i)	363,510	286,653
Civil Claims (ii)	111,707	97,877
Environmental Claims	7,488	5,448
Tax Claims	24,589	18,615
Total	507,294	408,593

(i) During 2022, 113 new court deposits and updating of labor lawsuits filed by the Paraná State Engineers Union – SENGE, referring to salary differences of the Positions, Career, and Remuneration Plan in the amount of R\$50,880 were recorded.

(ii) During 2022, 997 new court deposits were recorded, mainly referring to material damages and improper collection of fees.

Tax proceedings are mainly in relation to queries connected to collection of ISSQN (Tax over Services of Any Nature) due to divergent interpretations of the law. The main claims with which

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the Company is involved include the municipalities of Londrina, Paranavaí, Campina da Lagoa, Campo Mourão, Porecatu, Maringá and Pinhais.

e) Decision of the Federal Supreme Court (STF) on res judicata in tax matters

On February 8, 2023, the Federal Supreme Court (STF) ruled on Subject 881 – Extraordinary Appeal No. 949,297 and 885 – Extraordinary Appeal No. 955,227.

The Plenary of the Federal Supreme Court unanimously concluded that judicial decisions taken definitively “res judicata” in favor of taxpayers lose their effects if, afterward, the Supreme Court has a different understanding of the subject. That is, if years ago a company obtained authorization from the Court to stop paying any tax, this permission will expire if, and when, the STF decides otherwise.

Management evaluated with its internal legal advisors the possible impacts of this STF decision and concluded that the decision, based on management's assessment supported by its legal advisors, and in line with CPC25/IAS37 Provisions, Contingent Liabilities and Contingent Assets and the CPC24/IAS10 Subsequent Events, does not result in impacts on its financial statements as of December 31, 2022.

19. PENSION PLAN AND HEALTH INSURANCE

Accounting practice:

The Company has a mixed pension plan (defined contribution during the working phase and defined benefit with lifetime income for retirees, pensioners and risk benefits) and in the health area, it sponsors a plan of medical and dental benefits for its employees, dependents and retirees, whose effects are recognized on the accrual basis and according to the criteria established by CVM Decision No. 695, as stated in this Note.

Sanepar sponsors the Sanepar Foundation for Social Security and Assistance – FUSAN, non-profit legal entity, with the main purpose of managing the company's retirement plan that targets supplementing pension benefits for Company staff.

The retirement/pension plan managed by FUSAN has the following main features: defined contribution during the working phase and defined benefit with lifetime income for retirees, pensioners and risk benefits (disability retirement, death pension, sickness and accident). This year, the Sponsor passed on the amount of R\$37,913 (R\$33,626 in 2021) as contribution to FUSAN.

The technical reserves for purposes of meeting the standards established by Previc - National Superintendency of Complementary Pensions are determined by the actuary responsible for the pension plan.

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The Company also sponsors the Sanepar Social Assistance Foundation, a non-profit social welfare association that manages health care for active and retired Sanepar employees, called SaneSaúde.

SaneSaúde is a collective of medical and dental care insurance plan, self-managed, financed by pre-payment, and the contributions made on average 62.8% for the sponsor and 37.2% for active and retired beneficiaries through defined monthly contributions for the regulation of the plan, which are determined annually based on actuarial calculations, which take into account the age of the beneficiary, and the existence of limiting factors for use of the services offered.

As a contribution to the Foundation, this year, the Company transferred the amount of R\$85,955 (R\$79,100 in 2021).

Additionally, for the purposes of complying with the determinations contained in CPC 33 (R1) – Employee Benefits, approved by CVM Deliberation 110/22, the company Data A Soluções em Serviços Atuariais, Econômicos e Previdenciários LTDA. was hired for the year ended December 31, 2021, which issued detailed reports, Supporting the information included on the said base date.

The information below shows the actuarial position of liabilities related to pension and health care plans. The Projected Unit Credit method (PUC) was used to calculate the actuarial liability. Statement of actuarial liabilities:

Description	Pension Plan	Health Insurance Plan	2022	2021
Present value of the obligation at the beginning of the year	1,518,914	677,228	2,196,142	2,203,926
Cost of interest on the obligation	152,998	69,473	222,471	156,407
Current service cost, net	(1,563)	3,484	1,921	7,625
Participants' contribution	10,000	-	10,000	9,913
Benefits paid in the year	(108,084)	(37,288)	(145,372)	(124,061)
Actuarial Gains and (Losses) in the year	(264,331)	19,438	(244,893)	(57,669)
Total obligation in the year	1,307,934	732,335	2,040,269	2,196,141
Present value of the obligation at the beginning of the year	(1,036,025)	-	(1,036,025)	(1,032,574)
Interest on the assets of the plan	(103,269)	-	(103,269)	(71,915)
Participants' contribution	(10,000)	-	(10,000)	(9,913)
Sponsor's contribution	(11,132)	-	(11,132)	(9,435)
Benefits paid in the year	108,084	-	108,084	98,803
Gain (Loss) on the assets of the plan for the year	23,129	-	23,129	(10,991)
Present value of the assets for the year	(1,029,213)	-	(1,029,213)	(1,036,025)
Liabilities registered at the end of the year	278,721	732,335	1,011,056	1,160,116
Current	18,582	48,822	67,404	77,341
Noncurrent	260,139	683,513	943,652	1,082,775

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We describe below the assumptions used in the actuarial evaluation, as follows:

Economic Hypoteses	2022	2021
Nominal Health Discount Rate	10.16% per year	10.49% per year
Real Health Discount Rate	6.43% per year	5.21% per year
Nominal Discount Rate for Social Security	10.11% per year	10.48% per year
Real Discount Rate for Social Security	6.39% per year	5.20% per year
Expected Nominal Return Rate on Health Assets	10.16% per year	10.49% per year
Expected Nominal Return Rate on Pension Assets	10.11% per year	10.48% per year
Increase Rate for Salaries	3.40% per year	3.40% per year
Inflation	3.50% per year	5.02% per year
Real Increase in Medical Costs	3.70% per year	3.70% per year
Demographic Hypoteses	2022	2021
Mortality Table	AT-2000 Basic	AT-2000 Basic
Mortality Table for Disabled Participants	Winkloss D10	Winkloss D10
Disability Table	American Group	American Group
Retirement Age	55 years	55 years

Analysis of sensitivity of changes in interest rate:

Description	Pension Plan	Health Insurance Plan
Discount Rate		
With 1% Increase	(8.98%)	(10.41%)
With 1% Reduction	9.04%	12.18%
Increase in Costs		
With 1% Increase	-	13.07%
With 1% Reduction	-	(11.52%)
Life Expectation		
With 1 year Increase	1.40%	3.05%
With 1 year Reduction	(1.45%)	(3.02%)
Salary Increase		
With 1% Increase	0.45%	-
With 1% Reduction	(0.39%)	-

Assets from the Pension Plan

The fair value of plan assets that are structured in the Variable Contribution modality (Defined Contribution - CD and Defined Benefit - BD), approximates the book value and presents the following composition:

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Description	2022	%	2021	%
Fixed Income (a)	1,243,612	64.6	1,135,841	63.0
Floating Income (b)	224,296	11.7	256,355	14.1
Properties (c)	46,517	2.4	43,391	2.4
Transactions with Participants (d)	105,023	5.5	97,517	5.4
Structures (e)	186,441	9.7	163,290	9.1
Foreign Investments (f)	114,360	5.9	107,390	6.0
Precatories and Court Deposits (g)	3,315	0.2	-	-
Fair Value of the Plan Assets	1,923,564	100	1,803,784	100

- (a) Fixed income: These are Federal Government Bonds and private credit securities with remuneration established upon purchase.
- (b) Floating income: Assets negotiated at stock exchanges and regulated by authorities whose returns and investments cannot be measured at the time of the investment.
- (c) Properties: Real estate owned by the Foundation.
- (d) Transactions with participants: Loan transactions for participants of the plan.
- (e) Structured: Assets in investments of projects not traded in the stock exchanges and multimarket funds included in this segment.
- (f) Foreign Investments: Investment funds set up in Brazil that trade assets abroad.
- (g) Precatories and court deposits: received in 2022 for sentences favorable to Fusan.

