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## **Conference Call Transcript**

### **Sanepar**

#### **1Q25 Results**

##### **Operator Ten:**

Good morning everyone and thank you for waiting. Be very Welcome to the video conference to announce the results of the FIRST 2025 QUARTER OF THE PARANÁ SANITATION COMPANY-SANEPAR.

I highlight those who need simultaneous translation that we have this tool available on the platform. To access, just click on the Interpretation button through from the globe icon at the bottom of the screen and choose your language from preference, Portuguese or English. And for those listening video conferencing in English, there is the option to mute the original audio in Portuguese by clicking on "Mute Original Audio".

Please be advised that this video conference is being recorded and will be made available on the company's IR website, at address [ri.sanepar.com.br](http://ri.sanepar.com.br), where the full material of our earnings release is available. You can also download the presentation from the chat icon, including in English.

During the company's presentation, all participants will be with the microphone disabled and then we'll start to the question and answer session.

To ask questions, click on the Q&A icon at the bottom of your screen and write your question to get in line. When it is announced, a request to activate your microphone will appear on the screen and then you must activate your microphone to ask questions. We advise that the questions be made all at once. And if for some reason because your question is not answered during the event, We ask you to forward it to the email [ri-sanepar.com.br](mailto:ri-sanepar.com.br). We emphasize that the information contained in this presentation and any statements that may be made during the videoconferencing, relating to business prospects, operational and financial projections and targets of Sanepar, They constitute beliefs and premises of the Company's management. as well as information currently available. Future considerations are not guarantees of performance. They involve risks, uncertainties, and assumptions, as they refer to to future events and therefore depend on circumstances that may or may not occur. Investors must understand that general economic conditions, market conditions and other factors operational operations may affect the company's future performance and lead to results that differ materially from those expressed in such future considerations.

To begin, We give the floor to the Chief Financial and Investor Relations Officer, Abel Demetrico.

**Abel Demetrio:**

Good morning, Rodrigo. Thank you. Good morning everyone. Thank you for participating in that videoconference. The table is here, together with me, the accounting manager, Ozires Kloster, our investment director, Leura Lúcia Conte de Oliveira, and our Director of Environment and Social Action, Júlio César Gonchorosky.

Initially, I would like to give the floor to our CEO, Wilson Bley, who is traveling on behalf of the company. Please, President, the floor is yours.

**Wilson Bley:**

Good morning, good morning everyone. Nice to be with you. I thank our directors for their participation, our shareholders, an important day for everyone. We, one day of, finally, to highlight and be able to celebrate some good results that we had in this period of the first quarter of this year. I'm traveling, I'm visiting here our units in the interior of Paraná, I am now in Cascavel, which is a very important city, whose sanitary sewage coverage it exceeds 90%, so it is already universalized.

And in these discussions we always need to do so that we can achieve the good results and make our company what it is, a company of Much success. I just wanted to ask everyone who could evidence and be able to visualize some good results we had.

Our net result That was an additional 18 percent. compared to the first quarter of last year. An extremely relevant fact for us was the question of the registration of our precatório of close to four billion of reais in the budget within the budget law of the federal government.

He is there not only registered but as individualized and in a formal way it is established this payment commitment. This is a great gain for us, an action that has been running for a long time and now we reach this final phase. Of course we have to adopt the rules that are the current ones, so all the accounting records adopt, but other measures we are taking to that we find the best equation in the distribution of this result. Another important evidence is the issue of POS. We managed to finish our voluntary resignation plan. 527 employees joined And they are already in this process. This will bring a result in our accounts with Payback close to 12 months. But this brings us this reorganization administrative that is very salutary to these companies as ours.

Another issue that also needs to be observed is the The issue of our energy is an expense. In fact, it is an expense that puts a lot of pressure on our results and we go to the free market. Of course, this is not turning on one switch and turning off another. There is a whole process of adapting our points And this is being done gradually. But it already brought a result of close to 25% in decrease.

The expenses we we had also compared the year to the year from last year and a caveat A caveat not a fact that needs be very well evidenced and there is even our director Leura who will make an additional explanation. They are our investments.

We had an increase of more than 14% To be compared to last year, this is the result of a lot of work from a lot of management and also of Júlio's work in the environment directorate, facilitating the grants and licenses giving vent to these investments that are planned. 11.8 in cycle five years and almost 2.6 this year.

So ending here finishing I think which was a very successful period And We have to, today, when reporting these numbers, we have a good understanding responsibility and greater transparency than CENEPAR is being managed. So thank you all very much, Count on our board of directors, count on the commitment always, And we are here at your disposal. Thank you, president.

**Abel Demetrio:**

Well, starting our presentation, For those who follow the slides made available, let's go here, So, by the highlights of the first quarter of 2025. So, in the operational context, It was a very positive quarter, with increased volumes water bills by 3% and waste by 4.8%, here compared to the same period of 2024.

