



Earnings Release

4Q21

02/24/2022

ri.sanepar.com.br

This is a free translation for informative purposes only, without any legal validity. The original text in Portuguese is the only legal version and must be consulted in order to elucidate any doubts or conflicts.

Curitiba, February 24th, 2022.

Companhia de Saneamento do Paraná – Sanepar (SAPR3 - ON; SAPR4 - PN; SAPR11 - UNITS) presents the financial and operating results regarding the fourth quarter of 2021 (4Q21). The economic information was prepared in accordance with accounting practices adopted in Brazil, including Brazilian corporate law, pronouncements, guidelines and interpretations issued by the Accounting Pronouncements Committee (*Comitê de Pronunciamentos Contábeis – CPC*), also based on the accounting standards and procedures established by the Brazilian Securities and Exchange Commission (*Comissão de Valores Mobiliários- CVM*).

2021 HIGHLIGHTS

EBITDA Margin		Net Profit	
4Q20: + 44.2%	→ 4Q21: + 41.7%	4Q20: BRL 291.3	→ 4Q21: BRL 332.0
2020: + 40.3%	→ 2021: + 43.7%	2020: BRL 996.3	→ 2021: BRL 1,177.6

Number of Economic Units		Net Debt / EBITDA	
Water	+ 2.0%	1.4x	
Sewage	+ 3.1%		

Net Revenue		Investments	
4Q21: + 11.8%		4Q20: BRL 263.5	→ 4Q21: BRL 401.9 + 52.5%
2021: + 8.4%		2020: BRL 968.9	→ 2021: BRL 1,320.2 + 36.3%

	4Q21 (1)	4Q20 (2)	Var. (1/2)	4Q19 (3)	Var. (2/3)
Net Revenue	1,383.2	1,236.9	11.8 %	1,339.6	-7.7 %
Operating Income	474.8	453.2	4.8 %	545.2	-16.9 %
EBITDA	576.5	547.2	5.4 %	631.2	-13.3 %
Net Profit	332.0	291.3	14.0 %	386.3	-24.6 %
ROE	15.9	15.2	0.7 p.p.	18.2	-3.0 p.p.
ROIC	12.7	11.7	1.0 p.p.	13.5	-1.8 p.p.
Net Debt	3,137.5	2,773.3	13.1 %	2,806.3	-1.2 %
Gross Margin	55.9	57.2	-1.3 p.p.	58.2	-1.0 p.p.
Operating Margin	27.5	29.3	-1.8 p.p.	34.6	-5.3 p.p.
Net Margin	24.0	23.6	0.4 p.p.	28.8	-5.2 p.p.
EBITDA Margin	41.7	44.2	-2.5 p.p.	47.1	-2.9 p.p.
Equity Debt	46.5	47.4	-0.9 p.p.	48.3	-0.9 p.p.
Net Debt / EBITDA	1.4	1.4	-	1.4	-

1. OPERATING DATA
1.1 MARKET
Contracts in % of Total Revenue of the Company, as of December 31, 2021:

Contracts (% of Total Revenue)*				Coverage ratio		Total active economic units (in thousands)	
Municipalities	Total revenue %	Remaining period of concession	Type of concession	Water	Sewage	Water	Sewage
Curitiba	21.5%	25.5 yr.	Water & Sewage	100%	97.5%	830.4	809.3
Londrina	7.3%	23.5 yr.	Water & Sewage	100%	96.1%	257.9	244.9
Maringá	5.4%	17.7 yr.	Water & Sewage	100%	100.0%	170.2	189.7
Ponta Grossa	3.7%	3.3 yr.	Water & Sewage	100%	91.2%	154.1	139.2
Cascavel	3.6%	1.9 yr.	Water & Sewage	100%	100.0%	131.8	139.7
Foz do Iguaçu	3.4%	21.2 yr.	Water & Sewage	100%	80.1%	119.0	96.5
São José dos Pinhais	2.8%	21.0 yr.	Water & Sewage	100%	77.6%	120.1	94.4
Colombo	1.8%	25.3 yr.	Water & Sewage	100%	67.3%	87.6	60.0
Guarapuava	1.7%	19.8 yr.	Water & Sewage	100%	85.4%	68.8	57.3
Toledo	1.5%	2.7 yr.	Water & Sewage	100%	83.0%	61.8	49.8
Other municipalities	47.3%					2,168.7	1,329.3
Totais				100.0%	77.3%	4,170.4	3,210.1