Unallowed investment types:

- Day-Trade: It is forbidden to conduct day-trade transactions in the exclusive funds invested by the plan; and
- Real estate financing: It is forbidden to grant real estate financing, established in the Segment of Transactions with Participants, during the effective period of this Investment Policy.

The table below shows the projected expenses for 2023:

Description	Pension Plan	Health Insurance Plan	2023
Current Service Cost	5,613	4,836	10,449
Interest Cost	126,775	72,459	199,234
Expected Return on the Plan's Assets	(99,922)	-	(99,922)
Contributions of the Sponsor/Participant	(26,423)	(37,617)	(64,040)
Total	6,043	39,678	45,721

Deficit Equation Plan of the FusanPrev Pension Plan

On 12/29/2022, the Board of Directors, at the 23rd/2022 Extraordinary Meeting, approved the Plan to Equate the Technical Deficit of the Pension Plan - Fusanprev referring to the 2021 Fiscal Year, in the amount of R\$81,152 calculated following the practices applicable to entities regulated by the National Complementary Pension Council - CNPC.

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Following Complementary Law No. 109/2001 and CNPC Resolution No. 30/2018, the deficit will be balanced equally by the Sponsor (Sanepar), participants, and beneficiaries of the Fusanprev plan, with the Company being responsible for the amount of R\$40,576, to be paid in monthly installments, starting in April 2023 and ending in December 2035, with the approximate face value of each monthly installment of R\$367. The monthly amortization of the installments will be given by the Price Table, plus the current annual actuarial interest rate of 5.50% per year and updated monthly, from the base date, by the variation of the National Consumer Price Index (INPC), published by the Brazilian Institute of Geography and Statistics (IBGE), or another index that may be used in the FusanPrev Plan.

The reflection of the Fusanprev Plan deficit was considered in the determination of Actuarial Obligations carried out by an independent actuary and is recognized in the Company's Financial Statements in accordance with technical pronouncement CPC 33 - Employee benefits.

20. RELATED-PARTY TRANSACTIONS

Accounting practice:

The Company has conducted business transactions with several related parties, especially with the state of Paraná and some municipalities, as stated in this note:

a) Balances and Related Parties Transactions

Transactions arising from operations in a regulated environment are billed under the criteria and definitions established by regulatory agents and other transactions are recorded following market prices.

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We present below the balances and transactions with Related Parties:

Description	Assets		Liabilities		Income		Cost/Expense	
	2022	2021	2022	2021	2022	2021	2022	2021
State of Paraná								
Interest on Equity	-	-	81,228	61,183	-	-	-	-
Municipalities								
Solid Waste Services	-	-	-	-	12,503	11,740	-	-
Trade Accounts Receivable	30,251	34,757	-	-	-	-	-	-
Municipal Fund of Sanitation and Environmental Administration	-	-	27,636	5,905	-	-	134,056	69,271
CS Bioenergia S.A.								
Sew age Effluent Treatment	1,285	1,187	-	-	391	194	-	-
Property Rental	472	302	-	-	364	330	-	-
Reimbursable Electricity Expenses	46	177	-	-	-	-	537	457
Sludge Removal - ETE Belém	-	-	-	-	-	-	13,207	11,789
Electric Power Plant Rental	-	-	-	-	-	-	2,169	1,420
Sanepar Foundations								
Property Rental	-	-	-	-	627	569	-	-
Employer Contribution	-	-	-	-	-	-	123,868	112,726
Copel (Controlled by the State of PR)								
Water withdrawal from Plant Reservoirs	-	-	-	-	-	-	485	477
Tecpar								
ISO and water safety plan	-	-	-	7	-	-	2,447	1,795
Celepar								
e-Protocolo System, among others	-	-	9	13	-	-	129	42
Stock Investment	3	3	-	-	-	-	-	-
Interest Receivable	8	6	-	-	-	-	-	-
Simepar								
Water safety plan and others	-	-	-	759	-	-	4,347	2,750
Water security facilities	-	3,026	-	-	-	-	-	-
Total	32,065	39,458	108,873	67,867	13,885	12,833	281,245	200,727

b) Management Compensation

The overall annual management compensation for 2022 was approved by 58^a/2022 Annual General Meeting (AGO) of April 28, 2022, for the amount of R\$15,054. For the year 2021, the approval was issued by the 57^a/2021 Annual General Meeting (AGO) of April 22, 2021, for the amount of R\$15,046.

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We present below the payments made to management:

Description	2022	2021
Remuneration	9,871	9,850
Charges and Benefits	3,578	3,619
Social Charges	3,326	3,344
Health Insurance Plan (Sanesaúde)	93	77
Pension Plan (Fusanprev)	135	128
Complementary Programs	24	70
Total	13,449	13,469

21. OTHER ACCOUNTS PAYABLE

The composition is as follows:

Description	2022	2021
Contractos and Agreements with Third Parties	24,473	18,907
Agreements with Municipalities	21,810	19,412
Collaterals and Reimbursable Amounts	16,449	12,380
IBAMA Installment - PRD (1)	1,600	30,558
TCCM IBAMA (2)	87,631	-
Municipal Fund for Sanitation and Environmental Administration (3)	27,636	5,905
Other Accounts Payable	425	1,444
Total	180,024	88,606
Current	91,968	85,644
Noncurrent	88,056	2,962

(1) Amount of R\$1,600 referring to the installments of several Notices of Environmental Violations with the Brazilian Institute of the Environment and Renewable Resources - IBAMA;

(2) 2 (two) Terms of Commitment for Conversion of Fines - TCCM, in the direct modality, which consolidated the debt amount of 5 (five) Notices of Environmental Infractions - AIA, drawn up by the Brazilian Institute of the Environment and Renewable Resources - IBAMA in the year of 2012, in the amount of R\$ 87,631, to be invested directly by the Company over 120 (one hundred and twenty) months in Environmental Actions related to the execution of an environmental project called "Requalification of pit complexes for environmental improvement of the Iguaçu River and areas wet surroundings";

(3) Increase resulting from the formalization of the Contractual Update Terms with the Microregions of Public Water and Sanitary Sewage Services in the State of Paraná.

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22. EQUITY

a) Capital Stock

Capital stock, fully paid-in, is composed by 1,511,205,519 shares, with no par value, being 503,735,259 common shares and 1,007,470,260 preferred shares. In addition to the common and preferred shares, the Company started to negotiate Share Deposit Certificates ("Units"), being each "Unit" formed by 1 (one) common share and 4 (four) preferred shares.

Preferred shares are not entitled to vote, but they have assured: (i) equally participate with ordinary shares in the distribution of shares or any other bonds or benefits, including incorporation of reserves to capital stock; (ii) priority treatment in the reimbursement of capital in case of the Company's liquidation; and (iii) the right to receive compensation, of at least 10% higher than the amount attributed to each ordinary share.

The equity value of each share on December 31, 2022, already considering the provision for additional dividends proposed by Management, is R\$5.81 (R\$5.18 on December 31, 2021).

