

A free translation from Portuguese into English of the ITR - Quarterly Information originally issued in Portuguese.

ITR - QUARTERLY INFORMATION FIRST QUARTER OF 2022

COMPANHIA DE SANEAMENTO DO PARANÁ - SANEPAR

Quarterly Information
For the quarter ended at March 31, 2022

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Individual financial statements/ statements of financial position - assets
(In thousands of Brazilian reais)

Code of Account	Account description	Current quarter 03/31/2022	Prior Year 12/31/2021
1	Total Assets	15,629,548	14,640,589
1.01	Current assets	2,740,099	2,071,647
1.01.01	Cash and cash equivalents	1,590,807	983,127
1.01.01.01	Cash and banks	36,391	40,823
1.01.01.02	Financial investments	1,554,416	942,304
1.01.03	Accounts receivable	1,025,326	971,478
1.01.03.01	Trade accounts receivable	1,025,326	971,478
1.01.04	Inventories	65,272	57,680
1.01.06	Recoverable taxes	11,704	11,420
1.01.06.01	Current recoverable taxes	11,704	11,420
1.01.08	Other current assets	46,990	47,942
1.01.08.03	Others	46,990	47,942
1.01.08.03.01	Restricted deposits	14,104	14,375
1.01.08.03.02	Derivative financial instruments	10,624	12,716
1.01.08.03.03	Other accounts receivable	22,262	20,851
1.02	Noncurrent assets	12,889,449	12,568,942
1.02.01	Long-term assets	3,956,134	3,715,372
1.02.01.04	Accounts receivable	53,513	51,551
1.02.01.04.01	Trade accounts receivable	53,513	51,551
1.02.01.07	Deferred taxes	700,344	679,462
1.02.01.07.01	Deferred Income and Social Contribution Taxes	700,344	679,462
1.02.01.10	Other noncurrent assets	3,202,277	2,984,359
1.02.01.10.03	Restricted deposits	67,033	58,982
1.02.01.10.06	Court deposits	430,824	408,593
1.02.01.10.07	Contractual financial assets	632,328	603,014
1.02.01.10.08	Contract of asset	2,028,534	1,869,743
1.02.01.10.09	Other receivables	43,558	44,027
1.02.02	Investments	2,103	2,030
1.02.02.01	Shareholdings	2,103	2,030
1.02.02.01.03	Joint Ventures	2,103	2,030
1.02.03	Fixed assets	315,812	312,679
1.02.03.01	Fixed assets in operation	224,408	225,727
1.02.03.02	Rigth-of-use assets	91,404	86,952
1.02.04	Intangible assets	8,615,400	8,538,861
1.02.04.01	Intangible assets	8,615,400	8,538,861
1.02.04.01.01	Concession contracts	8,434,385	8,356,681
1.02.04.01.02	Rigth-of-use assets	181,015	182,180

Individual financial statements/ statements of financial position - liabilities
(In thousands of Brazilian reais)

Code of Account	Account description	Current quarter 03/31/2022	Current quarter 12/31/2021
2	Total Liabilities	15,629,548	14,640,589
2.01	Current liabilities	1,414,848	1,397,171
2.01.01	Payroll and social charges	128,869	117,893
2.01.01.02	Labor liabilities	128,869	117,893
2.01.02	Trade accounts payable	263,101	269,397
2.01.02.01	Trade accounts payable - domestic	263,101	269,397
2.01.03	Tax liabilities	99,861	84,602
2.01.03.01	Federal Taxes	96,954	81,786
2.01.03.01.01	Income tax and social contribution	52,339	0
2.01.03.01.02	Other Federal Taxes	44,615	81,786
2.01.03.03	Municipal Taxes	2,907	2,816
2.01.04	Loans and financing	387,796	407,680
2.01.04.01	Loans and financing	186,600	220,336
2.01.04.01.01	Domestic currency	175,993	207,623
2.01.04.01.01	Foreign currency	10,607	12,713
2.01.04.02	Debentures	126,436	116,418
2.01.04.03	Financing from finance lease	74,760	70,926
2.01.05	Other liabilities	341,702	343,711
2.01.05.02	Others	341,702	343,711
2.01.05.02.01	Dividends and interest on equity capital payable	246,325	243,551
2.01.05.02.05	Collaterals and contractual retentions	2,218	2,210
2.01.05.02.07	Unearned revenue	3,560	700
2.01.05.02.08	Derivative financial instruments	11,969	11,606
2.01.05.02.09	Other accounts payable	77,630	85,644
2.01.06	Provisions	193,519	173,888
2.01.06.02	Other provisions	193,519	173,888
2.01.06.02.04	Provisions for pension plan and health insurance	78,685	77,341
2.01.06.02.05	Labor provisions	114,834	96,547
2.02	Noncurrent liabilities	6,096,414	5,417,076
2.02.01	Loans and financing	4,348,940	3,712,885
2.02.01.01	Loans and financing	1,556,230	1,519,154
2.02.01.01.01	Domestic currency	1,556,230	1,519,154
2.02.01.02	Debentures	2,458,217	1,859,646
2.02.01.03	Financing from finance lease	334,493	334,085
2.02.02	Other liabilities	18,984	5,791
2.02.02.02	Others	18,984	5,791
2.02.02.02.05	Contractors and Suppliers	2,829	2,829
2.02.02.02.09	Unearned revenue	13,943	0
2.02.02.02.11	Other accounts payable	2,212	2,962
2.02.04	Provisions	1,728,490	1,698,400
2.02.04.02	Other provisions	1,728,490	1,698,400
2.02.04.02.04	Provisions for pension plan and health insurance	1,101,600	1,082,775
2.02.04.02.05	Provisions	626,890	615,625
2.03	Equity	8,118,286	7,826,342
2.03.01	Realized capital stock	3,996,137	3,996,137
2.03.01.01	Paid-in capital stock	3,996,137	3,996,137
2.03.03	Revaluation surplus	57,784	59,002
2.03.03.01	Own assets	57,784	59,002
2.03.04	Profit reserves	3,696,944	3,696,944
2.03.04.01	Legal reserve	108,638	108,638
2.03.04.07	Tax incentive reserve	11,551	11,551
2.03.04.08	Additional proposed dividend	63,880	63,880
2.03.04.10	Investment plan	3,512,875	3,512,875
2.03.05	Retained earnings/(Accumulated losses)	293,204	0
2.03.06	Asset and liability valuation adjustments	4,416	4,458
2.03.08	Other comprehensive income	69,801	69,801

Individual financial statements/ Statements of income
(In thousands of Brazilian reais)

Code of Account	Account description	Accumulated in current year	Accumulated in prior year
		01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021
3.01	Revenue from sales of goods and/or services	1,406,842	1,226,476
3.02	Cost of goods sold and/or services rendered	-589,834	-496,224
3.03	Gross result	817,008	730,252
3.04	Operating expenses/revenues	-326,669	-301,890
3.04.01	Selling expenses	-114,856	-78,805
3.04.02	General and administrative expenses	-158,689	-142,209
3.04.05	Other operating expenses	-52,373	-80,431
3.04.05.01	Provision for contingencies	-11,265	-47,654
3.04.05.02	Pension plan and health insurance	-20,169	-14,717
3.04.05.04	Profit sharing program	-19,881	-17,377
3.04.05.05	Other operating expenses (revenues)	-1,058	-683
3.04.06	Equity in earnings (losses) of controlled companies	-751	-445
3.05	Income (loss) before financial income (loss) and taxes	490,339	428,362
3.06	Financial income (loss)	-55,329	-55,344
3.06.01	Financial revenues	58,886	15,600
3.06.02	Financial expenses	-114,215	-70,944
3.07	Income (loss) before taxes	435,010	373,018
3.08	Income and Social Contribution Taxes	-143,066	-126,528
3.08.01	Current	-163,948	-134,685
3.08.02	Deferred	20,882	8,157
3.09	Net income (loss) from continuing operations	291,944	246,490
3.11	Income/Loss for the period	291,944	246,490
3.99	Earnings per share – (Reais/Share)		
3.99.01	Basic earnings per share		
3.99.01.01	Preferred shares	0.19922	0.16821
3.99.01.02	Common shares	0.18111	0.15291
3.99.02	Diluted earnings per share		
3.99.02.01	Preferred shares	0.19922	0.16821
3.99.02.02	Common shares	0.18111	0.15291

Individual financial statements/ Statements of comprehensive income
(In thousands of Brazilian reais)

Code of Account	Account description	Accumulated in current	Accumulated in prior
		year 01/01/2022 to 03/31/2022	year 01/01/2021 to 03/31/2021
4.01	Net income for the period	291,944	246,490
4.02	Other comprehensive income	-1,260	-1,298
4.02.01	Realization of revaluation surplus	-1,845	-1,908
4.02.02	Taxes on Realization of Revaluation Surplus	627	649
4.02.03	Realization of Deemed Cost	-64	-59
4.02.04	Taxes on Realization of Deemed Cost	22	20
4.03	Comprehensive income for the period	290,684	245,192

Individual financial statements/Statements of cash flows - indirect method

Code of account	Account description	Accumulated in	Accumulated in
		current year	prior year
		01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021
6.01	Net cash from operating activities	486,148	344,271
6.01.01	Cash from operations	575,179	484,514
6.01.01.01	Net income for the period	291,944	246,490
6.01.01.02	Depreciation and amortization	105,380	94,376
6.01.01.03	Costs of fixed and intangible assets write-offs	2,217	1,046
6.01.01.04	Impairment	-954	-583
6.01.01.06	Discount to present value of financial assets	-6,151	-5,101
6.01.01.07	Allowance for doubtful accounts	51,220	17,583
6.01.01.08	Deferred Income and Social Contribution Taxes, net	-20,882	-8,157
6.01.01.09	Provision for contingencies	11,265	47,654
6.01.01.10	Pension plan and medical insurance	20,169	14,717
6.01.01.11	Interest on financing	78,951	50,748
6.01.01.12	Monetary variations on financing	31,071	15,909
6.01.01.13	Interest and monetary restatements Leasing	8,548	8,200
6.01.01.14	Exchange rate, net	-2,142	466
6.01.01.15	Exchange on derivative financial instrments	2,455	-449
6.01.01.16	Equity in earnings (losses) of controlled companies	751	445
6.01.01.17	Appropriation of costs of funds raised from third parties	1,410	872
6.01.01.18	Adjustment to Fair Value – Investments	-73	298
6.01.02	Changes in assets and liabilities	-89,031	-140,243
6.01.02.01	Trade accounts receivable	-107,030	-88,252
6.01.02.02	Recoverable taxes and contributions	-284	-86
6.01.02.03	Inventories	-7,592	3,920
6.01.02.04	Court deposits	-22,231	-33,559
6.01.02.05	Other receivables and accounts receivable	-942	2,408
6.01.02.06	Contractors and Suppliers	-6,296	-36,264
6.01.02.08	Taxes and contributions	125,936	107,330
6.01.02.09	Salaries and social charges	29,263	-22,274
6.01.02.10	Collaterals and contractual retentions	8	401
6.01.02.11	Unearned revenues	16,803	-1,050
6.01.02.12	Income and social contribution taxes paid	-107,902	-78,577
6.01.02.13	Other accounts payable	-8,764	5,760
6.02	Net cash from investing activities	-352,553	-258,813
6.02.01	Investments in fixed and intangible assets	-352,553	-258,850
6.02.02	Investments	0	37
6.03	Net cash from financing activities	474,085	364,586
6.03.01	Financing	670,165	563,606
6.03.02	Amortization of financing	-87,411	-106,839
6.03.03	Payments of interest on financing	-68,827	-49,955
6.03.04	Payments of Leases	-20,771	-19,861
6.03.05	Costs of funds raised with third parties	-11,290	-12,516
6.03.06	Restricted deposits	-7,780	-9,849
6.03.07	Payments of Interest on Equity	-1	0
6.05	Increase (decrease) in cash and equivalents	607,680	450,044
6.05.01	Beginning balance of cash and cash equivalents	983,127	874,323
6.05.02	Ending balance of cash and cash equivalents	1,590,807	1,324,367

Individual financial statements/ Statement of changes in equity - 01/01/2022 to 03/31/2022

Code of account	Account description	Paid-in capital stock	Capital reserves, Granted options and Treasury shares	Income reserves	Retained earnings or accumulated losses	Other comprehensive income	Equity
5.01	Initial balances	3,996,137	0	3,696,944	0	133,261	7,826,342
5.03	Adjusted beginning balances	3,996,137	0	3,696,944	0	133,261	7,826,342
5.05	Total comprehensive income	0	0	0	293,204	-1,260	291,944
5.05.01	Net income for the period	0	0	0	291,944	0	291,944
5.05.02	Other comprehensive income	0	0	0	1,260	-1,260	0
5.05.02.06	Realization of revaluation surplus	0	0	0	1,845	-1,845	0
5.05.02.07	Taxes on the realization of revaluation surplus	0	0	0	-627	627	0
5.05.02.08	Realization of adjustment to deemed cost	0	0	0	64	-64	0
5.05.02.09	Taxes on realization of adjustment to deemed cost	0	0	0	-22	22	0
5.07	Ending balances	3,996,137	0	3,696,944	293,204	132,001	8,118,286



Individual financial statements/ Statement of changes in equity - 01/01/2021 to 03/31/2021

Code of account	Account description	Paid-in capital stock	Capital reserves, Granted options and Treasury shares	Income reserves	Retained earnings or accumulated losses	Other comprehensive income	Equity
5.01	Initial balances	3,996,137	0	2,853,580	0	93,446	6,943,163
5.03	Adjusted beginning balances	3,996,137	0	2,853,580	0	93,446	6,943,163
5.05	Total comprehensive income	0	0	0	247,788	-1,298	246,490
5.05.01	Net income for the period	0	0	0	246,490	0	246,490
5.05.02	Other comprehensive income	0	0	0	1,298	-1,298	0
5.05.02.06	Realization of revaluation surplus	0	0	0	1,908	-1,908	0
5.05.02.07	Taxes on the realization of revaluation surplus	0	0	0	-649	649	0
5.05.02.08	Realization of adjustment to deemed cost	0	0	0	59	-59	0
5.05.02.09	Taxes on realization of adjustment to deemed cost	0	0	0	-20	20	0
5.07	Ending balances	3,996,137	0	2,853,580	247,788	92,148	7,189,653

Individual financial statements/ Statements of value added

Code of account	Account description	Accumulated in	Accumulated in
		current year 01/01/2022 to 03/31/2022	prior year 01/01/2021 to 03/31/2021
7.01	Revenues	1,459,688	1,300,195
7.01.01	Sales of merchandise, products and services	1,511,966	1,318,461
7.01.02	Other revenues	-1,058	-683
7.01.04	Reversal of/allowance for doubtful accounts	-51,220	-17,583
7.02	Inputs acquired from third parties	-448,523	-405,036
7.02.01	Costs of products, merchandise and services sold	-179,559	-148,391
7.02.02	Materials, energy, third-party services and others	-265,407	-202,214
7.02.04	Others	-3,557	-54,431
7.03	Gross value added	1,011,165	895,159
7.04	Withholdings	-105,380	-94,376
7.04.01	Depreciation, amortization and depletion	-105,380	-94,376
7.05	Net generated value added	905,785	800,783
7.06	Value added received by transfer	58,135	15,155
7.06.01	Equity in earnings (losses) of controlled companies	-751	-445
7.06.02	Financial revenues	58,886	15,600
7.07	Total value added to be distributed	963,920	815,938
7.08	Value added distribution	963,920	815,938
7.08.01	Personnel	260,739	235,110
7.08.01.01	Direct compensation	166,565	157,892
7.08.01.02	Benefits	82,650	66,132
7.08.01.03	Severance Pay Fund (FGTS)	11,524	11,086
7.08.02	Taxes, fees and contributions	294,626	261,704
7.08.02.01	Federal	290,521	258,835
7.08.02.02	State	415	314
7.08.02.03	Municipal	3,690	2,555
7.08.03	Return on debt capital	116,611	72,634
7.08.03.01	Interest	114,215	70,944
7.08.03.02	Rents	2,396	1,690
7.08.04	Return on equity capital	291,944	246,490
7.08.04.03	Retained earnings/ Accumulated losses for the period	291,944	246,490