In the period of 12 months, we had the growth of 1.1% of the number of water connections and 2.7% in the number of sewage connections. Here we emphasize that bleach is already 100% universalized, so it is a vegetative growth and sewage we are on the way to universalization. according to service levels, which we are today with 81.5% of sewage collected, of which 100% treated.

This is a goal of the company, seek universalization, a legal goal, a company goal, And we are on this path. Regarding financial highlights, Our net revenue reached 1.8 billion in the quarter, an increase of 6.3%.

Our EBITDA was 1.1 billion, an increase of 44,1%. Here it is clear, already with a reflection of the accounting duplicatory, so it already has a part, The part that is not the financial part that impacts EBITIDA. The EBITDA margin was also 61.8%. And net income growing 218.4%, As our president said. and reached here, then, R\$ 1.2 billion in the three months.

Regarding our operational efficiency, Our loss rate was 221 liters per call per day, a decrease of 0.9%. And delinquency was 2.8%. Here, yes, we had an increase of 0.8 percentage points. As we said, the president said, the issue of the PDV is something important in people management.

We had it here, so we are in the implementation phase, which has begun in March, from the PDV, with the 527 people who are being disconnected. This process began in March. April we

already had a little more of people, of employees who have left. And this process continues with the transfer of knowledge and experience of all These people were and are very important to the company. The investments, until the end, if Leora wants to explain a little better, were R\$ 487 million. And, of course, financial issue of meeting covenants always looked at.

Well, on the next slide, let's go through the operating result a little bit here. in relation to water volumes, both the measured volume as well as the billed. Then the water, the measured volume grew 3.4% in the first quarter of 2025, compared to the first Q1 of 2024. And the volume Billed grew 3%.

We've already seen a good growth last year, which was 7.9%. So, we are here in the growing volumes of water billed. Sanitary sewage, a growth of 5.1% in the period in the volume collected and in the volume billed 4.8%.

So, it was a very operationally very satisfactory here for the company in this sense. On the right side of the slide we have the issue of links water and sewage. Further up, the water connections had a increase in 12 months of 38,743 new water connections.

So, enough vegetative growth reasonable for the company that is universalized with water for many years, since 2007, 2008, unless I am mistaken, already universalized with water. And in the period, in the quarter, an increase of 11,160 new water connections. Regarding savings, there were 16,275 new water savings, with an increase in 12 months of 50,973 new economies, a percentage increase of 1.2%. And here, of course, just make a distinction, connection.

Sometimes you have a drive that has a connection and an economy. And if it's, for example, a building, you can have a call and have several apartments. And these various apartments are measured in Economies. For example, 10 apartments, 10 savings.

Just for make the distinction. In relation to sanitary sewage, a growth More robust than naturally water, due to the lack of achievement of all universalization, But the number of sewage connections grew 2.7% in 12 months, with 68,139 more sewer connections, and in the quarter period 11,237 new connections.

And in economies, 18,715. And the increase in 12 months of 94,419 new savings with a percentage growth of 2,8%. So, we are on the path of the investments, seeking both the universalization of sewage and the maintenance of and the good service with the issue of water.

On the next slide, I'm going to go through the volume of the dams here. In the first quarter, our dams that make up here SAIC, our integrated system here in Curitiba and the metropolitan region, was in a very comfortable situation, with Iraí, one of the dams with 97%, the Passaúna with 99%, Piracuara 1 and Piracuara 2 with 100%.

Obviously, dams are not built to always stay at the same level maximum capacity. They precisely in a time, for example, of less rainfall, which is the period of winter here in Curitiba,

metropolitan region, the rains are lower And obviously these levels can drop, but always They are important for us to maintain water production in levels of service to the population.

On the next slide, talk a little bit more about it here of default. So we saw it there in the first quarter of 2023 how delinquency here was negative, given the strong program of credit recovery, RECLIFE. We had a default here 4.7%. In the first he had to 24 was 2% and now 2.8%.

We are together with the commercial area, adopting some measures aimed at reducing this delinquency, in short, in a more active position here at the company in the collection and search of these features that are important for maintenance here of the company, of the cash, consequently of the investments Programmed. The rate of losses per call here yes had a decrease compared to the end of 2024, which was 223 liters, and at the end of the first quarter of 2025 was 221 liters of loss per liter per call per day. Talk a little bit about the margins, the margin EBITDA was 61.8%, as we saw.

With a history of the last two years, in the first quarter, around 45%. And here it is important highlight that, apart from the issue of the writ, which is obviously a non-recurring item, in the first quarter of 2025, We would also have an EBITDA of around 45%. So this shows the solid operational performance of the company, in the sense of the stability of the indices and the maintenance of its operation. ROE is annualized from 20.8% and the annualized ROEC of 14.3%, here also impacted by these records.