Subscribed and paid-in capital stock as of December 31, 2022, is R\$4,000,000, which net of share issue cost amounts to R\$3,996,137, with shareholding structure as follows:

Shareholders	Number of Shares					
	Common	%	Preferred	%	Total	%
State of Paraná	302,653,775	60.1	3	-	302,653,778	20.0
Municipalities	-	-	5,561,963	0.6	5,561,963	0.4
Foreign Investors	53,984,984	10.7	281,143,600	27.9	335,128,584	22.2
Other Investors	147,096,500	29.2	720,764,694	71.5	867,861,194	57.4
Total	503,735,259	100.0	1,007,470,260	100.0	1,511,205,519	100.0

b) Income Reserve

b.1) Legal Reserve

Constituted in the amount of R\$57,574 in 2022 (R\$58,881 in 2021), in accordance with the Brazilian Corporation Law and the Bylaws, based on 5% of the net income for each year, less the amount destined to constitute the Reserve for Tax incentives, until reaching the limit of 20% of paid-in capital. The legal reserve can only be used to increase capital or absorb accumulated losses. Also in accordance with the Brazilian Corporation Law, Management respects the capital limit for setting up profit reserves.

b.2) Tax Incentive Reserve

Constituted in the amount of R\$55 in 2022 (R\$12 in 2021), related to the portion of net income from donations and government subsidies, in accordance with article 195-A of the Brazilian Corporation Law. This amount was excluded from the calculation basis of Dividends.

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b.3) Reserve for Investment Plan

The investment plan reserve corresponds to remaining profit, after constituting the legal reserve, the fiscal incentives reserve, and the distribution of interest on shareholders' equity and dividends. The limit for constituting this reserve is the value of the paid-in shareholders capital. The funds allocated to the investment plan reserve will be invested in construction projects and expansion of water supply systems, collection and treatment of sewage, as established in the Company's investment plans.

Management proposes, subject to the subsequent approval of the Shareholders' Meeting, the allocation of the amount of R\$665,998 from Retained Earnings to the constitution of a Reserve for the Investment Plan. These funds will be applied in projects of construction and expansion of the systems of water supply and sewage collection and treatment, as established in the investment plans of the Company.

b.4) Limits of Income Reserve

Considering that the balance of Income Reserve for the 2022 Fiscal Year, net of Tax Incentive Reserves, amounted to R\$4,504,231, therefore exceeding the value of the Capital Stock, as stated in art. 199 of Law No. 6,404/76, Management forwarded a proposal to increase the Company's Capital Stock up to the authorized limit of R\$6,000,000 to the Extraordinary General Meeting to be held in 2023.

c) Revaluation Surplus

The revaluation surplus was realized in the year, transferring to Retained earnings the amount of R\$4,576 (R\$5,290 in 2021), net of Income Tax and Social Contribution. The realization of this reserve occurs in the same ratio as of right down and depreciation of assets registered in the fixed and intangible assets line, object of said reevaluation.

The changes in the realization of the Revaluation Surplus were as follows:

Description	2022	2021
Balances at the beginning of the year	59,002	64,292
Realization of the Revaluation Surplus	(6,933)	(8,015)
Realization of Taxes on the Revaluation Surplus	2,357	2,725
Balances at the end of the year	54,426	59,002

d) Valuation Adjustments to Equity

Constituted in accordance with article 182 of the Brazilian Corporation Law, referring to the equity valuation adjustments, while not computed in the income for the year in accordance with the accrual basis, the counterparts of increases or decreases in amounts attributed to assets and liabilities, as a result of their valuation at fair value.

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During this year it was transferred to retained earnings, the amount of R\$136 (R\$210 in 2021), net of income tax and social contribution. The realization of this account occurs in the same proportion of the write-offs and depreciation of property, plant and equipment and intangible assets, to which new values have been assigned.

The changes in the realization of the Valuation Adjustments were as follows:

Description	2022	2021
Balances at the beginning of the year	4,458	4,668
Realization of the Adjustments to Deemed Cost	(207)	(318)
Realization of Taxes on the Adjustments to Deemed Cost	71	108
Balances at the end of the year	4,322	4,458

e) Other Comprehensive Income

Pursuant to CPC 33 (R1) – Employee Benefits, adjustments to the fair value of actuarial liabilities related to employee benefit plans (Note 19) arising from actuarial gains or losses are recorded directly in Shareholders' Equity. Adjustments are also made referring to the Realizations of the Revaluation Reserve and the Adjustment to the Deemed Cost.

The changes in actuarial gains and losses were as follows:

Description	2022	2021
Balances at the beginning of the year	69,801	24,486
Actuarial Gains and Losses	221,764	68,660
Taxes on Actuarial Gains and Losses	(75,400)	(23,345)
Balances at the end of the year	216,165	69,801

f) Shareholders' compensation

Accounting practice:

Interest on equity capital was calculated in accordance with legislation in effect, observing the limit of variation of the Long-Term Interest Rate – TJLP, applied to adjusted equity. Interest on equity capital is recorded as financial expenses and reclassified to equity for purposes of presentation and disclosure of the financial statements. If the amount credited as interest on equity capital in the year results in a percentage of distribution lower than that proposed by Management, a supplementary value as additional dividends is recorded. Mandatory minimum dividend is recorded in current liabilities and possible values higher than the minimum limit are recorded in a reserve as Additional proposed dividends in Equity.

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The Company Bylaws provide for the mandatory distribution of dividends of 25% of the adjusted net income in accordance with the Brazilian Corporate Law. Holders of preferential shares was assigned interest on shareholders' equity (dividend) per share 10% higher than that of holders of common shares.

The tax laws allow companies to proceed, within certain limits, with payments of interest on shareholders' equity to shareholders and to treat said payments as deductible expenses in calculating Income Tax and Social Contribution owed. This distribution, applicable to mandatory dividends payable by the Company, is treated for accounting purposes as a deduction of the shareholders' equity, similar to dividends. On these values is withheld income tax at the rate of 15% and paid by the Company upon the payment of interest.

Interest on equity capital payable was calculated within the limit of TJLP variation pursuant to Law No. 9.249/95, plus subsequent legal provisions. The total of interest was accounted for in financial expenses, generating a tax benefit of R\$147,092, according to tax law. For the purposes of these financial statements, this interest is being presented in Shareholders' Equity, charged to the retained earnings account.

The Company's management observing the Dividends Policy, and also considering the good current financial condition and the public interest of the Company, is proposing the approval of profit distribution at the General Shareholders Meeting, as follows:

	2022	2021
Net Income for the Year	1,151,538	1,177,631
Government Grants and Donations	(55)	(12)
Recognition of Legal Reserve	(57,574)	(58,881)
Mandatory Dividends Calculation Basis	1,093,909	1,118,738
Mandatory Dividends (25%)	273,477	279,684
Complementary Dividends	159,146	63,880
Proposed Dividends and Interest on Equity	432,623	343,564

The amount of interest on equity capital calculated in 2022 was R\$432,623 (R\$343,564 in 2021), being withheld the amount of R\$44,226 (R\$34,877 in 2021) as withholding income tax, which resulted in an effective rate of 10.22% (10.15% in 2021).

The balance of the remuneration to shareholders recorded in Current Liabilities is as follows:

	2022	2021
Previous Balance	243,551	206,236
Authorized Additional Dividends	63,880	60,083
Payments made during the Year	(309,347)	(267,575)
Interest on Equity Capital and Dividends	432,623	343,564
(-) Retention of IRRF on Interest on Equity Capital	(44,226)	(34,877)
(-) Additional Proposed Dividends	(159,146)	(63,880)
Dividends and Interest on Equity Capital Payable (Current Liabilities)	227,335	243,551

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The portion of interest on equity capital/dividends in excess of the mandatory minimum dividends in the amount of R\$159,146, will be maintained in the Company's equity reserve, until decision of the General Shareholders Meeting, when, if approved, it will be then transferred to the caption of current liabilities.