1. OPERATING DATA
1.1 MARKET

We present below the contracts in % of Total Revenue of the Company, as of March 31, 2022:

Contracts (% of Total Revenue)*				Coverage index		Total active units (in thousands)	
Municipalities	Total revenue %	Remaining period of concession	Type of concession	Water	Sewage collections	Water	Sewage collections
Curitiba	21.0%	26.3 years	Water and Sewage	100%	97.7%	830.7	810.8
Londrina	7.5%	24.3 years	Water and Sewage	100%	96.2%	258.9	245.5
Maringá	5.2%	18.4 years	Water and Sewage	100%	100.0%	170.7	190.2
Foz do Iguaçu	4.1%	21.9 years	Water and Sewage	100%	80.2%	119.8	97.1
Ponta Grossa	3.6%	4.0 years	Water and Sewage	100%	91.1%	155.4	140.3
Cascavel	3.6%	2.7 years	Water and Sewage	100%	100.0%	132.8	143.0
São José dos Pinhais	2.8%	21.8 years	Water and Sewage	100%	78.0%	119.7	94.6
Colombo	1.8%	26.1 years	Water and Sewage	100%	67.5%	87.9	60.4
Guarapuava	1.7%	20.6 years	Water and Sewage	100%	86.0%	69.4	58.1
Toledo	1.5%	3.4 years	Water and Sewage	100%	83.1%	62.3	50.3
Other Municipalities	47.2%					2,180.5	1,339.2
Total				100.0%	77.5%	4,188.1	3,229.5

Contracts	Number of Contracts*	Intangible assets Contract assets Financial assets (in millions of Brazilian Reais) ^{1 2}	% of Total Revenue ¹
Overdue	14	393.2	4.1
Expiration on 2022	6	238.5	0.9
Expiration between 2023 and 2033	70	2,263.5	20.4
Expiration after 2033	256	8,112.6	74.6
Total	346	11,007.8	100.0

¹ Information not audited or reviewed by independent auditors.

² Book value

The rate of service with treated water is 100% and the rate of service with the sewage collection network - IARCE Urbano is 77.5%, with 100% of the collected sewage being treated, according to the Company's Information System.

Revenues stem mainly from residential water connections, representing 90.9% of the total water connections existing on March 31, 2022.

The number of water connections in March 2022 is 2.2% higher than the number of connections existing in March 2021, which represents an increase of 73,208 water connections, as follows:

Number of Water Connections*	MAR/22 (1)	%	MAR/21 (2)	%	Var.% (1/2)
Residential	3,060,439	90.9	2,994,308	90.9	2.2
Commercial	241,797	7.2	235,319	7.1	2.8
Industrial	13,619	0.4	13,349	0.4	2.0
Public Utility	23,984	0.7	23,885	0.7	0.4
Public Administration	27,029	0.8	26,799	0.9	0.9
Total	3,366,868	100.0	3,293,660	100.0	2.2

* Information not audited or reviewed by independent auditors.

The number of sewage connections in March 2022 is 2.9% higher than the number of connections existing in March 2021, representing an increase of 66,706 new sewage connections, as shown below:

Number of Sewage Connections*	MAR/22 (1)	%	MAR/21 (2)	%	Var.% (1/2)
Residential	2,165,915	90.5	2,105,282	90.5	2.9
Commercial	191,235	8.0	185,810	8.0	2.9
Industrial	6,152	0.3	5,942	0.3	3.5
Public Utility	15,699	0.7	15,522	0.7	1.1
Public Administration	14,916	0.5	14,655	0.5	1.8
Total	2,393,917	100.0	2,327,211	100.0	2.9

* Information not audited or reviewed by independent auditors.

1.2 PRODUCTIVITY

In 1Q22, the measured volume of treated water was 131.4 million m³, representing an increase of 5.0%, as shown below:

Measured Volume - million m ³ *	1Q22 (1)	1Q21 (2)	Var. % (1/2)
Residential	112.8	108.6	3.9
Commercial	9.9	8.9	11.2
Industrial	3.2	3.3	-3.0
Public Utility	1.3	1.0	30.0
Public Administration	4.2	3.3	27.3
Total	131.4	125.1	5.0

* Information not audited or reviewed by independent auditors.

In 1Q22, the volume of treated water billed was 137.0 million m³, against 130.4 million m³ in 1Q21, representing an increase of 5.1%, a reflection of the growth in consumption in 1Q22 after a drop in the same period in 2021, mainly due to climatic factors (increase in the volume of rainfall and end of the rotation in the Metropolitan Region of Curitiba, normalizing the distribution of water to this region), as shown below:

Invoiced Water Volume - million m ³ *	1Q22 (1)	1Q21 (2)	Var. % (1/2)
Residential	117.2	112.9	3.8
Commercial	10.8	9.8	10.2
Industrial	3.6	3.4	5.9
Public Utility	1.1	0.9	22.2
Public Administration	4.3	3.4	26.5
Total	137.0	130.4	5.1

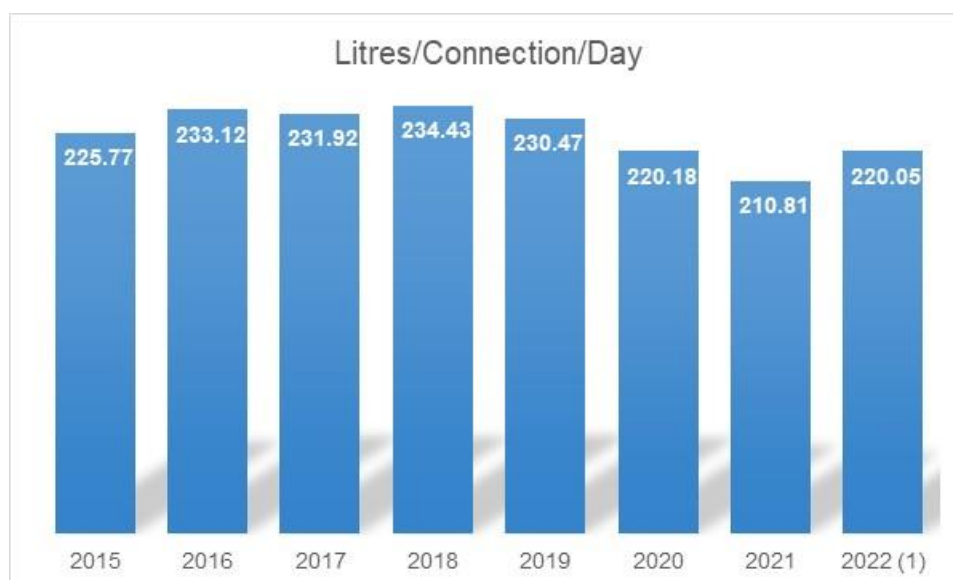
* Information not audited or reviewed by independent auditors.

The volume of sewage billed in 1Q22 increased by 5.9% compared to 1Q21, as shown below:

Invoiced Sewage Volume - million m ³ *	1Q22 (1)	1Q21 (2)	Var. % (1/2)
Residential	89.4	85.5	4.6
Commercial	9.9	8.8	12.5
Industrial	0.8	0.8	0.0
Public Utility	0.9	0.8	12.5
Public Administration	3.3	2.6	26.9
Total	104.3	98.5	5.9

* Information not audited or reviewed by independent auditors.

DEMONSTRATIVE OF THE LOSS BY CONNECTION*



* Information not audited or reviewed by independent auditors.

(1) Accumulated values from January to March 2022.

Water*	1Q22 (1)	1Q21 (2)	Var. (1/2)	1Q20 (3)	Var. % (2/3)
Units served by the distribution network	4,188,105	4,109,337	1.9 %	4,020,347	2.2 %
Number of treatment stations	168	168	0.0 %	168	0.0 %
Number of wells	1,169	1,260	-7.2 %	1,140	10.5 %
Number of surface catchment	236	233	1.3 %	231	0.9 %
Km of laid network	59,283	57,979	2.2 %	55,679	4.1 %
Volume produced (m ³)	198,111,314	185,456,414	6.8 %	201,547,763	-8.0 %
Losses in billings - %	30.86	29.69	1.17 p.p.	31.79	-2.10 p.p.
Evasion of revenues - % (default)	5.73	3.59	2.14 p.p.	3.56	0.03 p.p.

* Information not audited or reviewed by independent auditors.

Sewage*	1Q22 (1)	1Q21 (2)	Var. (1/2)	1Q20 (3)	Var. % (3)
Units served by the collection network	3,229,549	3,141,932	2.8 %	3,039,584	3.4 %
Number of treatment stations	260	257	1.2 %	251	2.4 %
Km of laid network	39,897	38,985	2.3 %	37,157	4.9 %
Volume collected in m ³	99,195,497	93,543,997	6.0 %	99,718,064	-6.2 %

* Information not audited or reviewed by independent auditors.

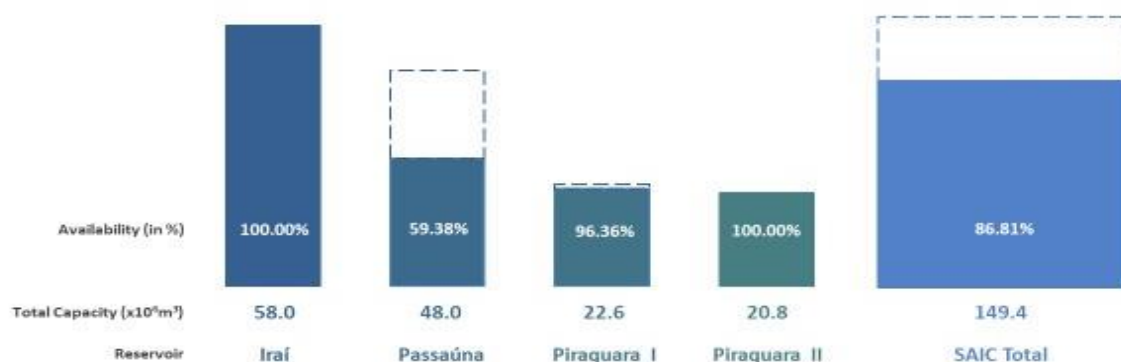
WATER CRISIS AND AVAILABLE VOLUMES

The drought that affected the State of Paraná severely in 2020 was recognized by the State Government through State Decree No. 4626/2020, initially for 180 days, with extensions until June 2022. The municipality of Curitiba and the Metropolitan Region of Curitiba were directly affected by the water crisis and required the Company to implement a rotation system in the supply of water, as of May 2020, in the regions supplied by the Integrated Supply System of Curitiba and the Metropolitan Region (SAIC). The Company adopted a series of emergency measures, including structural works, in addition to carrying out a campaign for the rational use of water among the population. The increase in water in the dams resulting from the Company's works especially added to the economy of the population and the rains that occurred mainly from the 4th quarter of 2021, raised the average level of SAIC's reservoirs to 80%, allowing the Company to end the rotation in Curitiba and the Metropolitan Region of Curitiba on January 19, 2022.

The average volume available of the Integrated Supply System of Curitiba (SAIC) is formed by the dams Piraquara I, Piraquara II, Iraí and Passaúna.

In the Municipality of Foz do Iguaçu, Sanepar uses water from the dam of the hydroelectric power plant Itaipu Binacional, of Itaipu lake, in Paraná River.

The dams of Sanepar are considered of medium size in relation to storage volume, but large due to height/depth of more than 15 meters. As of March 31, 2022, the average reserve volume was 86.8% (60.8% on 03/31/2021).



* Information not audited or reviewed by independent auditors.

2. FINANCIAL DATA
2.1 ECONOMIC PERFORMANCE

Operating revenue - In million of Reais	1Q22 (1)	1Q21 (2)	Var. % (1/2)
Revenues from water	920.0	806.1	14.1
Revenues from sewage	546.6	469.0	16.5
Revenues from services	28.2	26.8	5.2
Revenues from solid waste	3.1	3.0	3.3
Services provided to Municipalities	5.3	5.1	3.9
Donations made by clients	7.4	7.2	2.8
Other revenues	1.4	1.3	7.7
Total Operating Revenue	1,512.0	1,318.5	14.7
COFINS	-86.5	-75.6	14.4
PASEP	-18.7	-16.4	14.0
Total of Deductions	-105.2	-92.0	14.3
Total of Operating Revenue, net	1,406.8	1,226.5	14.7

Net operating revenue increased by 14.7%, from R\$1,226.5 million in 1Q21 to R\$1,406.8 million in 1Q22, this increase is due to: (i) 5.11% tariff adjustment as of February 5, 2021; (ii) tariff review of 5.77% as of May 17, 2021; (iii) growth in billed water and sewage volumes; and (iv) the increase in the number of connections.

Operating costs and expenses In million of Reais	1Q22 (1)	1Q21 (2)	Var. % (1/2)
Personnel	-281.8	-257.0	9.6
Materials	-64.3	-53.5	20.2
Electricity	-171.8	-121.5	41.4
Third-party services	-175.2	-157.7	11.1
Depreciation and amortization	-105.4	-94.4	11.7
Losses in Realization of Credits	-51.2	-17.6	190.9
Net Realizable Value of Inventory	-0.1	1.7	-105.9
Municipal Sanitation and Environmental Fund	-18.7	-15.4	21.4
Regulatory fee	-7.0	-6.4	9.4
Indemnifications for damages to third parties	-1.2	-1.8	-33.3
Capitalized expenses	29.1	21.6	34.7
Provision for contingencies	-11.3	-47.7	-76.3
Pension plan and medical insurance	-20.2	-14.7	37.4
Profit sharing program	-19.9	-17.4	14.4
Write-off of assets, net	-1.1	-0.3	266.7
Fair value adjustment - investments	0.1	-0.3	-133.3
Equity in earnings (losses)	-0.7	-0.4	75.0
Other costs and expenses	-15.8	-15.4	2.6
Total	-916.5	-798.2	14.8

Accumulated operating costs and expenses in the 1Q22 increased 14.8% compared to the 1Q21.

The main changes resulted from:

Personnel

Growth of 9.6%, due to: (i) 10.8% salary adjustment (INPC) on labor funds and benefits related to the Collective Bargaining Agreement - ACT 2022/2024 (base date March 2022), to the unions that accepted the proposal and signed the agreement; (ii) Readjustment of 6.22% referring to the Collective Bargaining Agreement – ACT 2020/2022 (base date March 2021), fully reflected in 1Q22; and (iii) Labor indemnities and provision for indemnity bonus of R\$ 26,271, recognized in the period.

Materials

Increase of 20.2% mainly in office supplies, network maintenance supplies, electromechanical maintenance supplies, laboratory supplies, vehicle maintenance supplies, fuels and lubricants.

Electricity

Increase of 41.4% due to the 3% reduction in the subsidy applied to consumer units that benefited from the sanitation discount, from 9% to 6%, due to the 52% increase in the amount charged in the banner ruler, for the change in the banner tariff practiced by COPEL from “Yellow flag” in March 2021 to “Water Scarcity flag” in March 2022, in addition to the average tariff reflex of 9.89% applied as of 06/24/2021.

Third Party Services

Growth of 11.1%, mainly in professional technical services, publicity, advertising and publicity services, surveillance services, freight and trailers, and sewage waste removal services.

Depreciation and amortization

Increase of 11.7%, mainly due to the entry into operation of intangible assets and/or fixed assets, in the period of April 2021 to March 2022, of R\$1,067 million (net of write-offs).