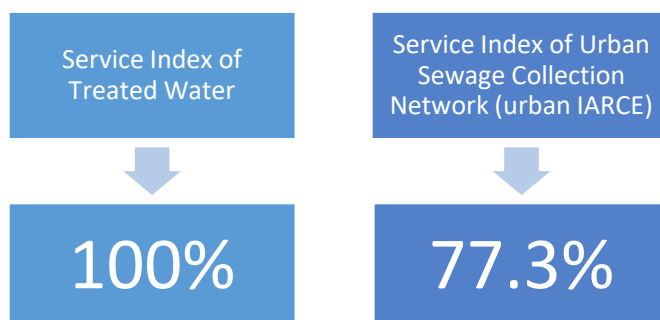
* Information not audited or reviewed by independent auditors.

Contracts Expiration Breakdown:

Concession / Program Contracts ¹	Number of Contracts ¹	Intangible Assets Contract Assets Financial Assets (in BRL million) ^{1 2}	% of the total revenue ¹
Expired Contracts	14	372.4	4.2
Contracts expiring in 2022	6	9.3	0.7
Contracts expiring between 2023 and 2033	70	1,407.0	20.3
Contracts expiring after 2033	256	8,690.4	74.8
Total	346	10,479.1	100.0

¹ Information not audited or reviewed by independent auditors.

² Book value.

Water & Sewage Services Indexes


On 09/30/2021, the Urban IARCE was 77.4%. The reduction occurred due to the updating of the urban areas defined by the Municipal Legislatures in 143 locations.

Water Connections

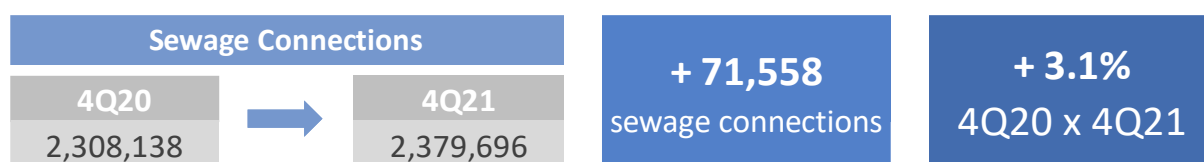
Number of Water Connections*	DEC/21 (1)	%	DEC/20 (2)	%	Var. % (1/2)
Residential	3,043,774	90.9	2,976,232	90.9	2.3
Commercial	240,203	7.2	233,696	7.1	2.8
Industrial	13,551	0.4	13,272	0.4	2.1
Public Utility	23,987	0.7	23,861	0.7	0.5
Public Administration	26,926	0.8	26,750	0.9	0.7
Total	3,348,441	100.0	3,273,811	100.0	2.3

* Information not audited or reviewed by independent auditors.


Sewage Connections

Number of Sewage Connections*	DEC/21 (1)	%	DEC/20 (2)	%	Var.% (1/2)
Residential	2,152,949	90.5	2,088,213	90.5	3.1
Commercial	190,128	8.0	184,259	8.0	3.2
Industrial	6,123	0.3	5,599	0.2	9.4
Public Utility	15,678	0.7	15,467	0.7	1.4
Public Administration	14,818	0.5	14,600	0.6	1.5
Total	2,379,696	100.0	2,308,138	100.0	3.1

* Information not audited or reviewed by independent auditors.