The credit of the remuneration to Company's shareholders is attributed based on the shares' composition on June 30 and December 31 of each year and possible negotiations after the announcement of the credit are considered *ex-dividends* (interest on equity capital and dividends).

g) Earnings per share

In view of the credit of remuneration to the shareholders that occurred on 06/30/2022 and 12/31/2022, interest on equity capital and additional proposed dividends per share were the following:

Interest on Equity Capital - 06/30/2022	Quantity	Total Remuneration	Remuneration per Share
Common Shares	503,735,259	48,190	0.09567
Preferred Shares	1,007,470,260	106,017	0.10523
Total	1,511,205,519	154,207	

Remuneration for 1 UNIT 0.51659

Interest on Equity Capital - 12/31/2022	Quantity	Total Remuneration	Remuneration per share
Common Shares	503,735,259	87,005	0.17272
Preferred Shares	1,007,470,260	191,411	0.18999
Total	1,511,205,519	278,416	

Remuneration for 1 UNIT 0.93269

The amount of remuneration to shareholders, per share, was as follows:

	2022	2021
Common Shares	0.26839	0.21314
Preferred Shares	0.29522	0.23445
Value for 1 "Unit"	1.44928	1.15094

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The table below establishes the calculation of the profit per share (in thousands, except amounts per share):

Basic and Diluted Earnings per Share	2022	2021
Numerator		
Net income for the year attributed to Company shareholder's		
Common shares	359,856	368,010
Preferred shares	791,682	809,621
Denominator		
Weighted average of number of common shares	503,735,259	503,735,259
Weighted average of number of preferred shares	1,007,470,260	1,007,470,260
Basic and diluted earnings per share		
Per ordinary share	0.71437	0.73056
Per preferred share	0.78581	0.80362

23. OPERATING REVENUES

Accounting practice:

Revenue from Services: Revenue from the supply of water and sewage collection includes amounts billed to clients on a monthly basis and unbilled revenues recognized at a fair value of the consideration received or receivable and are stated net of taxes, rebates, or discounts applicable to them, including additional amounts for late payment by the clients equivalent to default interest of 0.033% per day of delay until the payment date, without prejudice to monetary restatement based on the variation of the Extended National Consumer Price Index - IPCA or another index that replaces it and the imposition of a fine of 2 %. Revenues not yet billed are recognized based on estimated consumption from the date of the last metering until the end of the accounting period.

Construction Revenue: The revenue from construction of assets linked to rendering of public service shall be recognized using percentage-of-completion method, as long as all applicable conditions are effective. Pursuant to this method, contractual revenue shall be proportional to contractual costs incurred on the balance sheet date in relation to total estimated cost. The Company adopted null margin to measure the revenues and costs of construction.

Operating revenues composition, by nature, is the following:

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Description	2022	2021
Revenue		
Revenues from Water	3,740,630	3,415,183
Revenues from Sewage	2,186,347	1,993,856
Revenues from Services	106,938	112,279
Revenues from Solid Waste	12,503	11,740
Services Provided to Municipalities	22,027	20,914
Donations made by Clients	35,202	34,171
Other Revenue	6,361	5,760
Total of Operating Revenue	6,110,008	5,593,903
Deductions from Operating Revenues		
COFINS	(358,972)	(320,176)
PASEP	(77,389)	(69,315)
Total of Deductions	(436,361)	(389,491)
Total of Net Operating Revenue	5,673,647	5,204,412

The Company presents the explanatory note of net operating revenue in accordance with CPC 47 – Revenue from Customer Contracts, as stated in item 112A.

The Company incurred revenues and costs with construction contracts linked to the concessions in the amount of R\$87,675 (R\$79,213 in 2021), during 2022, that is, with zero margins. Revenue is presented net of construction costs.

24. COST OF SERVICES RENDERED

The composition of costs, by nature, is the following:

Description	2022			2021		
	Water	Sewage	Total	Water	Sewage	Total
Personnel	(341,704)	(160,870)	(502,574)	(280,347)	(136,994)	(417,341)
Materials	(141,376)	(100,098)	(241,474)	(103,180)	(75,544)	(178,724)
Electricity	(465,237)	(63,873)	(529,110)	(484,217)	(64,030)	(548,247)
Third-Party Services	(251,104)	(195,386)	(446,490)	(240,504)	(176,684)	(417,188)
Depreciation and Amortization	(182,090)	(172,024)	(354,114)	(166,986)	(159,983)	(326,969)
Indemnities of Third-Party Damages	(3,685)	(2,106)	(5,791)	(2,803)	(1,457)	(4,260)
Municipal Fund for Sanitation and Environmental Administration (1)	(74,904)	(59,152)	(134,056)	(38,811)	(30,460)	(69,271)
Other Costs	(124,828)	(44,918)	(169,746)	(109,995)	(48,013)	(158,008)
Total	(1,584,928)	(798,427)	(2,383,355)	(1,426,843)	(693,165)	(2,120,008)

(1) The amounts referring to the 2021 fiscal year were reclassified from Commercial Expenses to Cost of Services Rendered, as disclosed in Note 2.2 - Changes in Accounting Practices. Variation mainly due to the increase in the calculation base related to the tariff adjustment, and also a reflection of the renegotiation of the rates on the occasion of the formalization of the Contractual Update Terms with the Microregions of Public Water and Sanitary Services in the State of Paraná.

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25. SELLING, ADMINISTRATIVE AND OTHER EXPENSES

The composition of these expenses, by nature, is the following:

Description	2022	2021
Selling (1)		
Personnel	(131,828)	(117,470)
Materials	(4,385)	(2,756)
Third-Party Services	(125,253)	(117,876)
Depreciation and Amortization	(7,359)	(9,038)
Losses in Credit Realization (2)	(192,198)	(103,830)
Sanepar Rural Program	(5,681)	(3,506)
Other Expenses	(2,904)	(2,064)
Total of Selling Expenses	(469,608)	(356,540)
Administratives		
Personnel	(623,270)	(540,176)
Materials	(54,251)	(44,943)
Third-Party Services	(146,140)	(152,084)
Depreciation and Amortization	(71,947)	(58,459)
Impairment of Inventories	-	2,470
Regulatory Fee	(27,912)	(25,797)
Travel Expenses	(5,420)	(4,139)
Social and Environmental Programs	(12,096)	(7,193)
Indemnities of Third-Party Damages	(2,344)	(3,186)
Other Expenses	(21,720)	(16,232)
Transfers to Costs and Selling Expenses (3)	154,376	138,963
Capitalized Expenses (4)	118,111	98,587
Total of Administrative Expenses	(692,613)	(612,189)
Other Operating (Expenses) Revenue		
Expenses		
Eventual Losses	(90)	(10,343)
Environmental Fines (5)	(87,681)	(3,363)
Write-Off of Assets	(14,243)	(11,468)
Fair Value Adjustment - Investments	(41)	(225)
Total of Other Operating (Expenses) Revenue	(102,055)	(25,399)

(1) The amounts of Municipal Sanitation and Environmental Management Funds for the period 2021 were reclassified from Commercial Expenses to Cost of Services Provided, as disclosed in Note 2.2 - Change in Accounting Practice.

(2) Increase in the balance of allowance for losses on the realization of credits arising from overdue accounts, mainly as a result of the default of accounts receivable from private customers overdue for more than 180 days.

(3) These amounts are first recorded as administrative expenses and later transferred to costs and selling expenses.