Moving on to the next slide, on the next one, we're going to Talk a little bit about the quarterly result here, the most focused questions to financial issues. We then had an increase of 6.3% in our net revenue, important. It reached 1 billion 805 million compared to the first quarter of 2024. Below, costs and expenses grew by 689 million, not growth, cost and expenses of 689 million, with a decrease of 25.4% compared to the same period last year.

Here also influenced for the recording of other operating revenues of the part of the Precatório, then, had a positive impact here in relation to to costs and expenses. The company's EBIT reached 965 million, an increase of 50.5%. And below, with an EBIT margin of 53.4%, with a growth of 15.7 percentage points.

Regarding EBITDA, we have an EBITDA in the range of 600, 700 million reais. And this year, 1 billion 116 million, a growth of 44.1%. And the margin, what was seen on the previous slide, with a history of the last quarters of 45%, continues in the recurring part around 45%, but with all the records made it reached 61.8%, an increase of 16.2 percentage points.

Similarly, net income, at the end of the right of the slide, we came from a profit in the house of the 300, 400 million and in this period it was 1 billion 208 million reais, growth of 218.4%, with a margin that jumped from an average of 22% in previous quarters to 66.9%, That is, an increase of 44.6 percentage points here.

Well, on the next slide, we're going to go through point by point each of the items. This month, this quarter, We really have several non-recurring events that make, let's say, comparative analysis a little more difficult. Therefore, we are going to discuss it one to one here so that we can go through the main topics.

Well, as we have seen, then, the net revenue, this is a point not recurring, so here ok, grew 6.3%, reached 1 billion 805 millions of reais, and the important thing is to note that Last year, in the same period, there was already a growth of 16.8% in relation to the first friction of 23. So Here naturally it would be, we already started from a base high growth, which was last year's, but even so we still maintained a very favorable growth in net revenue.

The first account that we are going to observe there is the personnel account with an increase of 80%. And here we begin to have two points here of non-recurrences that I would like to make them explicit.

The first then is the provision in February, that is, in the first quarter of the voluntary dismissal program with 171.6 million provisioned and that will be paid to employees from the moment they are terminated in some parcels.

So, that's an item move non-recurring of the period. In addition, we had an increase here of write-offs in labor lawsuits of the order of 168 millions of reais, whose impact, the broken account it is in the reduction of provisions. So impacted the personnel account. but I would say it's a NET very close to zero, due to the reversal of provisions in the provisions item.

So, these are the two main ones reasons why the personnel account has all this variation in the period, but the two movements These are important movements, because one fits the issue of the voluntary dismissal program, and another, brings all the a work that has been done since 2024 and that this quarter gained more body, which was precisely leave all labor lawsuits properly updated, including as required by our own Audit Independent.

The second item is the PPR item, it obviously has a growth due to the growth of profit, it is a provision that is made on the basis of the result, So it grows naturally as a result of that. Materials grew 7.3%. I would say that the materials account is an account that is in line with the volume growth. because the volume produced of water grew 2% in the period and the volume of sewage treated grew 5.1%. So, just by real growth here in volumes produced and treated, we have something on average 4%, 4,5%.

Considering that we have inflation in the period of 5.5% of the IPCA in 12 months, I would say that the materials account is very good, is within what is expected, what was foreseen here by the company, Including. Including, the main bill of materials, which is the treatment account, treatment material, which represented here in the quarter 63%, it had a growth 2% compared to the same period last year.

Electricity, which is the third item. Here yes, as already commented by the president, a decrease here in the cost of order of R\$ 37 million, R\$ 36 million. In the first quarter of 2024, we spent R\$ 144,370,000 on energy. And, in this quarter, it was R\$ 108.94 million. Who follows the Conference calls for some time now reminds us that our prediction energy cost reduction for the year 2025 is from the house of R\$ 150 million. And in this first quarter we already have here a result of the order here of 36.37 million reais due to the migration to the free market. So it's an account that was very favorable, remembering that this was also reflects in the future in lower fares for the population.

Third-party services, here too an important growth, of 71.4%. Let's go through the main points here. On the issue of professional technical services, So, we had the provision for the attorney's fees regarding to the action for tax immunity of court orders. Then there was the provision.

Obviously, this payment is carried out from the moment the company receives this resource, that is, that there is the inflow of resources from the economic benefit of the writs. But the provision for this payment is already made. For a contractual matter of confidentiality, we does not disclose the amount, but it is in very reasonable percentages negotiated here by the company when it hires this office.

But, obviously, due to the volume of the writ, Any percentage is quite relevant. Still on the issue of third-party services, We could point out here the issue of surveillance services, which is an item that had a significant growth in the period, in relation to the same period last year.

And here the justification is for the new contractual scope of the surveillance service. Monitored Especially here with cameras, at 1,596 addresses. And the CCF, which is the Control and Inspection Center, that was adopted by the company, which is an additional cost, but that the results of better surveillance impact directly in the quality of services provided to the population.