Losses on Credit Realization

Increase of 190.9%, mainly due to the effect of delinquency of accounts receivable from private customers over 180 days.

Provisions for Contingencies

Reduction of 76.3%, mainly due to the provisioning as probable loss of Public Civil Action of R\$ 11.7 million, arising from compensation for a traffic accident of R\$ 26.3 million that occurred in the 1st quarter of 2021, impacting the comparative base between the quarters.

2.2 ECONOMIC INDICATORS

Financial income (loss) - R\$ in million	1Q22 (1)	1Q21 (2)	Var. % (1/2)
Financial revenues			
Financial investments	34.3	4.7	629.8
Monetary variation gains	16.2	5.1	217.6
Exchange rate variation	2.2	0.0	0.0
Gain on Derivative Financial Instruments	0.0	0.5	-100.0
Other financial revenues	6.2	5.3	17.0
Total financial revenues	58.9	15.6	277.6
Financial expenses			
Interest and fees on loans, financing, debentures and leases	-80.7	-54.2	48.9
Monetary variation losses	-30.5	-15.9	91.8
Exchange rate variation	0.0	-0.5	-100.0
Loss on Derivative Financial Instruments	-2.4	0.0	0.0
Other financial expenses	-0.6	-0.3	100.0
Total financial expenses	-114.2	-70.9	61.1
Financial income (loss), net	-55.3	-55.3	0.0

In 1Q22, the financial result was equal to the result calculated in 1Q21, in a total of -R\$55.3 million. Financial Expenses grew 61.1%, mainly in interest and fees on loans, financing, debentures, and leases expenses, which went from R\$54.2 million in 1Q21 to \$80.7 million in 1Q22, and in monetary variations on loans and financing, from R\$15.9 million in 1Q21 to R\$30.5 million in 1Q22, resulting from the increase in the calculation basis of financial charges due to the issuance of debentures (11th and 12th issues), the monetary restatement of the Coastal Commercial Lease debt and the variation of the IPCA compared to the same period in 2021. On the other hand, Financial Income grew 277.6%, going from R\$ 15.6 million in 1Q21 to R\$ 58.9 million in 1Q22, mainly due to the change in the value of the SELIC rate and the increase in the Company's Cash and Cash Equivalents (amounts applied) and, also, to the beginning of the validity of the AGEPAR Regulation, which determines the collection of interest on arrears on accounts receivable in arrears.

Economic Result - R\$ million	1Q22 (1)	1Q21 (2)	Var. % (1/2)
Operating income	490.3	428.3	14.5
Financial income (loss)	-55.3	-55.3	0.0
Taxes on income	-143.1	-126.5	13.1
Net income for the period	291.9	246.5	18.4

The Company obtained a net profit of R\$291.9 million in 1Q22, 18.4% above the net result of R\$246.5 million recorded in 1Q21. The result was mainly affected by the 14.7% growth in net operating revenue.

The 1Q22 result was not affected by non-recurring items.

Distribution of the Economic Wealth Generated - In million of Reais	1Q22 (1)	1Q21 (2)	Var. % (1/2)
Staff remuneration	260.7	235.1	10.9
Government Compensation (Taxes)	294.6	261.7	12.6
Third-party compensation (Rents)	2.4	1.7	41.2
Return on debt capital (interest and monetary variations)	114.2	70.9	61.1
Net income for the period not distributed	292.0	246.5	18.5
Total Economic Wealth	963.9	815.9	18.1

SANEPAR's growth and development strategy, to operate in a public services market, also open to the private sector, is based on the search for effective results, commitment to the quality of services provided, and mainly meeting the needs of the granting authority and shareholders.

The figures below display the economic and financial results that the Company has been achieving to support investment programs, providing adequate conditions to meet future demand.

Economic Indicators - In million of Reais	1Q22 (1)	1Q21 (2)	Var. % (1/2)
Net operating revenue	1,406.8	1,226.5	14.7 %
Operating profit	490.3	428.3	14.5 %
Net income	291.9	246.5	18.4 %
% Operating margin	28.8	28.3	0.5 p.p.
% Net margin	20.7	20.1	0.6 p.p.
% Return on average shareholders' equity	3.7	3.5	0.2 p.p.
Net debt/ EBITDA (Accumulated 12 month) *	1.3	1.4	-0.1 p.p.

* CVM Instruction 527/12 - Information not audited or reviewed by independent auditors.

At the end of 1Q22, the Company's total assets reached R\$15,629.5 million (R\$14,640.6 million on 12/31/2021), while total debt at the end of 1Q22 was R\$7,511.3 million (R\$6,814.3 million on 12/31/2021).

Of the total debt, R\$4,736.7 million (R\$4,120.6 million on 12/31/2020) refer to loans, financing, debentures and leases, an increase of 15.0% compared to the end of the year of 2021.

	Reference	MAR/22	DEC/21	Var.
Equity	R\$ Million	8,118.2	7,826.3	3.7 %
Share value	R\$	5.37	5.18	3.7 %
Indebtedness level *	%	48.1	46.5	1.6 p.p.
Current ratio *	R\$	1.94	1.48	31.1 %
Quick ratio *	R\$	1.89	1.44	31.3 %

* Information not audited or reviewed by independent auditors.

EBITDA and Generation of Operating Cash

EBITDA in 1Q22, which represents the Company's operating result, was R\$595.7 million, against R\$522.7 million in 1Q21. The EBITDA margin went from 42.6% to 42.3%.

Operating cash generation in 1Q22 was R\$ 486.2 million, an increase of 41.2% when compared to 1Q21. The Conversion of EBITDA into Operating Cash was 81.6%.

EBITDA - R\$ Million *	1Q22 (1)	1Q21 (2)	Var. % (1/2)
Net income for the period	291.9	246.5	18.4
(+) Taxes on Income	143.1	126.5	13.1
(+) Financial income (loss)	55.3	55.3	0.0
(+) Depreciation and amortization	105.4	94.4	11.7
EBITDA	595.7	522.7	14.0
% EBITDA Margin	42.3	42.6	-0.3 p.p.
% EBITDA conversion into cash	81.6	65.8	15.8 p.p.

* CVM Instruction 527/12 - Information not audited or reviewed by independent auditors.

2.3 INVESTMENTS

The investments made in 1Q22 amounted to R\$352.5 million (R\$258.8 million in 1Q21), as shown below:

Investments – R\$ Million	1Q22 (1)	1Q21 (2)	Var. % (1/2)
Water	160.3	114.4	40.1
Sewage	178.5	109.5	63.0
Other investments	13.7	34.9	- 60.7
Total	352.5	258.8	36.2

2.4 INDEBTEDNESS

Gross debt went from R\$4,120.6 million in December 2021 to R\$4,736.7 in March 2022, representing an increase of R\$616.1 million. Net debt went from R\$3,137.5 million in December 2021 to R\$3,145.9 million in March 2022.

The leverage ratio, measured by the “Net Debt / EBITDA (accumulated for 12 months)” was 1.3x in 1Q22 (1.4x in 1Q21).

The level of indebtedness was 48.1% at the end of 1Q22 (48.4% in 1Q21).

We present below the breakdown of loans, financing, debentures, and leases, with their respective interest rates, maturities, and debt balances as of March 31, 2022:

Indebtness - R\$ million	Annual Interest Rate	Index	Contract termination	Debt balance	%
Caixa Econômica Federal	6.62% to 12.00%	TR	07/19/2042	1,374.8	29.0
Debentures 10th issuance - single series	4.66%	IPCA	03/15/2027	403.4	8.5
Debentures 12th issuance - 2nd series	5.89%	IPCA	01/15/2032	301.4	6.4
Debentures 12th issuance - 1st series	DI + 1.08%	-	01/15/2027	298.9	6.3
Lease - litoral	11.14%	IPC-FIPE	12/07/2036	293.7	6.2
BNDES - PAC2	TJPL + 1.67% and 2.05%	-	07/15/2029	277.7	5.9
Debentures 11th issuance - 2nd series	4.25%	IPCA	03/15/2029	226.8	4.8
Debentures 9th issuance - 1st series	106.05% of DI	-	06/11/2024	205.3	4.3
Debentures 11th issuance - 3rd series	4.49%	IPCA	03/17/2031	176.0	3.7
Debentures 8th issuance - 2nd series	108.00% of DI	-	06/21/2023	159.4	3.4
Debentures 9th issuance - 2nd series	107.25% of DI	-	06/11/2026	155.5	3.3
Debentures 11th issuance - 1st series	DI + 1.65%	-	03/13/2026	128.2	2.7
Debentures 4th issuance - 1st series	TJLP + 1.67%	-	07/15/2027	127.7	2.7
Lease - Right of Use	4.89%	-	08/31/2026	115.5	2.4
Debentures 4th issuance - 2nd series	7.44%	IPCA	07/15/2027	83.2	1.8
Debentures 7th issuance - 2nd series*	4.79%	IPCA	11/15/2038	72.9	1.5
Debentures 2nd issuance - 2nd series	9.19%	IPCA	09/15/2024	70.1	1.5
Debentures 7th issuance - 1st series*	5.20%	IPCA	11/15/2038	44.6	0.9
Debentures 2nd issuance - 3rd series	TJLP + 1.92%	-	09/15/2024	40.9	0.9
Debentures 7th issuance - 4th series	6.57%	IPCA	11/15/2038	36.8	0.8
Bank Credit Notes - CCB	DI + 2.75%	-	06/13/2022	33.4	0.7
Debentures 2nd issuance - 1st series	TJLP + 1.92%	-	09/15/2024	30.7	0.6
BNDES - AVANÇAR	3.58% to 4.00%	IPCA	06/15/2040	28.7	0.6
Debentures 7th issuance - 3rd series	6.97%	IPCA	11/15/2038	22.8	0.5
KFW Bank	1.35%	EURO	12/30/2032	9.9	0.2
Banco Itaú PSI	3.0% to 6.0%	-	01/15/2025	7.2	0.2
BNDES	TJLP + 1.82%	-	01/15/2023	6.4	0.1
Banco do Brasil - PSI	3.0% to 6.0%	-	04/15/2024	4.8	0.1
Total				4,736.7	100.0

* IPCA as a variable component of the TLP

We present below the debt profile in relation to maturity schedule:

Description - R\$ million	Debt balance	%
Up to 12 months	387.8	8.2
From 13 to 24 months	417.9	8.8
From 25 to 36 months	525.9	11.1
From 37 to 60 months	906.2	19.1
Over 60 months	2,498.9	52.8
Total	4,736.7	100.0

3. REGULATIONS

Portion F - Portion A variation account (CVA)

The Compensation for Variation of Items in Portion “A” (CVA) account corresponds to the compensation of the sum of monthly differences, positive or negative, calculated based on variations in the costs of electricity, chemical products, and sector charges, adjusted by the IPCA.

CVA is determined from the historical cost verified in period t-1 for the three aforementioned components and is passed on throughout adjustment in period t.

The calculation of the tariff adjustment of Parcel A assumes that in the following period there will be the same volume (m³) verified in the base year of the calculation and at the end of period t the CVA balance would be zero.

Until March 2022, the Company's CVA, calculated in a managerial manner, presented a positive balance of R\$ 52.4 million, which Sanepar should recover, via tariff.

The Company is disclosing Adjusted EBITDA with non-manageable items as a metric to analyze the impacts of offsetting items in portion "A" (electricity, treatment material, fees, and charges) of the tariff model.

Adjusted EBITDA with non-manageable items is a non-accounting measurement and should not be isolated considered as an operational indicator or cash flow or to measure the Company's liquidity or debt capacity.

Below we present the calculation of Adjusted EBITDA based on EBITDA, which follows ICVM 527/12, considering the estimated values of non-manageable items, accumulated up to March 31, 2022:

EBITDA - R\$ million *	1Q22
EBITDA	595.7
(+) Non-manageable items	52.4
Electrical energy	55.4
Treatment material	3.3
Fee and charges	(6.3)
(=) EBITDA adjusted by non-manageable items	648.1
% EBITDA Margin with non-manageable items	46.1%

* CVM Instruction 527/12 - Information not audited or reviewed by the independent auditors

1st Phase of the 2nd RTP

On 01/04/2021, AGEPAR promoted the opening of Public Consultation No. 001/2021, referring to the 1st phase of the 2nd RTP - Periodic Tariff Review and submitted 09 (nine) Technical Notes for contributions until 02/17/2021. On 03/31/2021, the Agency held Public Hearing No. 001/2021, to discuss the Technical Notes already updated after the contributions of the Public Consultation. On 04/14/2021, the Board of Directors of AGEPAR, at the Extraordinary Meeting No. 012/2021, decided to approve the new tariff repositioning of 5.7701%, as a result of the 1st phase of the 2nd RTP. The repositioned tariff came into force 30 days after its approval, with application from May 17, 2021 (base date).

Deferral of the 1st RTP

Also, in the 1st phase of the 2nd RTP, AGEPAR updated the calculation rule concerning the amortization of the deferral portion arising from the 1st RTP. In the defined calculation, the deferral debit balance was estimated from the balance calculated from the differences between the Required Revenue and the Verified Revenue projected until May/2021 and resulted in the amount of R\$ 1.709 billion, this amount was integrated into the tariff through a compensation portion over the tariff cycle (2021 – 2024) of R\$0.459 per m³, calculated from the equality of a cash flow discounted by the regulatory WACC. It should be noted that the amount will be reprojected each year to cover fluctuations in the Selic rate (deferral correction rate).

The deferral arises from the 1st RTP of Sanepar, when the Company was authorized by the Regulatory Agency for Delegated Public Services of Paraná (AGEPAR), through Ratifying Resolution No. 003, of April 12, 2017, to apply the tariff repositioning of 25.63% as of April 17, 2017, as provided for in article 3:

"Art. 3 - Define that the application of the tariff review approved according to article 2 of this Resolution will be deferred in 8 (eight) years, and the first installment will correspond, in the year of 2017, to an average repositioning of 8.53% (eight point fifty and three percent), and the remainder in 7 (seven) installments of 2.11% (two point eleven percent), plus the corresponding financial correction and economic correction, which will be applied by the weighted average rate of daily financing calculated in the Special Settlement and Custody System (SELIC), under the terms defined in the Technical Note approved in article 1 of this Resolution".

Concerning accounting records, in analogy to Technical Guideline OCPC 08 - Recognition of Certain Assets and Liabilities in General Purpose Accounting and Financial Reports of Electric Energy Distributors issued under Brazilian and International Accounting Standards, the Company does not record in the Financial Statements the amounts receivable arising from the deferral, considering that: (i) the realization or enforceability of these amounts would depend on a future event not fully controllable by the entity - future billing of water and sewage services; (ii) it is not practicable to know, at the time the right to receive arises, who are the debtors of these amounts; and (iii) the effective receipt of these amounts will only occur with the maintenance of the concessions.

2nd phase of the 2st RTP (in progress)

The 2nd phase of the 2nd RTP is in progress, and the last act published by AGEPAR is Resolution No. 007 of 03/29/2022, which addressed the following topics: (i) approval of the work schedule of the 2nd Phase of the 2nd RTP Sanepar, whose conclusion is scheduled for April 2023; (ii) adjustment of the current tariffs for Sanepar's water and sewage services, on the base date of May 17, 2022; (iii) establishment of the inclusion of eventual compensations necessary to maintain the current base date, of May 17, in the tariff resulting from the 2nd phase 2nd RTP of Sanepar.

2022 Tariff Adjustment

Considering the need to maintain the purchasing power of the tariff and the maintenance of the base date for the tariff readjustment in May/2022, on 02/23/2022 the Company approved the forwarding of the tariff readjustment proposal for the year 2022 to AGEPAR.