(4) These amounts refer to capitalized administrative expenses, as they relate to projects and works in progress, allocated directly by the Company's Management.

(5) Amount referring to the conversion of 5 Notices of Environmental Infractions – AIA, drawn up by the Brazilian Institute of the Environment and Renewable Resources – IBAMA in 2012 into 2 Terms of Commitment for Conversion of Fines – TCCM, which will be disbursed over 120 months in the execution of Environmental Actions related to the project called "Requalification of Cave Complexes for environmental improvement of the Iguaçu River and surrounding wetlands".

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26. PROFIT SHARING PROGRAM

The Company provisioned the amount of R\$88,093 (R\$80,197 in 2021), related to Profit Sharing, based on goals and performance established for the year 2022, which is recorded in the Salaries and Social Charges account, in current liabilities.

27. FINANCIAL INCOME (LOSS)

Description	2022	2021
Financial Revenue		
Financial Investments (1)	167,825	50,118
Monetary Variation Gain (1)	71,631	34,401
Exchange Rate Gain	3,596	1,750
Gain on Derivative Financial Instruments	1,743	1,458
Other Financial Revenue	20,096	17,554
Total of Financial Revenue	264,891	105,281
Financial Expenses		
Financing, Lease and Debenture Interest and Charges (1)	(396,182)	(277,243)
Monetary Variation Loss (1)	(93,171)	(94,877)
Exchange Rate Loss	(2,503)	(1,585)
Loss on Derivative Financial Instruments	(5,130)	(2,053)
Other Financial Expenses	(10,903)	(4,705)
Total of Financial Expenses	(507,889)	(380,463)
Financial Income (Loss), Net	(242,998)	(275,182)

(1) Increase in the calculation basis of interest and monetary variations, due to the raising of funds from third parties, readjustment of the coastal lease agreement, and IPCA variation, offset by the growth in financial income, mainly due to the change in the value of the SELIC rate and the increase in the Company's Cash and Cash Equivalents (amounts invested).

28. INFORMATION BY BUSINESS SEGMENT

The Company has two identifiable business segments, which are water treatment and distribution and sanitary sewage collection and treatment. The solid waste collection and treatment process was considered in the sewage segment. Operating profit by segment is represented by revenue, less direct costs, and operating expenses, directly and indirectly, allocable to these segments. Identifiable assets and liabilities by segment are presented separately. Corporate assets and liabilities were not directly attributed to each business segment.

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The Company evaluates the business segment performance based on information generated by the accounting records, and miscellaneous expenses are allocated by means of apportionment, as shown in following table:

Description	2022			2021		
	Water	Sewage	Total	Water	Sewage	Total
Direct Operating Revenue	3,819,840	2,226,578	6,046,418	3,495,696	2,037,362	5,533,058
Other Operating Revenues	35,878	27,712	63,590	34,566	26,279	60,845
Total Gross Operating Revenue	3,855,718	2,254,290	6,110,008	3,530,262	2,063,641	5,593,903
Revenue Deductions (PASEP and COFINS)	(246,173)	(190,188)	(436,361)	(221,260)	(168,231)	(389,491)
Net Operating Revenue	3,609,545	2,064,102	5,673,647	3,309,002	1,895,410	5,204,412
Cost	(1,584,928)	(798,427)	(2,383,355)	(1,426,843)	(693,165)	(2,120,008)
Gross Profit	2,024,617	1,265,675	3,290,292	1,882,159	1,202,245	3,084,404
Selling Expenses	(264,959)	(204,649)	(469,608)	(199,217)	(157,323)	(356,540)
Administrative Expenses	(390,782)	(301,831)	(692,613)	(347,787)	(264,402)	(612,189)
Losses due to Non-Recoverability of Assets	-	(6,627)	(6,627)	-	(4,119)	(4,119)
Other Operating Revenues (Expenses)	(57,581)	(37,847)	(95,428)	(14,429)	(6,851)	(21,280)
Equity in Earnings (Losses) of Controlled Companies	-	(3,300)	(3,300)	-	(2,958)	(2,958)
Financial Income (Loss), Net	(112,449)	(130,549)	(242,998)	(132,364)	(142,818)	(275,182)
Profit Sharing Program	(49,703)	(38,390)	(88,093)	(45,560)	(34,637)	(80,197)
Provisions	(41,315)	(32,060)	(73,375)	(40,347)	(30,601)	(70,948)
Pension and Health Insurance Plan	(41,022)	(31,681)	(72,703)	(32,622)	(24,803)	(57,425)
Income Before Taxes and Contributions	1,066,806	478,741	1,545,547	1,069,833	533,733	1,603,566
Income Tax and Social Contribution	(271,963)	(122,046)	(394,009)	(283,136)	(142,799)	(425,935)
Net Income for the Year	794,843	356,695	1,151,538	786,697	390,934	1,177,631
Operating margin - Unaudited/Not Revised	29.6%	23.2%	27.2%	32.3%	28.2%	30.8%
Net Margin - Unaudited/Not Revised	22.0%	17.3%	20.3%	23.8%	20.6%	22.6%
Investments in Fixed /Intangible Assets in the Year (1)	746,326	997,816	1,744,142	669,296	650,866	1,320,162
Indebtedness – Loans, Financing, Debentures and Leases	2,309,361	2,773,883	5,083,244	1,838,309	2,282,256	4,120,565
Contract Asstes, Fixed Assets and Intangible Assets, net	5,429,995	6,641,635	12,071,630	4,871,487	5,849,796	10,721,283
Depreciation and Amortization for the Year	(226,834)	(206,586)	(433,420)	(205,332)	(189,134)	(394,466)
Accounts Receivable (Current and Noncurrent) (2)	1,264,400	561,717	1,826,117	957,043	473,945	1,430,988
Total Assets	7,492,649	9,164,547	16,657,196	6,652,323	7,988,266	14,640,589
Total Liabilities (Current and Noncurrent)	3,884,700	3,985,609	7,870,309	3,355,807	3,458,440	6,814,247
Number of Users – Unaudited/Not Review ed (3)	3,410,686	2,445,588	-	3,348,441	2,379,696	-
Volume Thousand m³ Invoiced - Unaudited/Not Review ed (4)	534,594	412,909	-	521,515	396,455	-

(1) The amounts invested in administrative assets were allocated proportionally to the investments of each segment.

(2) Presented by the gross value.

(3) The users included in the sewage sector are practically all included in the water segment.

(4) Invoices volumes of the sewage sector are derived from the invoiced volumes of the water utility segment.

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29. INSURANCE

The Company has an insurance contract with MAPFRE Seguros Gerais S/A covering its main assets located in several localities throughout the State of Paraná, for the amount of R\$1,794,313, with coverage term from 03/14/2022 to 03/13/2023, contemplating basic coverage for fire, wind, and electrical damages to the equipment.

Assets	Amount Insured
Buildings	868,576
Machinery, Equipments and Vehicles	840,550
Inventories	85,187
Total	1,794,313

Additionally, the Company has Judicial Guarantee Insurance policies to guarantee amounts that would be deposited and/or replace amounts already deposited and/or assets pledged in labor, civil, tax, and environmental lawsuits. Up to December 31, 2022, the Company offered guarantees through the Surety Bond in 388 lawsuits in the amount of R\$323,958 with Pottential Seguradora S/A, maturing on 06/07/2023.

The Company also signed/renewed the contract with Starr Internacional Brasil Seguradora S/A for insurance coverage in the modality of civil liability of directors and administrators of Sanepar (D & O - Directors and Officers) with National and International coverage, with the maximum limit guarantee of R\$20,000, with a 365-day contract term ending on 09/09/2023.