We had one, two years ago a series of cable thefts electric vehicles, copper thefts, and just a Investment here, a bigger expense, a bigger expense Here in surveillance services, it comes in the sense of non-interruption water supply, non-interruption of sewage treatment, and they certainly reflect on the company's better revenue, because we don't have these stops.

And As I said, with benefits to the population. Also the issue of alarms, We replaced alarm for more cameras, with increase here of 693 stations, which was an important item made here by the company in the sense of to improve this service delivery.

We also had some relevant increase in the issue of services of operation and building maintenance. Here the search is still in third-party services. Here in order to leave The company's operating business units always in a more suitable operating condition.

So here were some items that were spent, especially here at Getésica, which is our management regional sewage system. Some payments too to Paranavaí. And here in Curitiba also with the

implementation of this supply system for the CSB. And Pato Branco, which had the expansion of services installation of multiparametric probes.

Data processing service, here also had an increase in expenditure due to some expenses with software, aiming here at the maintenance of the MyFrame environment, fundamental here for the company's corporate systems.

Well, then going through the third-party service, let's go to the next account, which is the general and tax services account, here with an increase of 51.6%. And here we have, just as we have in the personnel labor issue, some write-offs of compensation for damages to third parties, labor indemnities to third parties, which we had an increase in this period, due to all this work here to update all judicial accounts.

In addition, we have a program here of social agreements, educational and environmental research, led here by Júlio. that we had the implementation of a monitoring network of groundwater, which was an expense in the period, and also some new contracts for environmental education, monitoring here of visitation spaces, institutional campaigns, for example, the chairs amphibious in Operation Summer, which were used, an Operation Summer That had an increase and had a great acceptance and a search performance very good for the population on the coast in the months in which it occurred. Moving on to the next account, the provision account.

We have here then an increase very significant, it went to R\$ 1,193,000,000. And here, again, the issue of the writ arises, since we have made a provision for the regulatory liability of the order of R\$ 1,354,000,000.00, referring, then, to the registration of the writ of payment in the Union, and by the current definition of sharing agency of part of this action for the terifarian modesty, We then made a provision here for the regulatory liability of this amount. This account was 1 billion 193, the provision was 1 billion 354. And the difference is precisely the update reverts resulting from the write-offs here.

So we had 1,054 cases of sick leave which totaled 112 million. 246 more civil, environmental and tax lawsuits, which totaled 3.4 million. So, the net of this account impacted provisions. In addition We had 56 labor lawsuits filed, in the order of 12 million, and 19 civil, environmental and tax lawsuits, with a reduction here of around 400 thousand reais.

The next item, to move on to the question of financial expenses and income. So here we had a financial income greater than the financial expenditure, in order to of R\$ 184,753,000. And here we have three large releases, which is the income from interest earned, referring to the issue of the writ. in the order of R\$ 2.147.000.000 e, proportionally, a provision here for the regulatory liability of R\$ 1,535,000,000, reducing the bill.

And, in addition, it sets a standard accounting, making the adjustment to fair value of the writ, which led to the launch of the order of 249 million to debit here, of financial expense, by the



measurement Between current value and expectation of receipt of this credit before the Federal Government.

The last item, other expense costs, here yes, an operating income from the precatórios, referring then to the main part of the writs, in the order of R\$ 2.55 billion. So this account had a reversal important, of R\$ 1,852,355,000 and Only the operating revenue from writs was very important, because it was a record here of R\$ 2.55 billion. Well, all that, right, so we get to the final result of R\$ 1,207,944,000 at the end of the quarter.

The next slide, go through the investments a little bit. As we can see in the graph, we have seen the growth here in volume of investments. In the first avenue of R\$ 23,403 million reais. Last year, in the first quarter, R\$ 425 million. and this year R\$ 487 million. And the proportion investments, 32% in the first quarter in water, 61% in sanitary sewage and 7% in others. The origin of the funds, here 78% this quarter with own resources and 22% with third-party resources.

In the next slide, we will talk a little bit about the issues here in capital. We have, then, short-term debts of R\$ 712 million registered at the end of March 2025. Long-term debts of R\$ 5.897 billion, totaling, then, R\$6.609 billion of total debt. At the end of March, we had an equivalent cash equivalent of cash of R\$ 1,849,000,000.00, which results in a net debt in the 1st IBTV from R\$ 25,000,000.00 to R\$ 4,760,000,000.00, an increase of 6.2% in relation to net debt of the 1st IBTV of R\$ 24,000,000.00, but maintaining a leverage of 1.5 times the debt net by IBDA.

Below, cash generation was R\$ 734 million, with a robust growth of 15.5%. And here, obviously, with the impact of writs. Remembering that he has, at this moment, an accounting impact, of accounting record, competence, But we still don't have the money in the account.