On 04/13/2022, at the Extraordinary Meeting No. 013/2022, the Board of Directors of AGEPAR decided to partially apply the readjustment request, with the readjustment index to be applied in 2022 being 4.963%, resulting from the update of Parcel A (unmanageable costs), Portion F (CVA 2021) and Portion of Offsets, arising from the 1st phase of the 2nd RTP, with the update of Portion B being suspended until the end of the RTP procedure. The Agency indicated that the difference between the approved value and the applied value must be compensated in the Compensation Installment at the end of the 2nd stage of the 2nd RTP.

4. REGIONALIZATION OF SERVICES

As stated in Federal Law No. 14,026, of July 15, 2020, the Government of the State of Paraná sanctioned Complementary Law No. 237/2021, of July 9, 2021, which established the microregions of public water supply and sewage services West, Center-East and Center-Littoral sanitation, and their respective governance structures. On October 1, 2021, State Decrees No. 8.924/2021, No. 8.925/2021, and No. 8.926/2021 were published, which approved the provisional bylaws of microregions. 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.

5. PROOF OF ECONOMIC AND FINANCIAL CAPACITY

The Company, in compliance with the obligations outlined in Federal Decree No. 10,710/2021, filed 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 Water Agency 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 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 2021 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.

6. ESG AGENDA - ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Company affirms that the commitment to bring the best sanitation solution to the municipalities and guaranteeing better health and quality of life for all people from Paraná is part of its DNA. This purpose guides actions in the Environmental, Social, and Governance agenda. The establishment of the ESG Strategic Committee was an important milestone for attention to this agenda formalized in 2021. The group, which has the participation of directors and the board of directors, addresses and enriches the Company's goals in line with the Global Compact with strategic guidelines, where Priority is given to action plans to guarantee sustainable development.

Companhia de Saneamento do Paraná - SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base Date March 31, 2022

(In thousands of Brazilian Reais, except when indicated otherwise)

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 Revenues ¹
Overdue	14	393,224	4.1
Maturity in 2022	6	238,488	0.9
Maturity between 2023 and 2033	70	2,263,488	20.4
Maturity after 2033	256	8,112,649	74.6
Totals	346	11,007,849	100.0

¹ Information not audited or reviewed by independent auditors;

² Book value.

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 Motion for Clarification filed on 03/16/2022. Also, in the STF, on 04/20/2022, a conciliation hearing was held, with the support of the STF Mediation and Conciliation Center and participation of the Paraná State Public Ministry, in which Sanepar

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presented a proposal to the Municipality, and the hearing will continue on 05/23/2022. As determined by the Court of Justice of the State of Paraná, the contract is not terminated until the Municipality pays the indemnity due 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 CPC 21 (R1) - Interim Statement issued by CPC - Pronouncements Committee Accounting Statements and IAS 34 - Interim Financial Reporting, issued by IASB - International Accounting Standards Board, applicable to the preparation of the Quarterly - ITR, and presented in a manner consistent with the rules and procedures established by the Brazilian Securities Commission - CVM. Therefore, the Interim Financial Information is also in accordance with IFRS and shows all relevant information specific to the quarterly information, which is consistent with that used by Management in its management.

The Financial Information was authorized for disclosure by the Company's Management on May 05, 2022.

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.

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 period.

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 periods/years, the Company reclassified the amounts of expenses with "Funds Municipal Sanitation and Environmental Management" presented in the Income Statement as of March 31, 2021, as shown below:

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Descrição	Stated 1Q21	Adjustment	Reclassified 1Q21
Cost of Services Rendered	(480,777)	(15,447)	(496,224)
Commercial Expenses	(94,252)	15,447	(78,805)
Impact on Statements of Income	-	-	-

2.3. Operational continuity

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. The crisis installed in the State of Paraná in the last two years, was mitigated with the normalization of rains, mainly from January 2022, with this the rotation in the supply of water in the regions served by the Integrated Supply System of Curitiba and Metropolitan Region (SAIC), was closed on January 19, 2022, other municipalities in the state also had their rotation closed. Management is not aware of any material uncertainty that may raise doubts about the Company's going concern, so the Interim Financial Information was 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.

ANA is now empowered to create reference standards for the regulation of public basic sanitation services, and State and Municipal regulatory bodies will be able to adopt the national reference standards. The reference standards should address the following issues: i) quality and efficiency in the provision, maintenance, and operation of basic sanitation systems; ii) tariff regulation; iii) standardization of negotiation instruments for the provision of public services; iv) goals to standardize basic sanitation services; v) regulatory accounting criteria; vi) control of water loss; vii) methodology for calculating indemnities due on account of investments made; viii) governance of regulatory bodies; ix) reuse of treated effluents; x) determination of expiry in the provision of basic sanitation services; xi) norms and goals for replacing the unitary system with the absolute separator system for effluent treatment; xii) system for evaluating compliance with expansion and universalization goals; and xiii) the minimum content for the universal provision and the economic-financial sustainability of basic sanitation services.

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

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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 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.

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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 2021 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.

2.4. Measurement and Presentation Basis

The Interim Financial Information was prepared considering historical cost as base value, except for recognized revaluations, 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 Interim Financial Information, 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 main accounting practices used in the preparation of the Interim Financial Information for the quarter ended on March 31, 2022, are consistent with the practices described in Note 3 of the Company's financial statements for the year ended December 31, 2021. Therefore, this interim financial information should be read along with the annual financial statements for the year ended on December 31, 2020, which were disclosed on February 24, 2022.

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

In the quarter ended on March 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 2022 or after, and the Company is evaluating the impacts of the adoption of these standards on its Interim Financial Statements:

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 Interim Interim Financial Statements.

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Amendment to IFRS 17 - Insurance contracts: Clarifies aspects related to insurance contracts. This amendment to the standard is effective for years beginning on or after 01/01/2023. The Company does not expect impacts on its Interim Interim Financial Statements.

Amendment to IFRS 4 - Extension of temporary exemptions from the application of IFRS 9: Clarifies aspects related to insurance contracts and the temporary exemption from the application of IFRS 9 to insurance companies. This amendment to the standard is effective for years beginning on or after 01/01/2023. The Company does not expect impacts on its Interim 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 Interim 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 Interim 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 Interim 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, usually, the concession contracts and program contracts have a 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.

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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 March 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 a judicial collection.

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\$6,471 and R\$12,942 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:

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Description	Index	+25%	-25%	+50%	-50%
Caixa FI Sanepar I Renda Fixa	DI	8,662	(8,662)	17,324	(17,324)
Assets		8,662	(8,662)	17,324	(17,324)
Caixa Econômica Federal	TR	(391)	391	(782)	782
Bank Credit Notes - CCB	DI	(344)	344	(688)	688
BNDES	TJLP	(27)	27	(54)	54
BNDES-PAC2	TJLP	(777)	777	(1,554)	1,554
BNDES-AVANÇAR	IPCA	(116)	116	(232)	232
Debentures - 2nd issuance - 1st and 3rd series	TJLP	(274)	274	(548)	548
Debentures - 2nd issuance - 2nd series	IPCA	(380)	380	(760)	760
Debentures - 4th issuance - 1st series	TJLP	(480)	480	(960)	960
Debentures - 4th issuance - 2nd series	IPCA	(481)	481	(962)	962
Debentures - 7th issuance - 1st to 4th series	IPCA	(1,021)	1,021	(2,042)	2,042
Debentures - 8th issuance - 2nd series	DI	(1,023)	1,023	(2,046)	2,046
Debentures - 9th issuance - 1st and 2nd series	DI	(2,278)	2,278	(4,556)	4,556
Debentures - 10th issuance - single series	IPCA	(2,327)	2,327	(4,654)	4,654
Debentures - 11th issuance - 1st series	DI	(835)	835	(1,670)	1,670
Debentures - 11th issuance - 2nd and 3rd series	IPCA	(2,334)	2,334	(4,668)	4,668
Debentures - 12th issuance - 1st series	DI	(658)	658	(1,316)	1,316
Debentures - 12th issuance - 2nd series	IPCA	(1,195)	1,195	(2,390)	2,390
Lease - Right of Use	DI	(192)	192	(384)	384
Liabilities		(15,133)	15,133	(30,266)	30,266
Effects on income before tax		(6,471)	6,471	(12,942)	12,942

The index considered for the 12-month period were TR de 0.20654% and the TJLP de 5.22% obtained from BACEN - Banco Central do Brasil, the IPCA at the rate of 11,30% obtained from IBGE – Instituto Brazilian Geography and Statistics, the DI at the rate of 6.45% obtained from B3 – Brasil, Bolsa e Balcão and the IPC at the rate of 10.96% 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 8.09% in the dollar rate. This scenario uses the average exchange rate projected for June 2022, in relation to the PTAX rate informed for 03/31/2022.

Considering the notional amount of €2,018 thousand (R\$10,697 thousand), the value of the Euro quotation as R\$5.2561 for March 31, 2022 (Ptax – Central Bank) and considering the assumption of the value of Euro as U\$1.1094 for each Euro, according to a dollar PTAX of R\$4.7378, 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 8.09%)	(858)	(2,652)	2,652	(5,304)	5,304

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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.

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

Financial Instruments - Swap Contract

Operation	Agent	Start date of the operation	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	Itaú BBA	08/09/2019	12/26/2022	6	31	27	4
2	Itaú BBA	09/04/2019	12/26/2022	64	340	304	36
3	Itaú BBA	10/04/2019	12/26/2022	12	62	55	7
4	Itaú BBA	11/13/2019	12/26/2022	368	1,941	1,745	196
5	Itaú BBA	06/05/2020	12/26/2022	632	3,333	3,744	(411)
6	Itaú BBA	12/15/2020	12/26/2022	404	2,128	2,576	(448)
7	Banco Bradesco	05/26/2021	12/26/2022	327	1,742	2,201	(459)
8	Itaú BBA	11/05/2021	12/26/2022	198	1,047	1,317	(270)
TOTAL				2,011	10,624	11,969	(1,345)

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 period ended on March 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:

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Description	03/31/2022	12/31/2021
Loans, financing, debentures and lease	4,736,736	4,120,565
Cash and cash equivalents	(1,590,807)	(983,127)
Net debt *	3,145,929	3,137,438
Equity	8,118,286	7,826,342
Ratio Net Debt/Equity *	0.39	0.40

* Information not audited or reviewed by independent auditors

4.3. Financial Instruments

The financial instruments are recognized in the Company's Interim Financial Statements, as follows:

Description	03/31/2022	12/31/2021
Assets		
Fair value measured through income		
Financial investments	1,554,416	942,304
Financial instrument - Swap	10,624	12,716
Restricted deposits	81,137	73,357
Amortized cost		
Cash and banks	36,391	40,823
Trade accounts receivables, líquido	1,078,839	1,023,029
Contractual financial assets	632,328	603,014
Other accounts receivable	65,820	64,878
Total	3,459,555	2,760,121
Liabilities		
Fair value measured through income		
Financial instrument - Swap	11,969	11,606
Amortized cost		
Loans, financing, debentures and lease	4,736,736	4,120,565
Contractors and Suppliers	265,930	272,226
Other accounts payable	79,842	88,606
Total	5,094,477	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.

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5. CASH AND CASH EQUIVALENTS

These have the following composition:

Description	03/31/2022	12/31/2021
Unrestricted bank deposits	813	3,842
Restricted bank deposits	35,578	36,981
	36,391	40,823
Financial investments	1,554,416	942,304
Total of cash and cash equivalents	1,590,807	983,127

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, with an average yield of 100.44% of the CDI (97.24% in 2021). The increase in the balance of Financial Investments is due to the funding of the 12th issue of debentures for R\$600,000.

6. TRADE ACCOUNTS RECEIVABLE

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

Description	03/31/2022	12/31/2021
Falling due accounts receivable	333,815	319,892
Accounts receivable from installment payments	134,861	129,639
Adjustment to Present Value	(19,878)	(17,211)
Accounts to be billed (Unbilled consumption)	235,929	241,906
	684,727	674,226
Overdue accounts receivable		
From 1 to 30 days	176,652	164,796
From 31 to 60 days	83,161	71,331
From 61 to 90 days	55,059	46,293
From 91 to 180 days	103,726	90,306
Over 180 days	417,101	366,825
Allowance for losses on doubtful accounts	(441,587)	(390,748)
	394,112	348,803
Total accounts receivable, net	1,078,839	1,023,029
Current	1,025,326	971,478
Non-current	53,513	51,551

We present below the breakdown of total trade accounts receivables due, net of the allowance for doubtful credits:

Description	Trade accounts receivable	Allowance for doubtful accounts	Adjustment to present value	03/31/2022	12/31/2021
Municipal administration	112,610	(56,111)	(16,135)	40,364	34,757
Private	1,413,196	(385,476)	(3,743)	1,023,977	976,308
Federal Entity	1,903	-	-	1,903	1,274
Government State	12,595	-	-	12,595	10,690
Balance at the end of the period	1,540,304	(441,587)	(19,878)	1,078,839	1,023,029

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

Description	03/31/2022	12/31/2021
Balances at beginning of period	(390,748)	(286,954)
Amounts recorded as expenses	(51,220)	(103,830)
Write-offs, net of recoveries	381	36
Balances at end of the period	(441,587)	(390,748)

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

c) The balance of the allowance for doubtful accounts breaks down as follows:

Description	03/31/2022	12/31/2021
Private customers	385,476	333,411
Municipal Administrations	56,111	57,337
Totals	441,587	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 present value adjustment was as follows:

Description	03/31/2022	12/31/2021
Balances at beginning of year	(17,211)	(8,860)
Adjustment to Present Value	(2,667)	(8,351)
Balances at end of period	(19,878)	(17,211)

7. RECOVERABLE TAXES AND CONTRIBUTIONS

These have the following composition:

Description	03/31/2022	12/31/2021
Recoverable income tax	11,695	11,411
Recoverable social contribution	9	9
Totals	11,704	11,420
Current	11,704	11,420

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8. RESTRICTED DEPOSITS

Restricted deposits breakdown as follows:

Description	03/31/2022	12/31/2021
Health National Foundation - FUNASA	3,958	4,438
Reserves kept in CAIXA (1)	67,033	58,982
Other agreements (2)	10,146	9,937
Totals	81,137	73,357
Current	14,104	14,375
Noncurrent	67,033	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".

9. OTHER ACCOUNTS RECEIVABLE

The composition is as follows:

Description	03/31/2022	12/31/2021
Advances to employees	16,077	13,439
Reimbursable payments	3,362	3,436
Guarantee deposits	1,768	1,760
Municipal Fund for the Environment (1)	44,661	45,130
Prepaid expenses	251	254
Securities and other credits	(299)	859
Total	65,820	64,878
Current	22,262	20,851
Não Circulante	43,558	44,027

(1) Anticipation of transfer to the Municipal Funds of the Environment, as provided in a program contract.

10. CONTRACTUAL FINANCIAL ASSETS

Changes in financial assets are as follows:

Description	12/31/2021	Additions	NPV Revenue	NPV Expense	03/31/2022
Unamortized Investments	1,609,292	62,152	-	-	1,671,444
Adjustment to Present Value	(1,006,278)	(38,989)	6,189	(38)	(1,039,116)
Total	603,014	(a) 23,163	6,189	(38)	632,328

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 4.1% (spread between the IPCA projected for the year and the WACC rate) and took into account Program Contracts with terms of 19 to 28 years.