30. IMPACTS OF THE CORONAVIRUS (COVID-19)

On March 29, 2022, based on data on vaccine coverage against Covid-19 and the decrease in the number of contaminations, hospitalization, and deaths by the Coronavirus in Paraná, the State Government published decree 10.596/2022 that releases the circulation of people without masks indoors, maintaining the recommendation to use them in some spaces, such as public transport and health care points.

With the publication of the state decree, Sanepar established new preventive guidelines set out below:

- The use of masks is no longer mandatory on Sanepar's dependencies, except in places of occupational medical care and municipalities with more restrictive measures, however, the use of the mask is recommended in internal areas of the Company, being the use at the discretion of the employee.
- Three types of work are in force at the company: face-to-face work, telework, for categories with ACT approval, and remote work, mandatory exclusively for employees in isolation, for a period determined by a health professional.

Companhia de Saneamento do Paraná - SANEPAR

NOTES TO THE FINANCIAL STATEMENTS

Base Date December 31, 2022

(In thousands of Brazilian Reais)

- The face-to-face service, fully available to customers, must occur according to schedules defined in internal regulations. In locations where there are time or capacity restrictions, the Relationship Centers must comply with the current municipal decree or legislation. All criteria for social distancing and hygiene and protection protocol contained in the Contingency Plan for the Confrontation of the Coronavirus must be met.

The postponement of the collection of water and sewage bills was in effect until December 2022, for customers registered in the "Solidarity Water" category". The measure took effect from September 11, 2022, with a validity of 90 days, and was published as a Material Fact on September 05, 2022, in continuity with the actions implemented in 2020 and 2021 and following state law No. 20.187/2020. With the confirmation by the Secretary of Health of the State of Paraná – SESA that the State of Emergency in Public Health is ended, the Company, from January 2023, in a structured and gradual way, started to resume the actions of debt collection from customers, promoting actions such as financial negotiation, the suspension of supply with shutter and the extension of the RECLIP Program until April 30, 2023.

In the 4th quarter of 2022, the average monthly billing of the "Solidarity Water" category was R\$ 5.7 million, and an average of 296 thousand water savings and 207 thousand sewage savings were served.

Since the beginning of the pandemic period, on March 19, 2020, the Company has been analyzing collection and delinquency and, considering the best estimate, constituted a provision for expected losses of R\$ 24.6 million in accounts receivable (R\$4.0 million in 2022).

31. SUBSEQUENT EVENTS

On January 26, 2023, at the 1st Ordinary Meeting, the Board of Directors approved the beginning of the structuring of the issue of Simple Debentures, non-convertible into shares, of the unsecured type, in up to two series, with restricted placement efforts, not incentivized, under CVM Resolution No. 160/2022, in the total amount of up to R\$400 million.

As communicated to the market on February 7, 2023, the Company and the Municipality of Maringá requested the suspension of the Public Civil Action pending at the Federal Supreme Court (STF), for a period of 30 (thirty) days, due to internal demands, at administrative headquarters, inherent to the object of the action.

Companhia de Saneamento do Paraná - SANEPAR

NOTES TO THE FINANCIAL STATEMENTS

Base Date December 31, 2022

(In thousands of Brazilian Reais)

EXECUTIVE BOARD

Claudio Stabile - CEO

Abel Demetrio – CFO and Investor Relations Officer

Sergio Wippel - Director of Operations

Leura Lucia Conte de Oliveira - Investment Director

Elerian do Rocio Zanetti - Commercial Director

Priscila Marchini Brunetta - Administrative and Deputy Legal Director

Julio Cesar Gonchorosky - Environmental and Social Action Director

BOARD OF DIRECTORS

Vilson Ribeiro de Andrade - President

Jacques Geovani Schinemann

Rodrigo Sanchez Rios

Reginaldo Ferreira Alexandre

Eduardo Francisco Sciarra

Claudio Stabile

Joisa Campanher Dutra Saraiva

Milton José Paizani

Elton Evandro Marafigo

FISCAL COUNCIL

Ricardo Cansian Netto - President

Laerzio Chiesorin Junior

Marco Antonio Mayer Foletto

Paulo Roberto Franceschi

Henrique Domakoski

Companhia de Saneamento do Paraná - SANEPAR

NOTES TO THE FINANCIAL STATEMENTS

Base Date December 31, 2022

(In thousands of Brazilian Reais)

STATUTORY AUDIT COMMITTEE

Artemio Bertholini - President

João Paulo de Castro

Cassio Prudente Vieira Leite

Milton José Paizani

ACCOUNTANT

Ozires Kloster

Accounting Manager

Accountant

CRC-PR 030.386/O-8



**INDENPENDENT
AUDITOR'S
REPORT**

INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS

To the
Shareholders and Management of
Companhia de Saneamento do Paraná – Sanepar
Curitiba-PR

Opinion on the financial statements

We have audited the financial statements of Companhia de Saneamento do Paraná - Sanepar (“the Company”), which comprise the statement of financial position as at December 31, 2022 and the respective statements of income, comprehensive income, changes in equity and cash flows for the year then ended, as well as the corresponding notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022, its financial performance and its cash flows for the year then ended in accordance with Brazilian accounting practices and International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB).

Basis for opinion on the financial statements

We conducted our audit in accordance with Brazilian and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the Company in accordance with the relevant ethical principles established in the Code of Ethics for Professional Accountants and in the professional standards issued by the Brazilian Federal Association of Accountants (CFC), and we have fulfilled our other ethical responsibilities in accordance with these standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the subject described in the “Emphasis” section related to the investigation, we have determined that the matters described below are the main audit matters to be communicated in our report.

Pension plan and health insurance

As described in Note 19, the Company is the sponsor of a supplementary defined benefit pension plan and of a health insurance plan aimed to active and retired employees. The calculation of actuarial liabilities is determined from reports issued by the independent actuary. The information on the plan's assets and liabilities, as well as the criteria for measurement of the obligations are described in the note referred to above.

The matter was considered relevant for our audit because of the amount involved and the high level of complexity required to determine the assumptions and judgment associated to the calculation of the actuarial liabilities. Variations in the assumptions used, such as mortality, turnover, discount rates and inflation may significantly affect the liabilities recognized by the Company.

Recognition of unbilled revenue

As presented in Note 23, the Company recognizes on a monthly basis as operating revenues amounts referring to services rendered but not billed to final consumers ("unbilled revenues"). As billing is performed cyclically, and often not coinciding with monthly closing, the Company makes estimates which include information such as average consumption from last reading of hydrometers to be attributed to each consumer for the period between the date of measurement of consume and the date of the accounting closing, attributable to each operating segment of the Company.

Considering the amount involved and the level of judgment required from management in making such estimates, we understand that there are significant risks related to the recognition of revenue in incorrect periods and/or risk of material misstatement of the financial statements.

Audit response to the matter

Our auditing procedures included, among others, the involvement of our actuarial specialists to assist us in evaluating the assumptions used in the calculation of actuarial liabilities, and we compared the assumptions with the market data. In addition, we reviewed the adequacy of the disclosures made by the Company in relation to the matter.

Based on the audit procedures performed, we consider that the estimates used in the recognition of actuarial liabilities of the Company are appropriate to support the judgments and information included in the financial statements as a whole.

Audit response to the matter

Our procedures included, among others, understanding the internal controls established by the Company over the process of revenue recognition, mainly understanding the methodology used in the calculation of the estimate of unbilled revenue. Additionally, we recalculated the estimated billings that resulted in the balances recognized in the financial statements.