1.2 PRODUCTIVITY
Measured Water Volume Evolution

Measured Water Volume - million m ³ *	4Q21 (1)	4Q20 (2)	Var. % (1/2)	2021 (3)	2020 (4)	Var. % (3/4)
Residential	108.5	109.7	-1.1	428.5	435.9	-1.7
Commercial	9.8	9.4	4.3	36.7	36.3	1.1
Industrial	3.4	3.6	-5.6	13.7	11.6	18.1
Public Utility	1.3	1.1	18.2	4.6	4.5	2.2
Public Administration	4.2	3.5	20.0	14.7	15.0	-2.0
Total	127.2	127.3	-0.1	498.2	503.3	-1.0

* Information not audited or reviewed by independent auditors.

Invoiced Water Volume Evolution

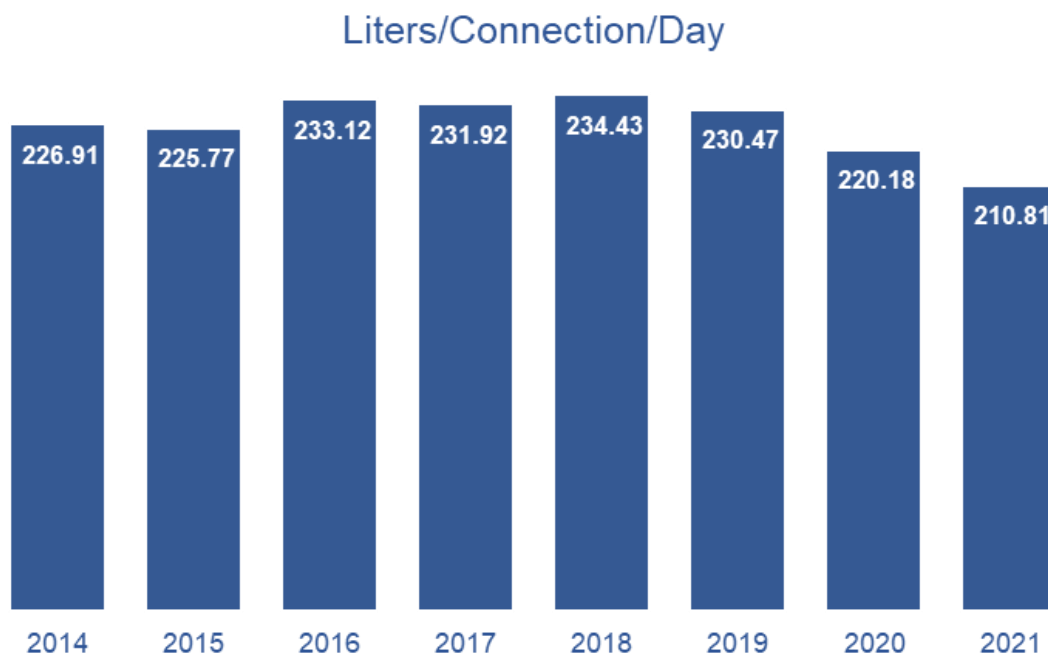
Invoiced Water Volume - million m ³ *	4Q21 (1)	4Q20 (2)	Var. % (1/2)	2021 (3)	2020 (4)	Var. % (3/4)
Residential	113.4	114.2	-0.7	447.9	453.6	-1.3
Commercial	10.7	10.2	4.9	40.3	39.8	1.3
Industrial	3.7	3.7	0.0	14.3	13.3	7.5
Public Utility	1.1	1.0	10.0	3.9	3.8	2.6
Public Administration	4.3	3.5	22.9	15.1	15.3	-1.3
Total	133.2	132.6	0.5	521.5	525.8	-0.8

* Information not audited or reviewed by independent auditors.

Invoiced Sewage Volume Evolution

Invoiced Sewage Volume - million m ³ *	4Q21 (1)	4Q20 (2)	Var. % (1/2)	2021 (3)	2020 (4)	Var. % (3/4)
Residential	86.8	86.1	0.8	342.0	342.9	-0.3
Commercial	9.8	9.1	7.7	36.5	35.5	2.8
Industrial	0.8	0.7	14.3	3.2	2.9	10.3
Public Utility	0.9	0.8	12.5	3.3	3.2	3.1
Public Administration	3.2	2.7	18.5	11.5	11.7	-1.7
Total	101.5	99.4	2.1	396.5	396.2	0.1

* Information not audited or reviewed by independent auditors.