So, for this reason, the conversion of EBIT and cash had a drop was to 65.7% in the period. Third-party cost of capital here, in the period was 11.1%, very much in line with the first quarter of 2024, which was 1.11%. And we managed to maintain it, despite the increase in interest rates in recent months, of a certain increase in inflation, is a rate that of our Stable cost of capital. This is important because ensures that the financial expense does not have an impact, a very big force on our results.

This is the result of a debt that is allocated 34% in TR, So it's a variation that obviously it benefits us, because it does not rise at the same pace, for example, a Selic. Inflation 28%, DI 23%, then yes, always impacted by the increase in interest on this part of the debt.

We have another 5% corrected by the CPI of the FIP, which is the allocation of assets of the coast. TJLP, 4%. Euro 3%. Remembering that in the euro issue we have the exchange rate REG for DI, around 80, 81% of the DI, which is the our REG. And without monetary adjustment, 3%. So this is our profile here of the debts that the company has with third parties.

On the next slide, I'm going to talk a little bit about covenants, with all our financial agents. We have, then, in relation to the BNDES system, which are the contracts with BNDES, the debentures of the fourth and seventh issues, the net bank debt covenants by IBDA. So, he has a condition that has to be less than or equal to 3. And in the first quarter of 2025, we are at 1.45. In this relationship between net bank debt and IBDÁ we are comfortable in this regard.

The Next Covenant is the EBITDA for debt service, which does need to be greater than or equal to 1.5. This is the minimum condition. At the end of the first actress we are with 2.7 times in this ratio. Other onerous debts by IBDÁ, less than or equal to 1, we are at 0.35. In Caixa's contracts there is a covenant that is EBITDA adjusted by net financial expense.

Obviously, as we had more revenues than expenses here at period, this index that needs to be greater than or equal to 1.5, it skyrocketed, went to 122 times. in the direction 22.42 times, in this stream next to the box. And bank debt net by adjusted EBITDA, which must be less than or equal to 3, with 1.11 at the end of the first quarter. And other onerous debts for adjusted EBITDA, less than or equal to 1, we have 0,27.

Next, talk a little bit about market issuances, both from the ninth, tenth, eleventh, twelfth, thirteenth and fourteenth. We have the net bank debt covenas by the IBDA adjusted lower or equal to 3, 1.11%, is equal to what we saw earlier.

EBITDA adjusted for net financial expense also equal to the box, 122.42. In relation to to the QFW contract, we still have a different covenant, which is the degree of indebtedness, and it must be less than or equal to 60%, and this quarter we ended with 51.6%. against, in the same period last year, 48,9%. Here the degree of indebtedness too, it suffers an increase due to the duplicatory record, because we will understand that let's go, roughly speaking, from 4 billion, 3 billion will for liabilities and 1 billion will go to the PL in this first moment, then this record. So, obviously there's more a record, the record in the liabilities is greater than the record in the net worth, here speaking only in large numbers.

I will now go through the company's balance sheet in the next slide. Our net debt, relative to the end of 2024, it fell 1.4%. It went to R\$ 5.78 billion. So, our financial investments were R\$ 1.8 billion. Financial loans, financing, we have already seen, R\$ 6.6 billion. And dividends and interest on equity, R\$ 318 million. So, this one remained stable. Operational Slang Capital, a decrease here of 33.5%, was R\$ 572,194,000.

The main account of variation, precisely, salaries and social charges, given the provision made for payment here of the POS, so it ends up impacting salaries and charges with this growth. Obviously, from the moment we pay the indemnities, this volume tends to return to a more normal level, which in other years was in the order of 288, 285 million reais.

Other assets and liabilities, an increase here of 57.4%, with other assets here and liabilities with an increase of 70.3%. Our PL of 12 billion and 36 million of reais, with GIVA of GIVA capital operating from 29 days, but here of course, When we are carrying out the issue of payments, of salaries and charges, this capital of GIVA tends to return to more days, comparable to what happened in the previous years. Finally, talk a little bit here of cash flow. We had it here at Premiere E3 from 2025 operating activities bringing 15.5% the most here of cash generation in these activities, reaching 733 million and 674 thousand. We had an additional expense in investment activities cash flow of 14.3%, reaching 485 million and 140 thousand. Consuming financing activities R\$ 200,668,000 in cash.

Here we consume, We had a lower result than last year, in the first quarter, given that last year we had the debentures raised in the first quarter. But, at the end of the day, the sum of these items had an increase in cash, in the period of R\$ 47,867,000.00, from R\$ 1,800,000.00 to R\$ 1,844,000.00 in cash, but, if compared to the first QoQ of 2024, a reduction here 3.4%.

Good This is the presentation about the results of the TRI. I'd just like to make it available here to Leova, if she wants to talk here of the main works, already at the beginning, or prefer Then, If the issue of investments, which is a relevant issue, we have several works being carried out here. If you are interested, Obviously, in the questions, it leads her to answer here with a deadline a little bigger. Well, Rodrigo, that was the presentation. I return the Word to you to follow, okay?