Based on the audit procedures followed, we consider that the estimates on the recognition of unbilled revenues of the Company are appropriate to support the judgments made and information included in the financial statements as a whole.

Administrative proceedings and court claims

As described in Note 18, the Company is a passive party in several labor, civil, environmental and tax proceedings, whose provision for contingencies amounts to R\$ 689,000 thousand as of December 31, 2022, as a result of its operating activities.

Monitoring of this matter was considered significant for our audit due to the relevance of the amounts involved, to the level of judgment involved in determining the need for recognizing a provision, and to the complexity of the tax environment in Brazil.

Concession/Program agreements

As disclosed in Notes 10, 11 and 13b to the financial statements, the Company maintains the amount of R\$ 676,465 thousand recorded as Contractual Financial Assets, R\$ 2,746,449 thousand recorded as Contract Asset and R\$ 8,954,657 thousand recorded in Intangible Assets as of December 31, 2022, related to investments made in accordance with its sanitation services program/concession agreements. The values of Intangible Assets are expected to recover over the respective program/concession agreements, based on the receipt of tariffs for services provided to users, while the values of the Contractual Financial Assets represent the portion indemnified by the grantor at the time of termination of the agreement.

As these investments are amortized over the term of the respective program/concession agreements, the Company's Management evaluates, at least annually, the existence of indications of impairment of these assets and, additionally, it elected to disclose the results of its impairment analysis based on a discounted cash flow model, which requires Management to adopt some assumptions based on information generated by its internal reports, which involve judgments about the future results of the business.

Audit response to the matter

Our procedures included, among other things, obtaining and analyzing confirmation letters received from the Company's legal counselors, in order to compare their assessments of the open proceedings with the positions held by Management, as well as conducting interviews with Company's Management and with the legal department, to discuss the assumptions used for the accounting and development of the main legal proceedings in course. Additionally, we evaluated the Company's history of losses and if the disclosure of the matter included in Note 18 is reasonable.

Based on the audit procedures followed, we consider that the Company's policies on the recognition of provisions for contingencies are appropriate to support the balances accounted for and information included in the financial statements as a whole.

Audit response to the matter

Our procedures included, among others: (i) interviews with the Company's legal and operational department, in addition to its financial-accounting area, to understand situations of pending renewals of past-due contracts; (ii) obtaining the opinion of the Company's legal department regarding the situation and likelihood of gain of possible contracts in dispute between the Company and the respective granting authority; and (iii) review of minutes of board meetings and Company councils in order to identify problems related to the continuity of its program/concession agreements. These procedures were intended to support our conclusion regarding the Company's analysis that no indications of possible impairment of assets related to the Company's program/concession agreements were identified. Additionally, due to the fact that the Company optionally performs an analysis of the value in use of its Intangible Assets and discloses this information according to Note 13d, even though it is not required according to technical pronouncement CPC 01 (R1) Impairment of Assets because they are assets with a defined useful life, our procedures included the reading of the report prepared by the Company including the future cash flow forecasts considered and the main assumptions used and analysis of the adequate disclosure of these assumptions in the notes to the financial statements.

Based on our auditing procedures, we consider that the Company's finding that it has not identified impairment evidence for the assets related to the program/concession agreements are appropriate to support the accounting balances and the information included in the financial statements.

Other matters

Audit of amounts corresponding to the previously year

The amounts corresponding to the financial statements for the year ended December 31, 2021, presented for comparison purposes, were audited by us, and we issued a report dated February 24, 2022, containing an emphasis paragraph referring to “Independent internal investigation, regarding to the Operations “Rádio Patrulha”, “Integração”, “Águas Claras” e “Ductos”, which were concluded at the end of the 2021 financial year.

Statements of value added

The financial statements referred to above include the statements of value added, prepared under the responsibility of the Company’s Executive Board for the year ended December 31, 2022 and presented as supplemental information for IFRS purposes. That financial information was submitted to the same audit procedures followed for the audit of the Company’s financial statements. In order to form an opinion, we have checked whether this financial information is reconciled with the financial statements and accounting records, as applicable, and whether its form and contents meet the criteria established in NBC TG 09 - Statement of Value Added. In our opinion, the statements of value added were properly prepared, in all material respects, in accordance with the criteria established in that technical pronouncement and are consistent with the financial statements taken as a whole.

Other information accompanying the financial statements

The Company’s Executive Board is responsible for this other information that comprises the Management Report.

Our opinion on the financial statements does not cover the Management Report and we do not express any form of audit conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management Report and, in doing so, consider whether the report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Executive Board and those charged with Governance for the financial statements

The Executive Board is responsible for the preparation and fair presentation of the financial statements in accordance with Brazilian accounting practices and the IFRSs, issued by IASB, and for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian standards and ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Executive Board;
- Conclude on the appropriateness of the Executive Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

Curitiba, February 16, 2023.



**BDO RCS Auditores Independentes SS
Ltda.
CRC 2 PR 006853/F-9**

**Marisa Bernardino de Albuquerque
Accountant CRC 1 SP 143624-O/T – S - PR**



**EXECUTIVE DIRECTOR'S
DECLARATION
ON FINANCIAL
STATEMENTS**

STATEMENT

By this instrument, the Executive Board of Companhia de Saneamento do Paraná - Sanepar, a state-owned public company, with its headquarters at Rua Engenheiros Rebouças, 1,376, Curitiba - PR, registered at CNPJ under No. 76.484.013/0001-45, for the purposes of CVM Resolution No. 80/2022, declares that it has reviewed, discussed and agreed with Sanepar's financial statements for the period ended on December 31, 2022.

Curitiba, February 1, 2023.

CLAUDIO STABILE
Chief Executive Officer

ABEL DEMETRIO
Chief Financial and Investor
Relations Officer

SERGIO WIPPEL
Chief Operating Officer

LEURA LUCIA CONTE DE OLIVEIRA
Chief Investment Officer

ELERIAN DO ROCIO ZANETTI
Chief Commercial Officer

PRISCILA MARCHINI BRUNETTA
Chief Administrative Officer and
Deputy Chief Legal Officer

JULIO CESAR GONCHOROSKY
Chief of Environment and Social
Action Officer



**EXECUTIVE DIRECTOR'S
STATEMENT
ON THE INDEPENDENT
AUDITOR'S REPORT**

STATEMENT

Through this instrument, the Executive Board of Companhia de Saneamento do Paraná - Sanepar, a state-owned public company, with its headquarters at Rua Engenheiros Rebouças, 1,376, Curitiba - PR, registered at CNPJ under No. 76.484.013/0001-45, for the purposes of CVM Resolution No. 80/2022, has reviewed, discussed and agreed with the opinions stated in the audit report issued by BDO RCS Auditores Independentes with respect to Sanepar's financial statements for the period ended on December 31, 2022.

Curitiba, February 16, 2023.

CLAUDIO STABILE
Chief Executive Officer

ABEL DEMETRIO
Chief Financial and Investor
Relations Officer

SERGIO WIPPEL
Chief Operating Officer

LEURA LUCIA CONTE DE OLIVEIRA
Chief Investment Officer

ELERIAN DO ROCIO ZANETTI
Chief Commercial Officer

PRISCILA MARCHINI BRUNETTA
Chief Administrative Officer and
Deputy Chief Legal Officer

JULIO CESAR GONCHOROSKY
Chief of Environment and Social
Action Officer



**SUMMARY ANNUAL
REPORT OF THE
STATUTORY
AUDIT COMMITTEE**

SUMMARY ANNUAL REPORT OF THE STATUTORY AUDIT COMMITTEE - 2022

To the Board of Directors of Companhia de Saneamento do Paraná – SANEPAR:

Introduction

The Statutory Audit Committee (“*Comitê de Auditoria Estatutário*” or the “CAE”) of Companhia de Saneamento do Paraná – SANEPAR was created at the Extraordinary Meeting of the Board of Directors on May 30, 2017. The CAE's composition, duties and operation are established in its own Internal Regulations, which are available on the Company's official website. According to the statutory amendment made in September 2018, the CAE is formed by 4 independent members, one of which is a member of the Board of Directors. Its members are elected for a term of 2 years, and reelection is allowed for 3 consecutive terms.