Losses per Connection Index Evolution*


* Information not reviewed by independent auditors.

Water & Sewage: General Data

Water*	4Q21 (1)	4Q20 (2)	Var. (1/2)	4Q19 (3)	Var. % (2/3)
Units served by the distribution network	4,170,413	4,087,719	2.0 %	4,001,074	2.2 %
Number of treatment stations	168	168	0.0 %	168	0.0 %
Number of wells	1,247	1,154	8.1 %	1,104	4.5 %
Number of surface catchment	236	232	1.7 %	232	0.0 %
Km of laid network	59,070	57,503	2.7 %	55,359	3.9 %
Volume produced (m ³)	750,475,130	766,106,638	-2.0 %	780,632,413	-1.9 %
Loss rate:					
In distribution system - %	33.62	34.30	-0.68 p.p.	34.45	-0.15 p.p.
In billings - %	30.51	31.37	-0.86 p.p.	31.74	-0.37 p.p.
Revenues delinquency rate %	3.33	2.80	0.53 p.p.	1.65	1.15 p.p.

* Information not audited or reviewed by independent auditors.

Sewage*	4Q21 (1)	4Q20 (2)	Var. (1/2)	4Q19 (3)	Var. % (2/3)
Units served by the collection network	3,210,059	3,114,750	3,1 %	3,019,303	3,2 %
Number of treatment stations	258	255	1,2 %	249	2,4 %
Km of laid network	39,660	38,464	3,1 %	36,754	4,7 %
Volume collected in m ³	375,586,933	377,326,945	-0,5 %	382,115,054	-1,3 %

* Information not audited or reviewed by independent auditors.

Water Crisis and Available Volumes

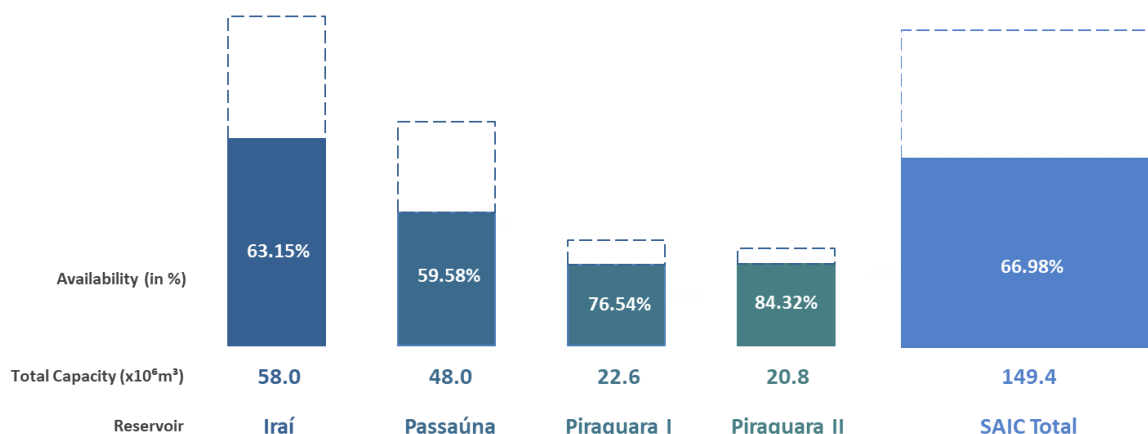
Consecutively to decrees No. 4,626 of 05/07/2020, No. 6,068 of 10/29/2020, No. 7,554 of 05/04/2021, No. 8,299 of 08/05/2021, and No. 9,315 of 11/05/2021, State Decree No. 9,989 was published on 12/22/2021, recognizing the water emergency situation in the whole State of Paraná for a period of 180 days.