11. CONTRACT ASSETS

It has the following movement:

Description	12/31/2021	Additions	Capitalisation of interest	Write-off and Loss	Transfer to Intangible asset	Requisition for works	03/31/2022
Projects and Works in Progress	1,736,808	323,925	8,799	1,342	(172,562)	-	1,898,312
Inventories for Construction Work	132,935	20,670	-	-	-	(23,383)	130,222
Totals	1,869,743	344,595	8,799	1,342	(172,562)	(23,383)	2,028,534

Until the 1st quarter of 2022, the amount of R\$344,595 (R\$224,670 in the same period of 2021) was recorded as projects and works in progress, resulting from: (i) expansion of the Water Supply System, mainly in the municipalities of Curitiba, Guarapuava, Laranjeiras do Sul, Cândido de Abreu and Telemaco Borba; (ii) Sewage Collection and Treatment mainly in the municipalities of Umuarama, Ivaiporã, Curiúva, Ibaiti, and União da Vitória. 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, Guarapuava, Pato Branco, Toledo, and Nova Olímpia.

During 2021, interest and other financial charges were capitalized on the funds and loans that financed the Company's projects and works, for R\$8,799 (R\$5,585 for the same period in 2021). The average rate used to determine the amount of capitalized borrowing costs concerning total costs was 7.9%.

12. INVESTMENTS

The Company has the following investments:

Description	03/31/2022	12/31/2021
Investment in joint venture - CS Bioenergia S.A.	14,023	14,774
Impairment Test	(14,023)	(14,774)
Other investment	2,103	2,030
Total	2,103	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 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.

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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:

Statement of financial position – CS Bioenergia S.A.	03/31/2022	12/31/2021
Current assets	2,505	2,573
Noncurrent assets	51,311	53,278
• Fixed assets	49,336	51,158
• Other	1,975	2,120
Total Assets	53,816	55,851
Current Liabilities	8,550	5,953
• Loans, financing and finance lease	5,015	3,353
• Other	3,535	2,600
Noncurrent liabilities	10,207	12,962
• Loans, financing and finance lease	6,672	9,313
• Other	3,535	3,649
Equity	35,059	36,936
Total Liabilities and Equity	53,816	55,851
Statement of income (loss) – CS Bioenergia S.A.	03/31/2022	03/31/2021
Revenue	3,763	3,084
(-) Cost of Services	(4,620)	(3,023)
Gross profit (loss)	(857)	61
(-) Operational expenses	(691)	(710)
Loss before Net Financial Result and Taxes	(1,548)	(649)
(-) Net Financial Result	(329)	(276)
Result before of the Taxes	(1,877)	(925)
Income Taxes (IRPJ and CSLL)	-	-
Loss for the year	(1,877)	(925)

Changes in the investment in the year are as follows:

Description	03/31/2022	12/31/2021
Balance at beginning of year	-	-
Financial contribution	-	1,046
Equity in earnings (losses) of controlled company (percentage of interest 40%)	(751)	(2,958)
Impairment Test - (Constitution)/Reversion	751	1,912
Balance at end of year	-	-

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 2021, 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.

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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\$417, with no maturity date and that are note immediately convertible, which at fair value, considering the quotation on 03/31/2022, are equivalent to R\$2,103.

13. FIXED AND INTANGIBLE ASSETS

a) Fixed assets

These have the following composition:

By Account			03/31/2022	12/31/2021
Description	Cost	Accumulated depreciation	Net amount	
Goods for Administrative Use	372,524	(150,363)	222,161	224,376
Other Fixed Assets	7,522	(5,275)	2,247	1,351
Lease of Right of Use	163,092	(71,688)	91,404	86,952
Total	543,138	(227,326)	315,812	312,679
By Nature			03/31/2022	12/31/2021
tion	Annual depreciation rate	Cost	Accumulated depreciation	Net amount
Plots of land	-	2,922	-	2,922
Civil construction	*1.84%	116,261	(21,904)	94,357
Leasehold	*2%	2,616	(845)	1,771
Facilities	*5.83%	9,850	(3,782)	6,068
Equipment	*6.23%	95,935	(37,107)	58,828
Furniture and fixtures	*7.14%	54,020	(23,972)	30,048
IT equipment	*19.82%	43,534	(28,843)	14,691
Vehicles	*13.05%	28,824	(17,981)	10,843
Machinery, tractors and similar	*19.35%	24,087	(20,565)	3,522
Tools	*6.67%	1,637	(639)	998
Patrimonial assets to incorporate	-	360	-	360
Lease of Right of Use	*29.70%	163,092	(71,688)	91,404
Total		543,138	(227,326)	315,812

* Weighted Average Rate

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b) Intangible assets

These have the following composition:

By account			03/31/2022	12/31/2021
Description	Cost	Accumulated Amortization	Net amount	
Water mains	5,727,513	(1,894,319)	3,833,194	3,822,569
Sewage mains	5,949,785	(1,528,904)	4,420,881	4,355,429
Solid waste	4,717	(4,717)	-	-
System Use and Operation Rights	125,114	(76,051)	49,063	49,531
Other intangible assets	229,317	(98,070)	131,247	129,152
Right of Use - Lease	200,794	(19,779)	181,015	182,180
Total	12,237,240	(3,621,840)	8,615,400	8,538,861

By nature				03/31/2022	12/31/2021
Description	Annual amortization rate	Cost	Accumulated amortization	Net amount	
Plots of land	-	230,523	-	230,523	222,277
Wells	*3.10%	170,402	(42,551)	127,851	125,670
Dams	*2.67%	147,583	(64,306)	83,277	84,074
Civil construction	*2.59%	2,775,014	(679,435)	2,095,579	2,036,999
Leasehold	*2.67%	42,501	(5,685)	36,816	32,411
Piping	*2.64%	6,050,581	(1,672,023)	4,378,558	4,382,330
Building connections	*3.33%	909,597	(295,548)	614,049	608,294
Facilities	*5.83%	218,076	(92,449)	125,627	127,169
Hydrometers	*10%	272,576	(107,850)	164,726	161,625
Macro-meters	*10%	7,373	(5,036)	2,337	2,307
Equipments	*6.23%	804,147	(350,363)	453,784	447,172
Furniture and fixtures	*7.14%	7,071	(4,195)	2,876	2,756
IT equipment	*19.82%	91,560	(85,392)	6,168	6,390
Computer programs	*20%	96,600	(58,700)	37,900	40,175
Vehicles	*13.05%	20,187	(14,225)	5,962	6,275
Machinery, tractors and similar	*19.35%	25,947	(22,969)	2,978	3,495
Tools	*6.67%	295	(223)	72	75
Rights of Use of Transmission Lines	*6.25%	4,521	(253)	4,268	4,337
Environmental protection and preservation	*20%	33,526	(24,807)	8,719	9,225
Concession of the Mun. of Curitiba (1)	*1.5%	125,000	(75,937)	49,063	49,531
Concession of the Mun. of Cianorte (2)	*5%	114	(114)	-	-
Patrimonial assets to incorporate	-	3,252	-	3,252	4,094
Rights of Use - Lease	*19.04%	200,794	(19,779)	181,015	182,180
Total		12,237,240	(3,621,840)	8,615,400	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.

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

By accounts				03/31/2022	12/31/2021
Description	Annual Amortization Rate	Cost	Accumulated amortization	Net amount	
Buildings	1.67%	37,434	(2,982)	34,452	34,609
Piping	2.00%	147,315	(12,816)	134,499	135,235
Building connections	3.33%	8,226	(1,224)	7,002	7,070
Facilities	6.67%	309	(98)	211	216
Equipment	6.25%	6,014	(1,742)	4,272	4,364
Lease - Litoral		199,298	(18,862)	180,436	181,494
Car Rental	48.60%	47,820	(27,041)	20,779	24,779
Civil construction	20.00%	44,562	(12,703)	31,859	34,323
Equipment	17.72%	463	(347)	116	127
IT Equipment	22.56%	71,743	(32,514)	39,229	28,409
Lease - Right of use		164,588	(72,605)	91,983	87,638
Total		363,886	(91,467)	272,419	269,132
Fixed assets		163,092	(71,688)	91,404	86,952
Intangible assets		200,794	(19,779)	181,015	182,180

The Company recorded in its Income Statement the amount of R\$2,396 relating to a low value and short-term lease contracts (less than 12 months).

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Assets resulting from leasing contracts present the following changes:

Asset	12/31/2021	Additions	Amortization	03/31/2022
Lease - Litoral	181,494	-	(1,058)	180,436
Vehicles	24,779	1,808	(5,808)	20,779
Civil construction	34,323	(222)	(2,242)	31,859
Equipment	127	10	(21)	116
IT Equipment	28,409	14,871	(4,051)	39,229
Amount	269,132	16,467	(13,180)	272,419

c) Changes in fixed and intangible assets for the period of 2022:

Description	12/31/2021	Additions	Depreciation and Amortization	Write-offs and losses	Transfers to Work in progress	Transfers	03/31/2022
Fixed assets							
Plots and land	2,922	-	-	-	-	-	2,922
Civil construction	94,637	281	(561)	-	-	-	94,357
Leasehold	1,784	-	(13)	-	-	-	1,771
Facilities	6,196	9	(137)	-	-	-	6,068
Equipment	58,989	1,196	(1,357)	-	-	-	58,828
Furniture and fixtures	28,962	1,884	(798)	-	-	-	30,048
IT Equipment	15,656	42	(1,007)	-	-	-	14,691
Vehicles	11,073	334	(564)	-	-	-	10,843
Machinery, tractors and similar	4,050	(1)	(527)	-	-	-	3,522
Tools	966	55	(23)	-	-	-	998
Patrimonial assets to be incorporated	492	(132)	-	-	-	-	360
Right of Use - Lease	86,952	16,500	(12,048)	-	-	-	91,404
Total Fixed Assets	312,679	20,168	(17,035)	-	-	-	315,812
Intangible Asset							
Plots of land	222,277	427	-	-	7,819	-	230,523
Wells	125,670	-	(512)	-	2,693	-	127,851
Dams	84,074	-	(804)	-	7	-	83,277
Civil construction	2,036,999	650	(17,026)	-	89,258	(14,302)	2,095,579
Leasehold	32,411	92	(262)	-	5,482	(907)	36,816
Piping	4,382,330	7,078	(37,841)	-	34,306	(7,315)	4,378,558
Building connections	608,294	35	(7,176)	(52)	13,587	(639)	614,049
Facilities	127,169	212	(3,290)	(1,212)	2,748	-	125,627
Hydrometers	161,625	-	(6,430)	(1,000)	10,531	-	164,726
Macro- meters	2,307	-	(99)	-	129	-	2,337
Equipment	447,172	10,321	(8,447)	(1,092)	5,830	-	453,784
Furniture and fixtures	2,756	65	(58)	-	113	-	2,876
IT Equipment	6,390	14	(295)	-	59	-	6,168
Computer programs	40,175	916	(3,191)	-	-	-	37,900
Vehicles	6,275	-	(313)	-	-	-	5,962
Machinery, tractors and similar	3,495	-	(517)	-	-	-	2,978
Tools	75	-	(3)	-	-	-	72
Rights of Use of Transmission Lines	4,337	-	(69)	-	-	-	4,268
Environmental protection and preservation	9,225	(94)	(412)	-	-	-	8,719
Concession of the Mun. of Curitiba	49,531	-	(468)	-	-	-	49,063
Patrimonial assets to be incorporated	4,094	(842)	-	-	-	-	3,252
Right of Use - Lease	182,180	(33)	(1,132)	-	-	-	181,015
Total intangible assets	8,538,861	18,841	(88,345)	(3,356)	172,562	(23,163)	8,615,400
Grand Total	8,851,540	39,009	(105,380)	(3,356)	(a) 172,562	(b) (23,163)	8,931,212

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

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

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14. LOANS, FINANCING, DEBENTURES AND LEASE

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

Description	Annual interest rate	Index	03/31/2022			12/31/2021		
			Current	Noncurrent	Total	Current	Noncurrent	Total
In Brazilian Reais:								
Bank Credit Notes - CCB	DI + 2.75%	-	33,382	-	33,382	66,632	-	66,632
Debentures 8th issuance - 2nd series	108.00% of DI	-	4,475	154,984	159,459	401	154,967	155,368
BNDES	TJLP + 1.82%	-	6,407	-	6,407	7,687	638	8,325
Banco do Brasil - PSI	3.00% to 6.00%	-	3,377	1,441	4,818	3,379	2,283	5,662
Debentures 2nd issuance - 1st series	TJLP + 1.92%	-	12,325	18,332	30,657	12,323	21,384	33,707
Debentures 2nd issuance - 2nd series	9.19%	IPCA	25,526	44,553	70,079	23,479	43,539	67,018
Debentures 2nd issuance - 3rd series	TJLP + 1.92%	-	16,433	24,442	40,875	16,431	28,511	44,942
Debentures 9th issuance - 1st series	106.05% of DI	-	6,150	199,114	205,264	999	199,106	200,105
Banco Itaú - PSI	3.00% to 6.00%	-	3,557	3,617	7,174	3,559	4,502	8,061
Debentures 12th issuance - 1st series	DI + 1.08%	-	3,275	295,672	298,947	-	-	-
Debentures 9th issuance - 2nd series	107.25% of DI	-	4,719	150,797	155,516	772	150,793	151,565
Debentures 11th issuance - 1st series	DI + 1.65%	-	126	128,102	128,228	2,698	127,939	130,637
Debentures 4th issuance - 1st series	TJLP + 1.67%	-	24,289	103,425	127,714	24,267	109,371	133,638
Debentures 4th issuance - 2nd series	7.44%	IPCA	15,833	67,378	83,211	15,486	69,643	85,129
Debentures 10th issuance - single series	4.66%	IPCA	-	403,452	403,452	4,053	394,250	398,303
Debentures 11th issuance - 2nd series	4.25%	IPCA	-	226,839	226,839	2,121	221,616	223,737
BNDES - PAC2	TJLP + 1.67% to 2.05%	-	50,858	226,846	277,704	51,263	239,099	290,362
Lease - Litoral	11.14%	IPC-FIPE	11,867	281,843	293,710	11,652	284,360	296,012
Lease - Right of Use	4.89%	-	62,893	52,650	115,543	59,274	49,725	108,999
Debentures 11th issuance - 3rd series	4.49%	IPCA	-	176,002	176,002	1,870	171,852	173,722
Debentures 12th issuance - 2nd series	5.89%	IPCA	1,660	299,793	301,453	-	-	-
Debentures 7th issuance - 1st series *	5.20%	IPCA	2,998	41,603	44,601	2,988	42,267	45,255
Debentures 7th issuance - 2nd series *	4.79%	IPCA	4,883	67,968	72,851	4,869	69,052	73,921
Debentures 7th issuance - 3rd series	6.97%	IPCA	1,434	21,319	22,753	1,402	21,164	22,566
Debentures 7th issuance - 4th series	6.57%	IPCA	2,310	34,442	36,752	2,259	34,192	36,451
BNDES - AVANÇAR	3.58% to 4.00%	IPCA	171	28,530	28,701	175	27,864	28,039
Caixa Econômica Federal	6.62% to 12.00%	TR	78,993	1,295,796	1,374,789	75,698	1,244,768	1,320,466
Total in Brazilian Reais			377,941	4,348,940	4,726,881	395,737	3,712,885	4,108,622
In foreign currency:								
Banco KfW	1.35%	EURO	9,855	-	9,855	11,943	-	11,943
Total in foreign currency:			9,855	-	9,855	11,943	-	11,943
Balance at the end of the year			387,796	4,348,940	4,736,736	407,680	3,712,885	4,120,565
Loans and financing			186,600	1,556,230	1,742,830	220,336	1,519,154	1,739,490
Debentures			126,436	2,458,217	2,584,653	116,418	1,859,646	1,976,064
Leases			74,760	334,493	409,253	70,926	334,085	405,011

* IPCA as 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 as of December 30, 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 01/22/2018 respectively, to mitigate the exchange risk, assuming a variation of the CDI as a counterpart, as described in Note 4.1. Until March 31, 2022, there was a release of €2,011 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 128.45% of the CDI (weighted average), which represents the percentage of 8.29% for a rate of 6.45% of the 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 - Litoral) 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 March 31, 2021, it was 4.89%. The Company does not have variable rent payments in its leasing contracts, nor does it have a sale or leaseback transaction of assets.