The CAE is a statutory advisory body for the Board of Directors, with permanent and independent operations. Such body's main duties include evaluating and monitoring the processes for preparing and presenting financial statements, risk management processes and internal controls, the effectiveness of performance of internal audit and audit by independent auditors. Additionally, it also evaluates the reasonableness of the parameters that support the calculations and actuarial results of the benefit plans of the Foundations related to SANEPAR and the monitoring, together with Management, of operations with the Company's related parties.

The Administrators are responsible for the preparation and integrity of the financial statements, management of risks, enforcement and effectiveness of the internal control systems and compliance of the activities with the legal and regulatory standards.

The Internal Audit is in charge of the periodic review and evaluation of the controls related to key risk areas, acting independently in verifying their effectiveness and adequacy of the applicable governance criteria.

BDO RCS Auditores Independentes was responsible for auditing the Company's financial statements for the year ended on December 31, 2022, and for the special review of its quarterly information. Its regular scope of work also includes assessments regarding the quality and adequacy of internal control systems and compliance with applicable legal and regulatory provisions.

CAE's main activities in the fiscal year

The main non-recurring matters that occurred during the fiscal year were as follows:

Pandemic – COVID 19

The CAE monitored, throughout the 2022 fiscal year, the third year of the COVID-19 pandemic and its variations, in which the Company's Management continued to strive to mitigate the potential effects and developments related to:

- Impacts on the performance of employees and associates directly connected with the Company's operating processes that require permanent on-site monitoring;
- The adoption of measures related to the performance of employees, administrators and directors subject to remote action; and
- Policy for notices to the market, customers, suppliers, advisors, external auditors and regulators about the measures taken and other preventive actions to preserve the Company's brand and goodwill.

Water Crisis

The main area of population density in which the Company operates, the Metropolitan Region of Curitiba, suffered a serious water shortage in the last 2 years, having been normalized during the first half of 2022. Monitoring the potential consequences of this matter required exploring possible mitigation measures according to the circumstances, and the strategic risk of Water Scarcity became one of the top priorities.

Rádio Patrulha, Integração, Águas Claras, and Ductos Operations

All remaining work of the Company's internal Task Force related to the investigations of these operations were concluded in the first half of 2022.

The CAE monitored this matter throughout the year, having held several meetings with the Task Force and the Independent Auditors, which allowed them to remove the emphasis paragraph on the matter.

Other recurring matters

The CAE held several formal meetings with the Administrators of the Company, Foundation, the affiliate CS Bioenergia, members of the Fiscal Committee and the Independent Auditors.

These meetings especially discussed issues related to the preparation and disclosure of financial statements and developments of a corporate and tax-fiscal nature, risk management and internal controls and transactions involving related parties.

In dialogues between CAE members and internal auditors, external auditors and those responsible for risk management, their work plans were assessed and their results, conclusions and recommendations were made reported. During the 2022 fiscal year, several improvements were discussed and recommended in the scope, work methodology and team dimensioning for Internal Audit and Risk Management, especially regarding improvements for the PAINT - Annual Plan of Internal Audit to be executed in 2023.

Conclusion

The CAE's opinions and considerations are based on the data and information submitted to it by the Company's Management (especially Accounting, Legal, Risk Management and Internal Audit areas), its affiliate CS Bioenergia, the Foundations involved in meeting the benefits to its employees, and the External Audit.

With regard to the External Audit, the CAE did not identify a situation that could affect its independence and is not aware of material-technical differences between Management, the Independent Auditors and the CAE itself.

As for the structure of internal controls and risk management, the CAE considers that there is satisfactory coverage for the size and complexity of the Company's businesses, although improvements are required in critical matters inherent to the provision of services that are included in the scope of its activity.

With regard to the Internal Audit, the results of its work over the course of 2022 did not reveal significant deviations or flaws in the procedures related to the effectiveness of the internal controls adopted by the Company, as well as in terms of adherence to the policies and practices established by Management and compliance with rules and regulations applicable to the activity.

The CAE considers that all relevant matters for its performance were properly covered in its due diligence and discussions with the Company's Management, which allows it to conclude that they are being properly disclosed in the financial statements for the fiscal year ended December 31, 2022, accompanied by the opinion of the independent auditors. Accordingly, the Board of Directors is recommended to approve said audited financial statements.

Curitiba, February 16, 2023.

Artemio Bertholini
Chairman of the Statutory Audit Committee

Cassio Prudente Vieira Leite
Member

João Paulo de Castro
Member

Milton José Paizani
Member



**FISCAL
COUNCIL
OPINION**

FISCAL COUNCIL OPINION

The members of the Fiscal Council of Companhia de Saneamento do Paraná - SANEPAR, within their duties and responsibilities, which do not include accounting and auditing activities in the Company, analyzed the Management Report, the Financial Statements and the Proposal for Allocation of Profits for the fiscal year ended December 31, 2022 and which were approved by the Board of Directors on February 16, 2023.

Based on the analyses carried out, the information received during the fiscal year and the unqualified opinion provided by BDO RCS Auditores Independentes, the members unanimously understand that the material facts brought to their attention were properly disclosed in said documents, which will be discussed at the Annual General Meeting.

Curitiba, February 16, 2023.

RICARDO CANSIAN NETTO

Chairman

HENRIQUE DOMAKOSKI

Member

LAERZIO CHIESORIN JUNIOR

Member

MARCO ANTONIO MAYER FOLETTTO

Member

PAULO ROBERTO FRANCESCHI

Member



INVESTMENT PROGRAM

INVESTMENT PROGRAM

In compliance with the CVM Resolutions, we hereby inform the Investment Program for the years of 2022 to 2026 of **Companhia de Saneamento do Paraná – Sanepar**, approved at the 21th Extraordinary Meeting held on December 7, 2022.

MULTIANNUAL INVESTMENT PLAN - 2023 to 2027 (in millions of BRL)

	2023	2024	2025	2026	2027	2023 -2 027
Regulatory Capex	1,814.9	2,344.5	2,326.8	1,799.1	1,454.4	9,739.7
Solid Waste / Industrial Water	6.5	0.4	2.3	-	-	9.2
Capitalization	157.6	161.5	167.8	174.9	171.2	833.0
Network Donations	32.4	29.8	30.5	31.2	31.9	155.8
Total	2,011.4	2,536.2	2,527.4	2,005.2	1,657.5	10,737.7

	2023	2024	2025	2026	2027	2023 - 2027
Water	719.9	865.6	872.0	709.2	585.2	3,751.9
Sewage	1,146.6	1,592.5	1,577.7	1,221.7	981.7	6,520.2
Others	144.9	78.1	77.7	74.3	90.6	465.6
Total	2,011.4	2,536.2	2,527.4	2,005.2	1,657.5	10,737.7

The Investment Plan includes expenses for the assurance of water supply and its quality; commitments made in the concession and program contracts aimed at the universalization of sewage services; demands arising from operational diagnostics of water supply and sewage systems; environmental compliance; administrative infrastructure, among others.

DISCLAIMER

This is a free translation for informative purposes only. The original text in Portuguese is the only legal version and must be consulted in order to elucidate any doubts or conflicts.