Due to the drought that has affected Paraná for two years, especially in Curitiba Metropolitan Region, Sanepar implemented a rotation system in the water supply in the regions supplied by the Integrated Supply System of Curitiba and Metropolitan Region ("SAIC") as of May 2020. During this period, the Company implemented a series of emergency measures and structural works, in addition to carrying out a campaign for the rational use of water among the population. The water increase in the reservoirs with the Sanepar works, the economy of the population and the rains, mainly in the 1st fortnight of January 2022, raised the average level of SAIC to above 80%. On 01/19/2022, it was possible to institute the end of the rotation in the Metropolitan Region of Curitiba, normalizing the distribution of water to this region.

The average volume available of 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, located at the Itaipu lake, in Paraná River.

On December 31, 2021, the SAIC reservation volume was 67.0% (it was 41.0% on 12/31/2020).

SAIC Reservoirs Levels in 12/31/2021



2. FINANCIAL DATA

2.1 ECONOMIC PERFORMANCE

Operating Revenue

Operating revenue - In BRL million	4Q21 (1)	4Q20 (2)	Var. % (1/2)	2021 (3)	2020 (4)	Var. % (3/4)
Revenues from water	908.3	807.7	12.5	3,415.2	3,124.1	9.3
Revenues from sewage	527.5	475.8	10.9	1,993.8	1,856.0	7.4
Revenues from services	29.4	30.5	-3.6	112.3	119.3	-5.9
Revenues from solid waste	2.9	3.0	-3.3	11.7	11.9	-1.7
Services provided to Municipalities	5.2	5.3	-1.9	20.9	20.4	2.5
Donations made by clients	9.0	6.0	50.0	34.2	21.7	57.6
Other revenues	1.9	1.8	5.6	5.8	7.3	-20.5
Total Operating Revenue	1,484.2	1,330.1	11.6	5,593.9	5,160.7	8.4
COFINS	-83.1	-76.6	8.5	-320.2	-296.7	7.9
PASEP	-17.9	-16.6	7.8	-69.3	-64.3	7.8
Total of Deductions	-101.0	-93.2	8.4	-389.5	-361	7.9
Total of Operating Revenue, net	1,383.2	1,236.9	11.8	5,204.4	4,799.7	8.4

Operating Revenue, net (BRL MM)	
4Q20	4Q21
1,236.9	1,383.2

➔

+ 11.8%
4Q20 x 4Q21

The main reasons for the increase in net operating revenue are: (i) 5.11% tariff adjustment as of February 5, 2021; (ii) 5.77% tariff revision as of May 17, 2021; (iii) water and sewage billed volumes growth; and (iv) the increase in the number of connections.

Operating Costs and Expenses

Operating costs and expenses In BRL million	4Q21 (1)	4Q20 (2)	Var. % (1/2)	2021 (3)	2020 (4)	Var. % (3/4)
Personnel	-271.5	-258.8	4.9	-1,075.0	-1,212.2	-11.3
Materials	-63.7	-58.9	8.1	-226.4	-216.9	4.4
Electricity	-164.6	-103.7	58.7	-548.2	-443.0	23.7
Third-party services	-195.0	-172.1	13.3	-687.1	-655.9	4.8
Depreciation and amortization	-101.7	-94.0	8.2	-394.5	-361.9	9.0
Losses in Realization of Credits	-29.1	-34.7	-16.1	-103.8	-90.8	14.3
Net Realizable Value of Inventory	0.4	0.7	-42.9	2.5	-1.4	-278.6
Municipal Sanitation and Environmental Funds	-19.6	-16.6	18.1	-69.3	-65.9	5.2
Regulatory fee	-6.4	-6.4	0.0	-25.8	-25.4	1.6
Indemnifications for damages to third parties	-1.3	-2.7	-51.9	-8.1	-13.1	-38.2
Expenses capitalized	24.5	22.2	10.4	98.6	82.9	18.9
Impairment Losses	-4.1	1.1	-472.7	-4.1	1.1	-472.7
Provision for contingencies	-14.1	8.4	-267.9	-71.0	2.0	-3,650.0
Pension plan and health insurance	-13.2	-10.7	23.4	-57.4	-60.8	-5.6
Profit sharing program	-20.6	-31.9	-35.4	-80.2	-74.4	7.8
Eventual losses	-6.3	0.0	-	-10.3	-37.2	-72.3
Environmental Fines	-3.3	-19.4	-83.0	-3.4	-19.4	-82.5
Assets write-off, net	-3.6	3.0	-220.0	-7.4	6.2	-219.4
Adjustment to Fair Value - Investments	0.1	0.2	-50.0	-0.2	-0.2	0.0
Equity in earnings	-0.7	0.1	-800.0	-3.0	-1.9	57.9
Other costs and expenses	-14.6	-9.5	53.7	-51.6	-41.0	25.9
Total	-908.4	-783.7	15.9	-3,325.7	-3,229.2	3.0