**Operator Ten:**

Perfect. Ladies and gentlemen, we will now begin the question and answer session. Remembering that, to ask questions, we advise them to be sent via Q&A icon at the bottom of your screen. Their names will be announced for them to ask their question. At this point, a request to activate your microphone will appear on the screen. If you can't open your live microphone, please write without microphone at the end of the question so that I read it aloud.

Our first question comes from Marcelo Afonso, Analista Buy Side to the Belvedere Club. Initially, he congratulates the results and asks if they can better explain the registered labor indemnities in this quarter. They are due to new Labor lawsuits not previously provisioned? Question from Marcelo.

**Abel Demetrio:**

Thank you, Marcelo, for your question. In this aspect I will pass to Zives, our accounting manager, who will talk so much regarding labor casualties regarding the issue of provisions for better understanding.

**Ozires Kloster:**

Thank you, Marcelo, for the question. Regarding compensation, the company has been making work in relation to labor lawsuits. It has already occurred during the year 2024. During the first quarter, we stepped up the work, together with our legal area, just to check all processes that were already finalized and that could be downloaded.

So As you can see from the result, we had an impact significant, so we lowered labor lawsuits around 170 million shares that were finished, that they had provision and that they also had a judicial deposit registered there in the active. So, this was downloaded only of labor lawsuits. We had, then, as I said, 170 million. Labor indemnities to third parties, around 22 million as well.

So, this brought an impact in these two accounts. How does it weigh? Net, looking at the result, it was practically null, because we ended up reversing the provision and constituting a personnel expense. in the group of general and tax. So This also brought a benefit tax for the company, because, until then, these provisions, They were like a deferred. So We weren't using an expense Deductible. So, from the moment we download all these processes, We ended up in the calculation of the real profit. Having a benefit, a deductibility of an expense that reduced our collection of taxes. Well, that's basically it.

**Operator Ten:**

Perfect. Continuing, the next question comes from the João Vítor Smith, analyst by side at Atena Capital.

Could you give more details about the increase in delinquency And what is the company's perspective for the future of this indicator? It was João Vitor's question.

**Abel**

**Demetrio:**

Hello, João Vitor. Thank you for your question. Really, talking about perspectives for default, in addition to being a projection, which is not usual here for the company, we have factors, obviously, that influence this issue. But I can say here, assure you that several measures are being taken adopted so that the company can return to the level that we consider adequate of default.

And some actions, such as a new program of installment was launched. The effects on the first The quarter has not yet been felt, but we hope that in the second quarter, as a result of this new program, positive results come from this.

We are also pursuing a series of technological changes in order to allow the customer more availability of payments, via, for example, credit card, using the machine, avoiding cuts, so that the customer can already, this is already in a final phase of testing here, that is, offering means

of payment to users, thus avoiding that, first, the customer has his service cut off, and second, that he can also settle the outstanding debts, which often they even end up not being registered properly at first.

The best moment is the initial moment, when you pass long time you already have more difficulty receiving. And we have other actions with agencies here, in the sense that we can make a more active demand on top of these debts, aiming precisely at the reduction of this delinquency.

So they are Several actions, João Vitor, that are being taken, are already underway. Most of them started in the second at the beginning of the second quarter, and others are now starting in the month of May, and which we hope, if the result does not come in the second quarter, probably in the third quarter we will already have results of these new actions. Let's wait if they will be enough, and whether we will be able to bring it here to a more appropriate level in relation to what we also consider as default.

Remembering that AGPAR concluded the third periodic tariff review and we then had, in this issue of EID, which is precisely that default with Tumas, an improvement in our index from 0.42% to 0.66%.

Obviously this brings for the company a better revenue due to the recognition by the agency of this default with Tumas. But here the objective is not it is that one pays for the bill of the others, or that everyone pays for those bad debtors, the goal is always to have a very controlled dependence and within historical levels that are always very reasonable here by the company.

#### **Operator Ten:**

The next question comes from Hiury Goulart Sant Ana, analyst by side Trilha Investments.

He wishes they could elaborate a little better about the writ. How are the negotiations going with the regulator and how the company interprets the 75% share for the low fare? What are the other measures for distribution of this value? How will the tax treatment be on the amount? Anyway, whatever they can give more color to stakeholders would be of great value. That was the question of Hiury.

**Abel Demetrio:**

Hiury, thank you for your question. Really the question of Precatório is a very complex issue, but I will look for Here is an overview. When we look at the writ of payment that is written in the Budget Law of the Union, we have a total amount of R\$ 3.979 billion.

This in the March, April 2024 reference. So, at that moment, the company updated this writ by the IPCAE until March 2025, which is The update rate during the grace period constitutional. E we turn out here in the increment, this amount of R\$ 3.979 billion. So the record went to R\$ 4 billion. Let me just pass the correct number 4,203,000,000 reais.