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

Liabilities	12/31/2021	Additions	Restatement	Financial charges	Payments	03/31/2022
Lease - Litoral	296,012	-	-	7,779	(10,081)	293,710
Lease - Right of use	108,999	16,467	-	767	(10,690)	115,543
Total	405,011	16,467	-	8,546	(20,771)	409,253
Current	70,926					74,760
Noncurrent	334,085					334,493

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

Description	Minimum Future Payments	Financial charges	03/31/2022	12/31/2021
			Present Value of Future Payments	Present Value of Future Payments
Lease - Litoral				
Less than a year	39,894	(28,027)	11,867	11,652
More than a year and less than five years	161,304	(111,333)	49,971	49,150
Above five years	368,596	(136,724)	231,872	235,210
Subtotal	569,794	(276,084)	293,710	296,012
Lease - Right of Use				
Less than a year	66,612	(3,719)	62,893	59,274
More than a year and less than five years	56,256	(3,606)	52,650	49,725
Subtotal	122,868	(7,325)	115,543	108,999
Total	692,662	(283,409)	409,253	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	03/31/2022
Lease - Litoral	380,618
Vehicles	23,571
Mobile goods	50,026
Real estate	46,053
Total	500,268

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

Description	2022	2023	2024	2025	2026	2027	2028 to 2036	Total
Lease - Litoral	31,398	43,784	45,360	46,835	48,345	49,905	482,074	747,701
Vehicles	18,856	5,227	-	-	-	-	-	24,083
Mobile goods	14,456	14,974	10,238	9,783	4,724	12	-	54,187
Real state	6,921	9,919	10,241	10,781	11,720	3,087	-	52,669
Total	71,631	73,904	65,839	67,399	64,789	53,004	482,074	878,640

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	03/31/2022	12/31/2021
TR	1,374,789	1,320,466
TJLP	483,357	510,974
IPCA	1,466,694	1,154,141
DI	980,796	704,307
IPC-FIPE	293,710	296,012
EURO	9,855	11,943
No Monetary Adjustment	127,535	122,722
Total	4,736,736	4,120,565

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

Description	Issuance period	Final maturity	Amount hired	Number of debentures	Payments	
					Amortization	Interest
Bank Credit Note - CCB	2020	2022	200,000	-	Monthly	Monthly
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 amortization
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 amortization
Debentures 2nd issuance - 1st and 3rd series	2011	2024	261,304	7,000	Monthly	Quarterly during grace period and Monthly at amortization
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 amortization
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	2022 a 2027	127,821	-	Monthly	Monthly
Debentures 4th issuance - 1st series	2014	2027	223,716	7,000	Monthly	Quarterly during grace period and Monthly at amortization
Debentures 4th issuance - 2nd series	2014	2027	95,590	3,000	Monthly	Quarterly during grace period and Monthly at amortization
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 amortization
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 - Litoral	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 amortization
Debentures 7th issuance - 2nd series	2018	2038	120,437	50,267	Monthly	Quarterly during grace period and Monthly at amortization
Debentures 7th issuance - 3rd series	2018	2038	20,263	8,457	Monthly	Quarterly during grace period and Monthly at amortization
Debentures 7th issuance - 4th series	2018	2038	51,616	21,543	Monthly	Quarterly during grace period and Monthly at amortization
BNDES - AVANÇAR	2020	2040	254,788	-	Monthly	Quarterly during grace period and Monthly at amortization
Caixa Econômica Federal - 287 contracts	2003 to 2018	2042	3,100,901	-	Monthly	Monthly

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c) The amortization timeline is as follows:

Description	2022	2023	2024	2025	2026	2027	2028	2029
Debentures 2nd issuance	47,155	50,793	43,663	-	-	-	-	-
Debentures 4th issuance	30,268	39,419	39,419	39,419	39,419	22,981	-	-
Debentures 7th issuance	8,982	10,534	10,534	10,534	10,534	10,539	10,562	10,562
Debentures 8th issuance	4,475	154,984	-	-	-	-	-	-
Debentures 9th issuance	10,869	-	199,114	-	150,797	-	-	-
Debentures 10th issuance	-	-	-	-	-	403,452	-	-
Debentures 11th issuance	126	-	-	64,051	64,051	-	-	226,839
Debentures 12th issuance	4,935	-	-	-	147,836	147,836	-	-
Debentures subtotal	106,810	255,730	292,730	114,004	412,637	584,808	10,562	237,401
BNDES	5,768	639	-	-	-	-	-	-
BNDES - PAC2	38,563	49,177	49,177	49,177	42,228	26,070	21,520	1,792
BNDES - AVANÇAR	171	826	1,679	1,679	1,679	1,679	1,679	1,679
Banco do Brasil - PSI	2,535	2,093	190	-	-	-	-	-
Banco Itaú - PSI	2,672	3,056	1,420	26	-	-	-	-
Bank Credit Note - CCB	33,382	-	-	-	-	-	-	-
Caixa Econômica Federal	59,976	77,816	82,651	87,787	92,466	97,561	102,461	101,686
Bank KfW	9,855	-	-	-	-	-	-	-
Financing and loans subtotal	152,922	133,607	135,117	138,669	136,373	125,310	125,660	105,157
Lease - Litoral	10,183	10,530	11,615	12,826	14,179	15,690	17,381	19,275
Lease - Right of Use	54,363	23,470	16,736	14,045	6,850	79	-	-
Lease subtotal	64,546	34,000	28,351	26,871	21,029	15,769	17,381	19,275
Total	324,278	423,337	456,198	279,544	570,039	725,887	153,603	361,833

Description	2030	2031	2032	2033	2034	2035	2036 to 2042	Total
Debentures 2ª issuance	-	-	-	-	-	-	-	141,611
Debentures 4ª issuance	-	-	-	-	-	-	-	210,925
Debentures 7ª issuance	10,562	10,562	10,562	10,562	10,562	10,562	30,804	176,957
Debentures 8ª issuance	-	-	-	-	-	-	-	159,459
Debentures 9ª issuance	-	-	-	-	-	-	-	360,780
Debentures 10ª issuance	-	-	-	-	-	-	-	403,452
Debentures 11ª issuance	-	176,002	-	-	-	-	-	531,069
Debentures 12ª issuance	-	-	299,793	-	-	-	-	600,400
Debentures subtotal	10,562	186,564	310,355	10,562	10,562	10,562	30,804	2,584,653
BNDES	-	-	-	-	-	-	-	6,407
BNDES - PAC2	-	-	-	-	-	-	-	277,704
BNDES - AVANÇAR	1,679	1,679	1,679	1,679	1,679	1,679	7,556	28,701
Banco do Brasil - PSI	-	-	-	-	-	-	-	4,818
Banco Itaú - PSI	-	-	-	-	-	-	-	7,174
Bank Credit Notes - CCB	-	-	-	-	-	-	-	33,382
Caixa Econômica Federal	96,780	89,307	66,204	64,151	57,069	59,072	239,802	1,374,789
Bank KfW	-	-	-	-	-	-	-	9,855
Financing and loan subtotal	98,459	90,986	67,883	65,830	58,748	60,751	247,358	1,742,830
Lease - Litoral	21,396	23,774	26,442	29,437	32,801	33,806	14,375	293,710
Lease - Right of Use	-	-	-	-	-	-	-	115,543
Lease subtotal	21,396	23,774	26,442	29,437	32,801	33,806	14,375	409,253
Total	130,417	301,324	404,680	105,829	102,111	105,119	292,537	4,736,736

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d) Changes in loans, financing, debentures and Finance Lease were:

Description	03/31/2022		12/31/2021	
	Current	Noncurrent	Current	Noncurrent
Balances at beginning of the year	407,680	3,712,885	521,505	3,126,083
Releases	-	670,165	-	799,220
Interest and fines on financings	78,951	-	240,071	-
Monetary Variations on financings	-	31,071	-	95,551
Transfers	56,038	(56,038)	327,114	(327,114)
Amortization	(177,009)	-	(779,006)	-
Costs of funds raised with third parties	(737)	(9,143)	(1,082)	(7,162)
Exchange rate variation	(2,142)	-	-	(165)
Interest and Monetary Updates Lease	8,548	-	29,554	26,472
Lease	16,467	-	69,524	-
Balances at the end of year	387,796	4,348,940	407,680	3,712,885

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

During the 1st quarter of 2022, the Company obtained and amortized funds from third parties, as stated below:

Index	Releases	Amortization
Debentures 2nd issuance	-	(8,561)
Debentures 4th issuance	-	(13,707)
Debentures 7th issuance	-	(7,642)
Debentures 10th issuance	-	(9,218)
Debentures 11th issuance	-	(14,966)
Debentures 12th issuance (1)	600,000	-
BNDES	-	(2,059)
BNDES - PAC2	-	(18,034)
BNDES - AVANÇAR	-	(277)
Banco do Brasil - PSI	-	(894)
Banco Itaú - PSI	-	(980)
Bank Credit Notes - CCB	-	(35,019)
Caixa Econômica Federal	70,165	(44,881)
Subtotal	670,165	(156,238)
Leases (2)	16,467	(20,771)
Total	686,632	(177,009)

(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 and 11th and 12th Issuance of Debentures and of Bank Credit Notes - CCB

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.

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

For contracts in item (ii), of the 8th, 9th, 10th, 11th and 12th issuances of simple debentures, not convertible into shares, the type species and for the Bank Credit Notes - CCB contracted with Banco BTG Pactual, 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 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 March 31, 2022, the Company is fully complying with the restrictive clauses stipulated when issuing debentures, financing from BNDES, Caixa Econômica Federal, Banco KfW and CCB with Banco BTG Pactual.

15. TAXES AND CONTRIBUTIONS

The composition is as follows:

DescriPTION	03/31/2022	12/31/2021
Income tax payable	37,659	-
Social contribution payable	14,680	-
COFINS (tax on sales) payable	31,049	29,889
PASEP (tax on sales) payable	6,693	6,449
IPTU (Property tax) - installment payment (1)	-	125
Taxes and Contributions Withheld at Source	9,780	48,139
Total taxes and contributions	99,861	84,602
Current	99,861	84,602

(1) The amount of IPTU (Urban Property Tax) by the City of Curitiba, relevant to the legal expropriation of property subject to an area occupied by ETE CIC/Shale, for the period 2002-2013, encompassing interest, and monetary indexed and legal fees of 10% on the total amount of debt. The amount of debt of R\$1,664, was divided by the Company into 90 monthly installments restated by the IPCA, plus moratorium interest of 1% per month, and until 03/31/2022, the amount of this debt was fully paid.

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16. INCOME TAX AND SOCIAL CONTRIBUTION

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

Descrição	03/31/2022		03/31/2021	
	Income Tax	Social Contribution	Income Tax	Social Contribution
Income before Income Tax and Social Contribution	435,010	435,010	373,018	373,018
Income Tax and Social Contribution - current rate	(108,753)	(39,151)	(93,254)	(33,572)
Worker's Meal Program - PAT (1)	4,780	-	-	-
Corporate Citizen Incentive (2)	131	-	165	-
Equity in earnings (losses) of controlled companies	(188)	(67)	(111)	(40)
Other	147	35	225	59
Total of expenses	(103,883)	(39,183)	(92,975)	(33,553)
Total of Income Tax and Social Contribution	(143,066)		(126,528)	
Effective rate	32.9%		33.9%	

(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 composition of these items for the year is as follows:

Description	03/31/2022	03/31/2021
Income tax	(119,321)	(99,057)
Social Contribution	(44,627)	(35,628)
Realization of Deferred Income Tax	15,438	6,082
Realization of Deferred Social Contribution	5,444	2,075
Total	(143,066)	(126,528)

Possible tax impacts for the recognition of actuarial gains and losses in Net 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	03/31/2022			12/31/2021	
		Calculation basis	Income Tax	Social Contribution	Total	
ASSETS						
NPV on contractual financial assets	30 years	1,039,116	259,779	93,520	353,299	342,135
Lease - Litoral (asset)	20 years	293,711	73,428	26,434	99,862	100,644
Pension and health plans	15 years	1,180,285	295,071	106,226	401,297	394,440
Impairment on assets	10 years	13,985	3,496	1,259	4,755	4,824
Civil, Labor, Tax and Environmental Provisions	5 years	626,890	156,722	56,420	213,142	209,312
Lease - Right of Use (asset)	5 years	115,543	28,886	10,399	39,285	37,060
Impairment on investments - CS Bionergia	5 years	14,024	3,506	1,262	4,768	5,023
NPV of trade accounts receivable	5 years	19,878	4,970	1,789	6,759	5,852
Net realizable value of inventories	5 years	264	66	24	90	89
AVJ - Investments appraised at fair value	5 years	418	104	38	142	167
Allowance for doubtful accounts	3 years	54,241	13,560	4,882	18,442	18,835
Provision for expected losses on accounts receivable - CPC 48	3 years	22,839	5,710	2,055	7,765	7,012
PAI - Encouraged retirement program	1 year	137	34	12	46	46
Provision for PPR	1 year	100,078	25,020	9,007	34,027	27,267
Total			870,352	313,327	1,183,679	1,152,706
LIABILITIES						
NPV on contractual financial assets	30 years	963,130	240,782	86,682	327,464	317,532
Revaluation surplus	26 years	87,552	21,888	7,880	29,768	30,395
IRPJ deferred on construction and improvements	21 years	109,114	27,278	-	27,278	27,594
Donations from public agencies	20 years	11,550	2,888	1,039	3,927	3,927
Lease - Litoral (liabilities)	15 years	180,435	45,109	16,239	61,348	61,708
Attribution of new cost to fixed assets	13 years	6,691	1,673	602	2,275	2,296
Lease - Right of Use (liabilities)	5 years	91,984	22,996	8,279	31,275	29,792
Total			362,614	120,721	483,335	473,244
Total amount, net			507,738	192,606	700,344	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 March 31, 2022, is as follows:

Realization period	Deferred Tax Assets			Deferred Tax Liabilities		
	Income Tax	Social Contribution	Total	Income Tax	Social Contribution	Total
2022	50,807	18,290	69,097	13,593	4,539	18,132
2023	45,935	16,536	62,471	18,124	6,051	24,175
2024	60,234	21,684	81,918	18,124	6,051	24,175
2025	40,940	14,739	55,679	18,124	6,051	24,175
2026	199,536	71,833	271,369	19,274	6,465	25,739
2027 to 2029	100,342	36,123	136,465	40,573	13,187	53,760
2030 to 2032	101,382	36,498	137,880	40,573	13,187	53,760
2033 to 2035	100,342	36,123	136,465	40,442	13,140	53,582
2036 to 2038	55,960	20,146	76,106	34,064	10,843	44,907
2039 to 2041	26,116	9,402	35,518	31,041	9,755	40,796
2042 to 2044	25,978	9,352	35,330	27,943	9,586	37,529
2045 to 2047	25,978	9,352	35,330	26,628	9,586	36,214
2048 to 2050	25,978	9,352	35,330	24,078	8,668	32,746
2051	10,824	3,897	14,721	10,033	3,612	13,645
Total	870,352	313,327	1,183,679	362,614	120,721	483,335

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 recognized in income during the 1st quarter of 2022 was R\$997 (R\$1,050 in the same period of 2021). The balance on March 31, 2022, is R\$17,503 (R\$700 on 12/31/2021), of which R\$3,560 (R\$700 on 12/31/2021) is recorded in current liabilities and R\$13,943 in non-current liabilities.