Operating Costs & Expenses (BRL MM)	
4Q20	4Q21
783.7	908.4

➔

+ 15.9%
4Q20 x 4Q21

The main variations that occurred were due to:

Personnel

Growth of 4.9%, mainly reflecting the salary readjustments of 6.22% (INPC) on labor funds and benefits related to the Collective Bargaining Agreement (“ACT”) 2020/2021 (base date March 2021) and the readjustment of 6.35% of SANESAÚDE in June 2021.

Materials

Increase of 8.1%, mainly in office supplies, electromechanical maintenance material, laboratory material, vehicle maintenance material, fuels and lubricants and network maintenance material.

Electricity

Increase of 58.7%, mainly 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 flag ruler, by the change in the tariff flag practiced by COPEL, from “Red Flag P2” in December 2020 to “Water Scarcity Flag” in September 2021, in addition to the average tariff reflex of 9.89% applied as of 06/24/2021.

Third-Party Services

Increase of 13.3%, mainly in professional technical services, broadcasting service, advertising and publicity, surveillance service, movable property rentals, billing services, electromechanical maintenance service and operational technical services.

Depreciation and Amortization

Increase of 8.2%, mainly due to the entry into operation of intangible assets and/or fixed assets, in 2021, in the amount of BRL 1,073,5 million (net of write-offs).

Losses on Realization of Credits

Decrease of 16.1%, mainly as a result of the Private Credit Recovery Program – RECLIP, which allowed the Company's customers to negotiate their debts with the Company in up to 60 months, without fines, no down payment and interest rate reduced to 0.1% per month.

Provisions for Contingencies

Increase of 267.9% due to updates of labor lawsuits related to salary differences and charges, and mainly by the write-offs in the amount of BRL 18.9 million, occurred in 4Q20, impacting the comparative basis between quarters.

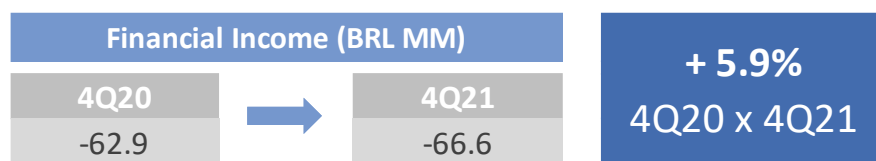
Eventual Losses

Increase mainly due to the accounting record of the consolidation of preliminary findings related to the investigation of Operation “Ductos” in the amount of BRL 6.5 million.

2.2 ECONOMIC INDICATORS

Financial Income

Financial income (loss) - in BRL million	4Q21 (1)	4Q20 (2)	Var. % (1/2)	2021 (3)	2020 (4)	Var. % (3/4)
Financial revenues						
Financial investments	20.9	4.7	344.7	50.1	22.5	122.7
Monetary variation gains	14.9	11.2	33.0	34.4	18.7	84.0
Exchange rate variation gains	0.3	0.4	-25.0	1.7	0.4	325.0
Gain on Derivative Financial Instruments	0.4	0.2	100.0	1.5	1.6	-6.3
Other financial revenues	2.6	-1.5	-273.3	17.6	16.1	9.3
Total financial revenues	39.1	15.0	160.7	105.3	59.3	77.6
Financial expenses						
Interest and fees on loans, financing, debentures and leases	-66.6	-54.7	21.8	-277.2	-220.2	25.9
Monetary variation losses	-34.9	-16.5	111.5	-94.9	-22.9	314.4
Exchange rate variation losses	-0.4	-0.2	100.0	-1.6	-1.7	-5.9
Perdas com Instrumentos Financeiros Derivativos	-0.6	-0.4	50.0	-2.1	-0.4	425.0
Other financial expenses	-3.2	-6.1	-47.5	-4.7	-18.9	-75.1
Total financial expenses	-105.7	-77.9	35.7	-380.5	-264.1	44.1
Financial income (loss)	-66.6	-62.9	5.9	-275.2	-204.8	34.4