This writ of payment has two natures, one nature which is the main one and another one that is the issue of updating by the Selic until March 2024 and then by the IPCAE during this period of constitutional grace that I Told. This is characterized as a financial income and therefore it is taxed the ratio of 4.65% of Cofins and Pazepe.

The company has already registered this amount and has already collected, that was an order value here of 100 million reais, since the legislation determines that after the income has been obtained, You need to collect this the following month. So that's the tax issue in relation to the writ.

We have, in relation to the AGPAR, a definition of 75% sharing. This has been defined in a general sharing rule for this item, which are the recovery of tax credits. As the information that the company today is about this amount, it has made a provision for regulatory liabilities.

Nevertheless As already disclosed here in Material Facts, in two Material Facts, the Company requested to the agency that carries out a specific treatment for this case, given its nature, its genera, Because we are talking about a writ that is original of an action from 1994, I like to repeat that it is prior to the Real Plan, it is older than the Real Plan, by a few days, but it is older.

So the company requested treatment from the agency, A very detailed analysis in fact on the subject. We understand that the agency has a whole work that is quite complex to be carried out on the subject. We have already seen the precedent we have in the case of distributors of electric energy, with the thesis of the century on the issue also of undue tax, and it is a very important topic, not yet consolidated in terms, I would say, of having a the way these benefits are shared.

Obviously the company seeks that whenever it is best for the company, for customers, for the population, in short, for shareholders, in the sense that this whole rule of equilibrium is respected, and it is in this sense that the company is acting. Thank you.

**Operator Ten:**

Continuing, the next question comes from the Reinaldo Veríssimo, investor.

He would like to ask what actions do they intend to take to bring Foz do Iguaçu to around 90% of collection. What stocks are taking with the evasion of revenue that rose from 2.03 to 2.85? These were Reinaldo's questions.

**Abel Demetrio:**

Thank you, Reinaldo, for your question. Well, in relation to revenue evasion, we just talked about the issue of default. In relation to works aimed at provide the municipality of Foz do Iguaçu with universalized indexes, I'm going to pass it on here to our investment director, Leura, so that she can can talk about it.

**Leura Lúcia:**

Reinaldo, good morning everyone. Good morning, Reinaldo, also. Regarding... I don't have it here From head to goal, the exact date. If Abel is here, we can do it. But I can tell you for you that we have projects being executed, projects being worked on so that we can achieve the universalization in the state as a whole, but in Foz do Iguaçu as well.

Don't you have it there? Is there? Today we have 83.8% Service. But you don't have the goal, Right? The goal should be there for the next few years. So as it is a significant project, A project that has a time it took us a long time to develop, Foz do Iguaçu is not simple, because it has many occupied areas, We have several rivers that pass through the city, which make it difficult, we have lifts to be executed, we have the hotel infrastructure part, the entire hotel industry is also served by Sanepar.

So all of this creates a certain complexity and We are developing these projects so that we can achieve what is established within the new framework, but always seeking guidance from both the state government and the president Blake, we anticipate coming to universalization as soon as possible, which is of interest to the company because it generates revenue.

**Operator Ten:**

Moving on, our next question comes from Renan Souza, investor. He brings us three questions.

Number one, we've seen third-party costs grow a lot every quarter. Is there a containment plan?  
2. The result of the fare was sufficient for the company In your opinion?

3. There is the intention to promote, with the agency, a discussion process for evaluation as in São Paulo? These were Renan's questions.

**Abel Demetrio:**

Thank you, Renan, for your questions. Really, the issue of third-party costs It is something that the company has been looking at not only during the quarter, but I would say systematically. Weekly at board meetings, monthly at meetings of advice. And those are Very recurring themes here at the company.

We have to evaluate a whole issue here at the level of economic activity, which really brings an increase of the cost of labor. We have a growth in inflationary terms of labor cost, where most of the third-party services refer to the need use of third-party resources. For instance the whole issue of maintenance of water networks, sanitary sewage.

We are often having tables that are higher than inflation normal, the IPCA normal, let's say, for the period. So, the cost of third parties really is an account that the company, Yes, there is a whole monitoring process, but just remembering that in this period, in this Tri, the really no-arrive issue that was provisioned, it brought an impact that it is very relevant and it needs to be, let's say so, taken into consideration.

Other items, as we have more and more treatments of superior quality sanitary sewage, In other words, we discharge effluents into rivers with quality much higher than what we had been doing in terms of the new treatment plants that are delivered.

You have a sludge disposal cost, you have a transportation cost, a cost of surveillance. You have more activities that demand a higher cost in this regard. But obviously The company always seeks to keep up with this cost to that it comes to levels that do not harm the margins of the company.

Regarding the completion of the third RTP, which was your second question, We are Still in the phase of inspection of the asset base by the agency Regulatory.

Quite arduous, very complex work and done very rigorously by the agency. Here it is really not talking, but their rigor is quite high. So we are still on this issue. But the fact is that the tariff review, in the company's view, It was a balance review. We understand that several claims of the company were recognized at that time.