18. PROVISIONS, CONTINGENT LIABILITIES AND COURT DEPOSITS

a) Provisions

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

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Nature	12/31/2021	Additions	Reversals	Payments	03/31/2022
Labor claims (i)	342,444	23,312	(3,692)	(12,354)	349,710
Civil claims (ii)	221,188	3,312	(803)	(265)	223,432
Environmental claims (iii)	42,324	664	-	-	42,988
Tax claims (iv)	7,654	1,091	-	-	8,745
Ductos Operation (v)	2,015	-	-	-	2,015
Total	615,625	28,379	(4,495)	(12,619)	626,890

Main events during the year:

Complement of labor provisions in the amount of R\$5,568, 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, as well as the updating of the amounts provisioned for labor claims due to decisions lawsuits and R\$5,603 referring to salary parity. On the other hand, there was a reduction in provisions (Reversals and Payments) in the amount of R\$16,046, due to the shelving and definitive write-off of processes.

As decided by the Board of Directors, at the 1st/2022 Ordinary Meeting, on January 17, 2022, the Company appointed a Specific Multidisciplinary Committee on Materials Management, to continue the progress of the work related to phase III of the "Task Force Committee - Operation Pipelines", aiming to finalize the assessments resulting from the amounts provisioned, as well as the analysis and improvement of materials management procedures.

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, except for environmental lawsuits, for which the Company discloses the expectations of possible loss and remote. 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	
	03/31/2022	12/31/2021
Labor claims (i)	78,767	75,798
Civil claims (ii)	613,794	651,934
Environmental claims (iii)	342,611	343,023
Tax claims (iv)	25,682	25,051
Total	1,060,854	1,095,806

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(i) Labor

Labor claims are mostly related to claims filed by former employees of the company and providers (joint responsibility), who vindicate salary differences and labor charges. The main suits involving the Company are in relation to: i) job position plans and wages; ii) premium for unhealthy and nocturnal risks; (iii) functional reintegration; iv) wage equalization; v) reduction of the employer contribution to the health plan; vi) FGTS fines of 40% and vii) 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

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

Environmental contingent liabilities include claims with remote expectation of loss, in the amount of R\$155,725.

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, 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.

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After noticing the need to adjust the schedules of some sewage treatment plants and drafting new clauses in the agreements signed in 2018, the Company presented the renegotiation of the agreements to the Court of the 11th Federal Court of Curitiba. In the third quarter of 2021, the renegotiation was not approved in court, which is why the Company filed a motion for clarification, which is awaiting judgment.

(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.

c) 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	
	03/31/2022	12/31/2021
Labor claims (i)	304,049	286,653
Civil claims	101,735	97,877
Environmental claims	5,449	5,448
Tax claims	19,591	18,615
Total	430,824	408,593

(i) In the first quarter of 2022, 39 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\$ 11,411 were recorded.

19. PENSION PLAN AND MEDICAL INSURANCE

Sanepar is a sponsor of Fundação Sanepar de Previdência e Assistência Social – FUSAN, a non-profit legal entity, with the main purpose of managing the retirement plan that aims to supplement the social security benefits to the Company's employees.

The retirement plan managed by FUSAN has the following main characteristics: defined contribution during the working phase and defined benefit with lifetime income for retirees, pensioners, and for risk benefits (disability pension, death pension, sickness, and accident allowance). This year, the Sponsor transferred the financial amount of R\$8,135 (R\$7,420 in the same period of 2021) as a contribution to FUSAN.

The technical reserves to comply with the rules established by Previc – National Superintendence of Complementary Pensions are determined by the actuary responsible for the pension plan.

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The Company is also a sponsor of the Sanepar Social Assistance Foundation, a non-profit entity whose main activity is the management of the health plan for active and retired Sanepar employees, called SaneSaúde.

SaneSaúde is a self-management collective medical and dental care plan, funded through prepayment, with contributions made on average 62.9% by the sponsor and 37.1% by active and retired beneficiaries, through monthly defined contributions in the plan's regulation, which is determined annually, based on actuarial calculations, which consider the age groups of each beneficiary, and the existence of moderating factors for the use of the services offered.

As a contribution to this Foundation, the Company financially transferred, in this quarter, the amount of R\$20,481 (R\$18,672 in the same period of 2021).

Additionally, to comply with the provisions contained in CPC 33 (R1) - Employee Benefits, approved by CVM Deliberation 695/12, the company Mirador Assessoria Atuarial Ltda., which issued detailed reports, supporting the information included, on that base date.

The actuarial position of liabilities related to the retirement plan and health care plan as of March 31, 2022, and December 31, 2021, is shown below:

Description	Retirement plan	Health insurance plan	03/31/2022	12/31/2021
Current	32,843	45,842	78,685	77,341
Noncurrent	459,809	641,791	1,101,600	1,082,775
Total	492,652	687,633	1,180,285	1,160,116

Below we present the projection of expenses for the year 2022:

Description	Retirement plan	Health insurance plan	2022
Current service cost	7,077	3,484	10,561
Cost of interests	152,998	69,473	222,471
Expected gains of plan assets	(103,269)	-	(103,269)
Contributions from the sponsor/participants	(17,752)	(31,334)	(49,086)
Total	39,054	41,623	80,677

The amount of R\$80,677 was actuarially estimated as the expected variation of the plans for the year 2022, which is being monthly recorded by the Company, having been appropriated in the 1st quarter of 2022 the amount of R\$20,169 (R\$14,717 in the same period of 2021). At the end of 2022, a new actuarial review will be carried out to determine the necessary accounting adjustments in the plans. In the event of abnormal variations in the rules of the retirement and medical care plan during the year, or even in its participant base, the Company may carry out interim actuarial reviews, which have not occurred so far.

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20. RELATED-PARTY TRANSACTIONS

Accounting practice:

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.

We present below the balances and transactions with Related Parties:

Description	Asstes		Liabilities		Income		Cost / Expenses	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021	03/31/2022	12/31/2021	03/31/2022	12/31/2021
State of Paraná								
Interest on Equity	-	-	61,183	61,183	-	-	-	-
Municipalities								
Solid Waste Services	-	-	-	-	3,061	2,967	-	-
Trade Accounts Receivable	40,364	34,757	-	-	-	-	-	-
CS Bioenergia S.A.								
Sewage Effluent Treatment	1,187	1,187	-	-	107	19	-	-
Property rental	230	302	-	-	30	82	-	-
Reimbursable Electricity Expenses	132	177	-	-	-	-	59	120
Sludge Removal - ETE Belém	-	-	-	-	-	-	3,574	2,636
Electric Power Plant Rental	-	-	-	-	-	-	463	620
Sanepar Foundations								
Property rental	-	-	-	-	145	136	-	-
Employer Contributions	-	-	-	-	-	-	28,615	26,092
Copel (Controlled by State of Paraná)								
Water withdrawn from Plant Reservoirs	-	-	234	-	-	-	234	-
Tecpar								
ISO and water safety plan	-	-	-	7	-	-	238	15
Celepar								
e-Protocol system, among others	-	-	10	13	-	-	34	-
Simepar								
Water security plan and others	-	-	-	-	-	-	775	804
Investment in water security	-	3,026	-	-	-	-	-	-
Total	41,913	39,449	61,427	61,203	3,343	3,204	33,992	30,287

b) Management compensation

The overall annual management compensation for the year 2022 was approved by the 58th/2022 Annual General Meeting (AGO) of April 28, 2022, in the global amount of R\$15,054. For the year 2021, the approval was given by the 57th/2021 Ordinary General Meeting (AGO) held on April 22, 2021, in the amount of R\$15,046.

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The following are the payments made to management:

Description	03/31/2022	03/31/2021
Remuneration	2,517	2,476
Charges and Benefits	865	755
Social charges	804	686
Health plan (Sanesaúde)	22	16
Pension plan (Fusanprev)	30	29
Complementary programmes	9	24
Total	3,382	3,231

21. OTHER ACCOUNTS PAYABLE

The composition is as follows:

Description	03/31/2022	12/31/2021
Contracts and Agreements with third parties	19,344	18,907
Agreements with municipal administrations	19,498	19,412
Collaterals and amounts reimbursable	10,990	12,380
Installment payment IBAMA – PRD (1)	22,858	30,558
Municipal Sanitation and Environmental Management Fund	5,963	5,905
Other account payable	1,189	1,444
Total	79,842	88,606
Current	77,630	85,644
Noncurrent	2,212	2,962

(1) Amount of R\$13,873 that refers to installment payment of debts concerning 31 environmental assessment notices from the Brazilian Institute of Environment and Renewable Natural Resources – IBAMA, in accordance with the Non-Tax Debt Settlement Program – PRD created by Law No. 13,494/2017. Installments of several notices of Environmental Infractions with IBAMA in the amount of R\$8,985.

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.

Preferential 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.

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The equity value of each share on March 31, 2022, already considering the provision for additional dividends proposed by Management, is R\$5.37 (R\$5.18 in December 31, 2021).

Subscribed and paid-in capital stock as of March 31, 2021 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
Municipal Administrations	-	-	5,562,030	0.6	5,562,030	0.4
Foreign Investors	48,295,605	9.6	264,912,155	26.3	313,207,760	20.7
Other Investors	152,785,879	30.3	736,996,072	73.1	889,781,951	58.9
Total	503,735,259	100.0	1,007,470,260	99.9	1,511,205,519	100.0

b) Revaluation surplus

The amount of R\$1,218 (R\$1,259 in the same period of 2021), net of Income Tax and Social Contribution, was transferred to Retained Earnings in the 1st quarter. The realization of this reserve occurs in the same proportion as the write-offs and depreciation of assets recorded in property, plant, and equipment and intangible assets, subject of the revaluations.

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

Description	03/31/2022	03/31/2021
Balances at beginning of year	59,002	64,292
Realization of revaluation surplus	(1,845)	(1,908)
Realization of Taxes on the Revaluation surplus	627	649
Balances at the end of the year	57,784	63,033

c) 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.

During this quarter the amount of R\$42 (R\$39 during the same period in 2021), net of income tax and social contribution, was transferred to retained earnings. 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.

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

Description	03/31/2022	03/31/2021
Balance at beginning of the year	4.458	4.668
Realization of Adjustments to Deemed Cost	(64)	(59)
Realization of Taxes on Adjustments to Deemed Cost	22	20
Balance at the end of the year	4.416	4.629

d) 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.

e) Legal Reserve

Constituted in the amount of R\$58,881 in 2021 (R\$49,757 in 2020), 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.

f) Tax incentive reserve

Constituted in accordance with article 195-A of the Brazilian Corporation Law, referring to the portion of net income arising from government donations and subsidies.

g) 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.

h) Shareholders' compensation

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.

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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.

On April 28, 2022, the Shareholders' Meeting approved the payment of Interest on Equity and Additional Dividends, credited to shareholders in 2021, in the gross amount of R\$343,564, which is expected to be paid by April 24, June 2022.

i) Earnings per share

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

	2021	2020
Common shares	0.21314	0.18389
Preferred shares	0.23445	0.20228
Value for 1 "Unit"	1.15094	0.99303

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

Basic and diluted earnings per share	03/31/2022	03/31/2021
Numerator		
Net income for the year attributed to Company shareholders		
Common Shares	91,232	77,028
Preferred Shares	200,712	169,462
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 ordinary share	0.18111	0.15291
Per preferred share	0.19922	0.16821

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23. OPERATING REVENUES

Operating Revenues composition, by nature, is the following:

Description	01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021
Revenue		
Revenues from Water	919,974	806,051
Revenues from Sewage	546,587	468,982
Revenues from Services	28,188	26,824
Revenues from Solid Waste	3,061	2,967
Services Provided to Municipalities	5,259	5,156
Donations made by clients	7,445	7,163
Other Revenue	1,452	1,318
Total of operating revenues	1,511,966	1,318,461
Deductions from Operating Revenues		
COFINS	(86,468)	(75,596)
PASEP	(18,656)	(16,389)
Total of Deductions	(105,124)	(91,985)
Total operating revenues, net	1,406,842	1,226,476

The Company incurred revenues and costs with construction contracts linked to the concessions in the amount of R\$17,531 (R\$28,225 for the same period in 2021), during the 1st quarter of 2022, that is, with zero margins. Revenue is shown net of construction costs.

24. COST OF SERVICES RENDERED

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

Description	01/01/2022 to 03/31/2022			01/01/2021 to 03/31/2021		
	Water	Sewage	Total	Water	Sewage	Total
Personnel	(76,194)	(34,741)	(110,935)	(65,820)	(32,482)	(98,302)
Materials	(31,552)	(19,641)	(51,193)	(26,133)	(16,223)	(42,356)
Electricity	(152,727)	(19,082)	(171,809)	(106,467)	(15,058)	(121,525)
Third-party services	(62,650)	(45,441)	(108,091)	(57,932)	(42,264)	(100,196)
Depreciation and amortization	(44,746)	(41,914)	(86,660)	(39,809)	(38,531)	(78,340)
Indemnities of third-party damages	(842)	(332)	(1,174)	(815)	(631)	(1,446)
Municipal Sanitation and Environmental Management Fund (1)	(10,273)	(8,435)	(18,708)	(8,482)	(6,965)	(15,447)
Other costs	(30,458)	(10,806)	(41,264)	(28,395)	(10,217)	(38,612)
Total	(409,442)	(180,392)	(589,834)	(333,853)	(162,371)	(496,224)

(1) The amounts referring to the 2021 fiscal year were reclassified from Commercial Expenses to Cost, as disclosed in Note 2.2 - Changes in Accounting Practices.

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25. SELLING, ADMINISTRATIVE AND OTHER EXPENSES

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

Description	01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021
Selling (1)		
Personnel	(29,503)	(28,876)
Materials	(914)	(605)
Third-party services	(29,802)	(28,002)
Depreciation and amortization	(1,937)	(2,456)
Losses in Realization of Credits (2)	(51,161)	(17,583)
Sanepar Rural program	(931)	(476)
Other expenses	(608)	(807)
Total of selling expenses	(114,856)	(78,805)
Administratives		
Personnel	(141,348)	(129,846)
Materials	(12,200)	(10,581)
Third-party services	(37,312)	(29,448)
Depreciation and amortization	(16,783)	(13,580)
Impairment of inventories	(61)	1,684
Regulatory fee	(6,975)	(6,448)
Travel expenses	(982)	(792)
Environmental and social programs	(3,396)	(2,146)
Other expenses	(5,752)	(5,031)
Transfers to Selling expenses and cost (3)	37,014	32,384
Capitalized Expenses (4)	29,106	21,595
Total of administrative expenses	(158,689)	(142,209)
Other operating revenues (expenses)		
Expenses		
Eventual or extraordinary loss	7	(46)
Environmental fines	(9)	(8)
Write-off of assets	(1,129)	(331)
Fair Value Adjustment – Investments	73	(298)
Total of other operating revenues (expenses), net	(1,058)	(683)

(1) The amounts referring to the 2021 fiscal year were reclassified from Commercial Expenses to Cost, as disclosed in Note 2.2 - Changes in Accounting Practices;

(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; and

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

26. PROFIT SHARING PROGRAM

The Company provisioned the amount of R\$19,881 (R\$17,377 for the same period in 2021), related to the provision for 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.

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27. FINANCIAL INCOME (LOSS)

Description	01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021
Financial revenues		
Financial investments	34,303	4,732
Monetary variation gains	16,201	5,045
Active Exchange Rate Variations	2,142	34
Gain on Derivative Financial Instruments	-	491
Other financial revenues	6,240	5,298
Total of financial revenues	58,886	15,600
Financial expenses		
Financing, Lease and Debenture Interest and Charges	(80,721)	(54,230)
Monetary variation losses (1)	(30,460)	(15,902)
Passive Exchange Rate Variations	-	(500)
Loss on Derivative Financial Instruments	(2,455)	(43)
Other financial expenses	(579)	(269)
Total of financial expenses	(114,215)	(70,944)
Financial income (loss), net	(55,329)	(55,344)

(1) Increase in the calculation basis of passive monetary variations, due to the issuance of debentures (11th and 12th issues), readjustment of the coastal lease agreement, and IPCA variation, offset by the growth in financial income, mainly due to the change in the rate value SELIC and the increase in the Company's Cash and Cash Equivalents (amounts applied) and also due to the beginning of the validity of the AGEPAR Regulation, which determines the collection of interest on late payments on accounts receivable in arrears.