The variation in the financial result is due to the 35.7% growth in financial expenses, mainly in interest expenses and in loans, financing, debentures and leases, from BRL 54.7 million in 4Q20 to BRL 66.6 million in 4Q21 and in monetary variations of loans and financing, from BRL 16.5 million in 4Q20 to BRL 34.9 million in 4Q21, due to the increase in the calculation base of financial charges due to the raising of debentures (10th and 11th issues), the monetary restatement of the Leasing Operations at the Paraná Coast debt and the IPCA growth compared to the same period in 2020.

Economic Result

Economic Result - R\$ million	4Q21 (1)	4Q20 (2)	Var. % (1/2)	2021 (3)	2020 (4)	Var. % (3/4)
Operating income	474.8	453.2	4.8	1,878.7	1,570.5	19.6
Financial income (loss)	-66.6	-62.9	5.9	-275.2	-204.8	34.4
Taxes on income	-76.2	-99.0	-23.0	-425.9	-369.4	15.3
Net income for the period	332.0	291.3	14.0	1,177.6	996.3	18.2

Economic Result (BRL MM)	
4Q20	4Q21
291.3	332.0

➔

+ 14.0%
4Q20 x 4Q21

The 4Q21 economic result was impacted mainly due to the increase of 11.8% in net operating revenue.

Reclassification of the 4Q21 results (excluding non-recurring items)

Non-recurrent items - In BRL million *	4Q21	4Q20	2021	2020
Net income	332.0	291.4	1,177.6	996.3
Incentive Retirement Program ("PAI")	-	5.1	-	132.8
NPV expenses on contractual financial assets	-	-	-	11.1
Economic and Finance Rebalance - Consortium DM/LFM/SEF	-	-	-	15.2
IBAMA Installments	-	19.0	-	19.0
Operation "Ductos" Provision	2.0	-	2.0	-
Extraordinary Losses - Operation "Ductos"	6.5	-	10.7	-
Tax effects	-0.7	-1.7	-0.7	-45.1
Pro forma net income	339.8	313.8	1,189.6	1,129.3
% Net margin of non-recurrent items	24.6	25.4	22.9	23.5
Adjusted EBITDA of non-recurrent items	585.0	571.2	2,285.9	2,110.3
% Adjusted EBITDA margin of non-recurrent items	42.3	46.2	43.9	44.0

* Information not audited or reviewed by independent auditors.