Remembering that we had the end of the diendimento and that Even with this, the company obtained some questions that were favorable. For example, the increase in UOC that was needed, our UOC was just below the that our peers had been practicing, he was the liquid of 8.08%, which is also important because we have increasing financial costs, given the interest rates that are a little higher.



We had in the issue, as I said, of the AID, which was of 0.42 to 0.66%, this is a benefit for the company. The X factor itself, which was 0, it was 0.08, went to 0, this impacts the accounts in the future, in a favorable way here for the company. And the important thing is that we We then had a recognition, at this moment here, of a base of assets that are very relevant for the calculation and that we thus gave ourselves a balance in relation to what was the tariff review.

Remembering that when, in conversations with agents of the market, The opinion is that it was really a fairly balanced and positive tariff review here for the company. Which is important, because it also the flow of investments necessary for universalization, for the next cycle, it is very relevant. So the company needs of resources to cope with all care with the population. There was a third question, Renan, that I ended up not writing this one, I wish you could just repeat it, please.

**Operator Ten:**

Perfectly. There is an intention to promote with the agency a discussion process for the annual evaluation of the active, as in São Paulo?

**Abel Demetrio:**

So, Renan. The fact is that, as I said, we are still in the phase of inspection by the agency, we are still responding to the agency about inspection. We received this news from São Paulo, I think it's news that updates this issue annually, but we haven't reached that one yet point to discuss with us. Today we still have Until because, Renan, we came from, basically, three revisions, one in sequence of the other.

There was the second, which was divided into two phases. So, there was in 21, there was in 23, now it has 25. And the fact is that we need Breathing to meet all the demands of an agency which is increasingly instrumented, with a technical team, with qualified professionals, and the requirements have grown here to the company.

Obviously this is evolution, we understand that we have passed the third revision tariff, now without major triggers, without major gaps for the future, which is important for stability for the company, for investors.

And other topics, such as this one, of a possible pricing of the assets annually, can be evaluated, I believe by the agency and The company should also evaluate which ones in the coming months would be the positive impacts of this measure. So, at the moment we don't have a formal request to the agency in relation to this. But we have been following the our regulatory management, and above all that is reported there in the market, this new form of pricing made

there in São Paulo. Who knows, maybe this may be a deal with the company, but we haven't started yet. Perfectly.

**Operator Ten:**

The next question comes from Ricardo Cardoso Gomes, investor.

The payment of writs was recorded in accounting considering the AGPAR regulation which orders 75% of the modesty of the tariffs to be allocated.

The ANA regulation speaks of a maximum of 15% and the SanePAR itself asked questions to AGPAR on the subject in public consultation. This question is pacified or there is still discussion about the destination of the Appeals from the writ? Question from Ricardo.

**Abel Demetrio:**

Thank you Ricardo, thank you for the question. I'm just going to make one detailing, because about the amount of the applicator, we first reduce COFINS and PASEP, to then apply the 75%, as it is About the net amount, this is set by the agency itself, so this was the criterion here for the constitution of 75% of a regulatory liability, of a nature here of provision Regulatory.

The company, yes, during the third phase, during the third tariff review, asked questions about it. But the fact is that this Rubric didn't even have releases. So the agency itself understood that it did not scope of the object, both the consultation, the public hearing, this type of questioning, because it should be asked in a a separate form, considering that there was the object of the public consultation, it was to talk in a general way about all indicators and herself in your dispatch denied that contribution of the company, But he made the reservation that the company could then present specifically in relation to the theme, its demands and theirs, let's say it like this, your Breakdown at his request, the company did so, AGPAR will analyze and I can assure you here that it is not an fácil analysis by the agency, is a very complex analysis that involves the population, involves the company, involves shareholders and with We hope that it has a balance so that this can be well equated in the sense that all may have at the end of the day, Leave happy with this decision of the agency.

And the company will contribute as much as possible to bring the their arguments in favor of an eventually different distribution the one that is currently proposed.

**Operator Ten:**

We close the question and answer session at this point. And now We would like to give the floor to the CFO and investor relations, Abel Demetri, for the considerations company finals.

**Abel Demetrio:**

Rodrigo, thank you for your driving again. Suffice it to say that we also received a request from Saulo de Tarso on a holding company. We will answer you, Saulo, next, through our area of IR. Thank you here for your question.

Leura is complementing here, which is the goal of reaching 90%, which is the universalization index, in 2027. And, obviously, for the Iguaçu strip and, Obviously, for the rest of the municipality, the company intends to make all efforts to achieve what is agreed in the contract.

Well, I thank everyone here for participating in this videoconference, I also thank the team here at ERIC who helped us, and I wish everyone Here then an excellent weekend. Thank you.

**Operator Ten:**

The first-quarter earnings videoconference of 2025 of Sanepar is closed. Thank you very much to the participants and have a great day!