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.

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:

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Description	01/01/2022 to 03/31/2022			01/01/2021 to 03/31/2021		
	Water	Sew age	Total	Water	Sew age	Total
Direct operating revenue	940,715	557,095	1,497,810	824,920	479,904	1,304,824
Other operating revenues	8,037	6,119	14,156	7,767	5,870	13,637
Total gross operating Revenue	948,752	563,214	1,511,966	832,687	485,774	1,318,461
Revenue Deductions (PASEP and COFINS)	(59,685)	(45,439)	(105,124)	(52,393)	(39,592)	(91,985)
Net operating revenue	889,067	517,775	1,406,842	780,294	446,182	1,226,476
Cost	(409,442)	(180,392)	(589,834)	(333,853)	(162,371)	(496,224)
Gross profit	479,625	337,383	817,008	446,441	283,811	730,252
Selling expenses	(65,207)	(49,649)	(114,856)	(43,274)	(35,531)	(78,805)
Administrative expenses	(90,093)	(68,596)	(158,689)	(80,996)	(61,213)	(142,209)
Other operating revenues (expenses)	(601)	(457)	(1,058)	(389)	(294)	(683)
Equity in earnings (losses) of controlled companies	-	(751)	(751)	-	(445)	(445)
Financial income (loss), net	(26,183)	(29,146)	(55,329)	(24,580)	(30,764)	(55,344)
Profit sharing program	(11,287)	(8,594)	(19,881)	(9,897)	(7,480)	(17,377)
Provisions	(6,393)	(4,872)	(11,265)	(27,143)	(20,511)	(47,654)
Pension plan and medical insurance	(11,451)	(8,718)	(20,169)	(8,382)	(6,335)	(14,717)
Income before taxes and contributions	268,410	166,600	435,010	251,780	121,238	373,018
Income tax and social contribution	(88,275)	(54,791)	(143,066)	(84,751)	(41,777)	(126,528)
Net income for the year	180,135	111,809	291,944	167,029	79,461	246,490
Operating margin - Unaudited/Not Revised	30.2%	32.2%	30.9%	32.3%	27.2%	30.4%
Net margin - Unaudited/Not Revised	20.3%	21.6%	20.8%	21.4%	17.8%	20.1%
Investments in fixed /Intangible assets in the year (1)	166,799	185,754	352,553	132,231	126,619	258,850
Indebtedness – Loans, Financing, Debentures and Leases	2,160,352	2,576,384	4,736,736	1,784,275	2,317,246	4,101,521
Contract Asstes, Fixed assets and intangible assets, net	4,988,161	5,971,585	10,959,746	4,496,114	5,483,582	9,979,696
Depreciation and amortization for the year	(55,375)	(50,005)	(105,380)	(48,943)	(45,433)	(94,376)
Accounts receivable (current and non-current) (2)	1,032,441	507,863	1,540,304	773,995	410,410	1,184,405
Total assets	7,113,550	8,515,998	15,629,548	6,275,391	7,653,637	13,929,028
Total liabilities (current and noncurrent liabilities)	3,715,536	3,795,726	7,511,262	3,064,828	3,674,547	6,739,375
Number of Users – Unaudited/Not Reviewed (3)	3,366,868	2,393,917	-	3,293,660	2,327,211	-
Volume Thousand m ³ Invoiced - Unaudited/Not Reviewed (4)	136,983	104,299	-	130,391	98,546	-

(1) The amounts invested in administrative assets were allocated in proportion 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 sector; and

(4) Billed volumes of the sewage sector are derived from the billed volumes of the water utility sector.

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.

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Asset	Amount insured
Buildings	868,576
Machinery, equipment and vehicles	840,550
Inventory	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 March 31, 2022, the Company offered guarantees through the Surety Bond in 316 lawsuits in the amount of R\$279,346 with Pottencial Seguradora S/A, maturing on 06/07/2022.

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 09/09/2022.

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 premises, except in places of occupational medical care and municipalities with more restrictive measures;
- Remote work for categories approved in ACT, according to the terms of the Collective Agreement and upon formalization of the Addendum to the Employment Agreement;
- Pregnant employees must return to face-to-face activities within 15 days from March 29, 2022, in compliance with the provisions of Law No. 14,311/2022, except in cases where an Addendum to the Employment Contract is formalized; and
- Face-to-face service, fully available to customers, must occur according to the schedule 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 hygiene and protection protocols contained in the Contingency Plan for Confronting the Coronavirus must be met.

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IMPACTS - The extension of the postponement of the collection of water and sewage bills is in effect, for customers registered in the “Solidarity Water” category. The measure is valid for 90 days, starting on March 15, 2022, and was published in a Material Fact on March 7, 2022, in continuity with the actions implemented in 2020 and 2021 and following state law nº 20.187/2020, which remains in effect and restricts the interruption of service provision, for certain categories of consumers, during emergencies, such as the Covid-19 pandemic. Face-to-face service, fully available to customers, must occur according to the schedule 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 hygiene and protection protocols contained in the Contingency Plan for Confronting the Coronavirus must be met.

In the 1st quarter of 2022, the average monthly billing of the “Solidarity Water” category was R\$ 5.1 million, and an average of 227,000 water savings and 158,000 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\$22.8 million in accounts receivable.

31. OPERATIONS ‘ÁGUAS CLARAS’ AND ‘DUCTOS’ AND ITS EFFECTS ON THE COMPANY

Operation ‘Águas Claras’:

The ‘Operação Águas Claras’, which is an offshoot of the ‘Operação Pecúlio’ that took place in 2016, investigates alleged fraud in public tenders for sewage works favoring a company whose representatives allegedly paid undue advantages to a retired employee of the Company, as well as alleged bribe payments by the same company disguised as an investment in advertising and sponsorship. The alleged unlawful conduct would have been practiced between 2011 and 2016 and would involve some of the Company’s employees.

Since December 2020, the External Investigation Commission (‘CEI’), as well as the law firm Tauil & Checker Advogados, associated with Mayer Brown and the consultancy Ernst & Young – EY (along with the ‘Investigation Team’) have conducted an investigation independent forensic team to investigate, under the coordination of the CEI, the allegations related to ‘Operação Águas Claras’.

Operation ‘Ductos’:

On July 20, 2020, the Company published a Notice to the Market on the ‘Ductos Operation’, related to the investigation that investigates conduct involving people related to the Company. The investigations, initiated about two years ago by the Special Action Group to Combat Organized Crime (Gaeco), mainly investigate fraud in bids and billing for services not fully performed or for services that are overpriced, using false measurements, or not supervised by employees of Sanepar. On the same date, the Board of Directors initiated internal measures

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for the allegations of 'Operation Ductos' to be included in the scope of the independent forensic investigation conducted by the Investigation Team. The Company's Management temporarily removed all employees involved in the said operation, and at the 9th/2020 Ordinary Meeting of the Board of Directors, on September 24, 2020, the Board was informed by the Executive Board that the removed employees returned to the original functions for which they had taken part in a public tender; there is currently no power of influence or decision on the part of such employees. It is important to state that all the employees mentioned in the aforementioned 'Operation Ductos' have responded or are responding to individual disciplinary proceedings before the Sanepar Conduct Committee, with the appropriate legal measures being adopted for each case.

Also at its 9th/2020 Ordinary Meeting referred to above, the Council decided to create a task force responsible for conducting a preliminary investigation of the allegations and monitoring the developments of 'Operation Pipelines' and, in December 2020, the Investigation Team was contracted to conduct the independent forensic investigation into the allegations related to 'Operation Ductos', under the coordination of the CEI (the same as the above operation). The activities of the task force and the Investigation Team were conducted in parallel, with different scopes and deadlines, but with interactions between the two teams.

Progress of the Activities:

Due to the consolidation of the findings referring to the investigation of the Ductos Operation, the Company made the following accounting records: (i) in the 3rd quarter of 2021, R\$4,168 (R\$3,595 net of taxes), debited to the result, under the heading "Losses", as a contra entry in the item "Intangible Assets – Expansion of Water and Sewage Networks" R\$3,102 and, in the income statement, in the item "Expenses with Network Maintenance" R\$1,066; (ii) in the 4th quarter of 2021, R\$6,518 (R\$5,884 net of taxes) debited to the result, under the heading "Loss", with a contra entry under the heading "Intangible Assets - Expansion of Water and Sewage Networks" R\$5,279 and, in the statement of income, under "Network Maintenance Expenses" R\$1,239. Additionally, it recorded R\$2,015 as a Provision under the headings "Provision for contingencies – Income" and "Provisions – Non-Current Liabilities".

On January 20, 2022, at the 1st/2022 Ordinary Meeting of the Board of Directors, the final reports produced by the External Investigation Commission - CEI and the independent forensic investigation conducted by Tauil & Checker Advogados, associated with Mayer Brown and the consultancy Ernst & Young – EY, relating to the "Águas Claras" and "Ductos" Operations, and the Board of Directors decided to receive the reports and recommendations contained therein. In this way, the work of the Investigation Team was closed, according to the Material Fact published on January 21, 2022.

Also, at the 1st/2022 Ordinary Meeting of the Board of Directors, the Board of Directors became aware of the final report of the Operation Ductos Phase II Task Force and reports of Resolutions No. 718/2021 and 719/2021 and determined: (i) the establishment of the third phase of the Task Force to finalize the assessments resulting from the amounts already provisioned and any liability, with the governance of these works being assigned to the Deputy Board of Governance Risk and Compliance-DAGRC and Internal Audit; (ii) the establishment

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of a Specific Multidisciplinary Commission that will continue the analysis and improvement of materials management procedures, with the work reported by the following Boards: Administrative Board-DA, Operations Board-DO, Investment Board-DI and DAGRC ; (iii) the forwarding, by Internal Audit, of the Phase II Task Force Recommendations, Resolutions 718/2021 and 719/2021 to the Executive Board and Reports with the Responsibility Matrix to the Conduct Committee for analysis and action; (iv) the external forwarding of the Task Force Works – Phase II, which should take place after the conclusion of item III and after legal analysis.

The Company's Management instituted the workgroups mentioned in items "i" and "ii" contained in the 1st/2022 Ordinary Meeting of the Board of Directors, which are in full operation and progress, complying with the established schedules. Furthermore, Internal Audit forwarded the recommendations following item iii above. The works will be presented to the Board of Directors in due course when the data are consolidated.

Sanepar's Management is taking the necessary measures before the Court and local authorities and will continue to apply its best efforts concerning the operations mentioned above, as well as communicate to the market any other relevant information on the matter.

32. SUBSEQUENT EVENTS

The Paraná Regulatory Agency (Agepar), approved on April 13, 2022, through the Extraordinary Meeting No. 013/2022, the Annual Tariff Adjustment (IRT) on the preliminary balance tariff, resulting from the 1st stage of the 2nd Periodic Tariff Review (2nd RTP), keeping the amount of portion B constant, applying a tariff adjustment index fixed at 4.963%, with the application of an average tariff of R\$ 5.9488/m³. On April 19, 2022, the Ratifying Resolution 09/2022 was published in the Official Gazette of the State of Paraná, setting the start of the new tariff for 05/17/2022.

On 04/20/2022, the Board of Directors, at the 8th/2022 Extraordinary Meeting, authorized the presentation of a proposal for a judicial agreement with the Municipality of Maringá, in the records of the Extraordinary Appeal with Agravo (ARE), under No. 1363547, in progress in the Federal Supreme Court (STF), which had its follow-up denied and whose analysis of the Motion for Clarification is pending. This process refers to the contract for the provision of water and sewage services. Also on this date, the first conciliation session was held, with the support of the Federal Supreme Court's Mediation and Conciliation Center and the participation of the Paraná State Public Ministry, in which the Company presented a proposal to transfer R\$ 217 million to the Municipality, for through the Municipal Fund for Basic Sanitation and Environment, within a maximum period of 24 months, also providing for the maintenance of water and sewage services until the year 2040, and the hearing will continue on May 23, 2022.

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To
Shareholders, Advisers and Board of Directors of
Companhia de Saneamento do Paraná - Sanepar
Curitiba - PR

Introduction

We have reviewed the interim financial information of Companhia de Saneamento do Paraná - Sanepar ("Company") contained within the Quarterly Financial Information - ITR, for the quarter ended on March 31, 2022, which comprise the balance sheet on March 31, 2022, and the related statements of income, comprehensive income, statements of changes in equity and cash flows for the three-month period then ended, as well as a summary of the significant accounting practices and other notes.

The Management of the Company is responsible for the preparation of the interim financial information in accordance with NBC TG 21 (R4) - Interim Financial Reporting and with the International Accounting Standard (IAS) 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of this interim financial information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the Quarterly Financial Information - ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of the review

We conducted our review in accordance with Brazilian and International Standard on Review of interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the interim financial information

Based on our review, we are not aware of any fact that causes us to believe that the interim financial information included in the Quarterly Financial information - ITR referred to above were not prepared, in all material respects, in accordance with NBC TG 21 (R4) and IAS 34 applicable to Quarterly Financial Information - ITR and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

Emphasis

Ongoing Independent internal investigation (“Águas Claras” and “Ductos” operations)

As mentioned in Note 31 to the interim financial statements, the internal investigations, which were being monitored by the CEI, were concluded. Regarding the “Águas Claras” and “Ductos” operations, the appropriate measures were taken by the Board of Directors as mentioned in the aforementioned explanatory note. Our conclusion is not qualified in relation to these matters. Our conclusion is not being qualified in relation to this matter.

Other issues

Interim statement of added value

The quarterly information referred to above includes the interim statements of value added (SVA) for the three-month period ended March 31, 2022, prepared under the responsibility of Company management and presented as supplementary information for IAS 34 purposes. This information have been subject to review procedures performed in conjunction with the review of the quarterly information to conclude whether they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in NBC TG 09 - Statement of Added Value. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, in accordance with the criteria defined in referred to Standard and consistently with the interim financial information taken as a whole.

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

Curitiba, May 5, 2022.

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 nº 1,376, Curitiba - PR, registered at CNPJ under N° 76.484.013/0001- 45, for the purposes of items V and VI of article 25 of CVM Instruction N° 480/2009, declares that it has reviewed, discussed and agreed with Sanepar's interim financial statements for the period ended March 31, 2022.

Curitiba, April 25th, 2022.

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

ANDREI DE OLIVEIRA RECH
Chief Legal Officer

PRISCILA MARCHINI BRUNETTA
Chief Administrative Officer

JULIO CESAR GONCHOROSKY
Chief of Environment and Social Action Officer

STATEMENT

Through this instrument, the Executive Board of Companhia de Saneamento do Paraná - Sanepar, mixed capital state administration corporation, publicly traded, with headquarters at Rua Engenheiros Rebouças nº 1,376, Curitiba - PR, registered at CNPJ under No. 76.484.013/0001- 45, for the purposes of dispositions of items V and VI of article 25 of CVM Instruction N° 480/2009, has reviewed, discussed and agree with the opinions stated in the audit report issued by BDO RCS Auditores Independentes with respect to the Sanepar interim financial statements for the period ended on March 31, 2022.

Curitiba, May 5th, 2022.

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

ANDREI DE OLIVEIRA RECH
Chief Legal Officer

PRISCILA MARCHINI BRUNETTA
Chief Administrative Officer

JULIO CESAR GONCHOROSKY
Chief of Environment and Social Action Officer