Distribution of Generated Economic Wealth

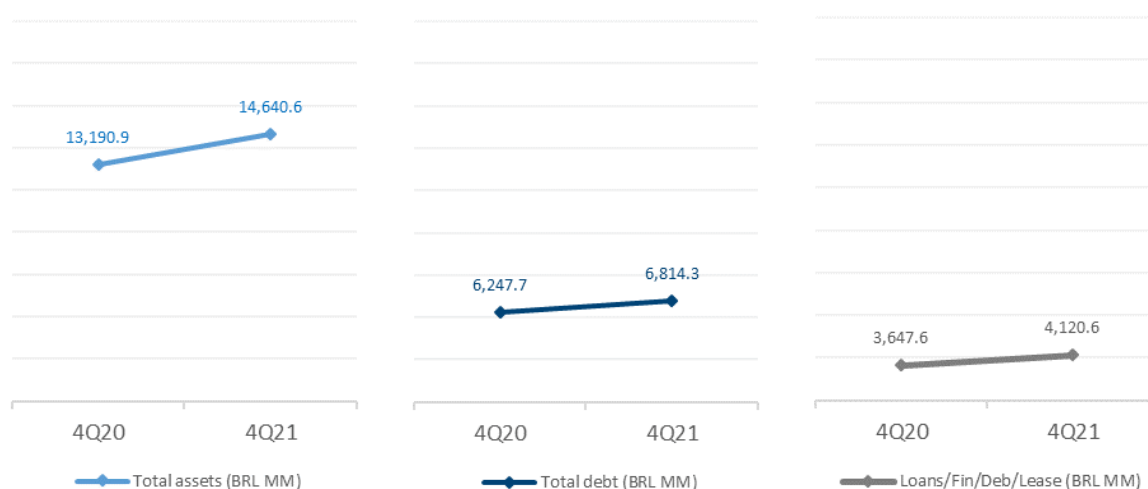
Distribution of Generated Economic Wealth - In BRL million	4Q21 (1)	4Q20 (2)	Var. % (1/2)	2021 (3)	2020 (4)	Var. % (3/4)
Personnel remuneration	250.6	252.9	-0.9	993.5	1,123.8	-11.6
Government Compensation (taxes)	220.2	231.2	-4.8	987.5	901.0	9.6
Third-party compensation (rents)	2.0	1.2	66.7	5.8	4.3	34.9
Return on debt capital (interest and monetary variations)	105.7	77.9	35.7	380.5	264.1	44.1
Interest on Equity & Dividends	192.5	145.7	32.1	343.6	296.4	15.9
Net income for the period not distributed	139.6	145.6	-4.1	834.1	699.9	19.2
Total Economic Wealth	910.6	854.5	6.6	3,545.0	3,289.5	7.8

Sanepar's growth and development strategy to operate on a public utility services market, also open to other Companies of the private initiative, is based on the search for effective results, commitment to the quality of services provided and to addressing the needs of the granting power and shareholders.

Economic Indicators

Economic Indicators - in BRL million	4Q21 (1)	4Q20 (2)	Var. % (1/2)	2021 (3)	2020 (4)	Var. % (3/4)
Net operating revenue	1,383.2	1,236.9	11,8 %	5,204.4	4,799.7	8.4 %
Operating profit	474.8	453.2	4,8 %	1,878.7	1,570.5	19.6 %
Net Income	332.0	291.3	14,0 %	1,177.6	996.3	18.2 %
% Operating revenue*	27.5	29.3	-1,8 p.p.	28.7	26.5	2.2 p.p.
% Net margin*	24.0	23.6	0,4 p.p.	22.6	20.8	1.8 p.p.
% Return on average shareholders' equity *	4.5	4.3	0,2 p.p.	15.9	15.2	0.7 p.p.
Net debt / EBITDA (12 month accumulated) *	-	-	0,0 p.p.	1.4	1.4	0.0 p.p.

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

Assets & Liabilities Evolution

Indicators Evolution

	Reference	DEC/21	DEC/20	Var.
Equity	BRL million	7,826.3	6,943.2	12.7 %
Share value	BRL	5.18	4.59	12.9 %
Indebtedness level *	%	46.5	47.4	-0.9 p.p.
Current ratio *	BRL	1.48	1.21	22.3 %
Quick ratio *	BRL	1.44	1.17	23.1 %

* Information not audited or reviewed by independent auditors.

EBITDA and Generation of Operating Cash

EBITDA - BRL Million *	4Q21 (1)	4Q20 (2)	Var. % (1/2)	2021 (3)	2020 (4)	Var. % (3/4)
Net income for the period	332.0	291.3	14.0	1,177.6	996.3	18.2
(+) Taxes on Income	76.2	99.0	-23.0	425.9	369.4	15.3
(+) Financial income (loss)	66.6	62.9	5.9	275.2	204.8	34.4
(+) Depreciation and amortization	101.7	94.0	8.2	394.5	361.9	9.0
EBITDA	576.5	547.2	5.4	2,273.2	1,932.4	17.6
% EBITDA Margin	41.7	44.2	-2.5 p.p.	43.7	40.3	3.4 p.p.
% EBITDA conversion into cash	67.1	49.4	17.7 p.p.	74.9	82.6	-7.7 p.p.

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

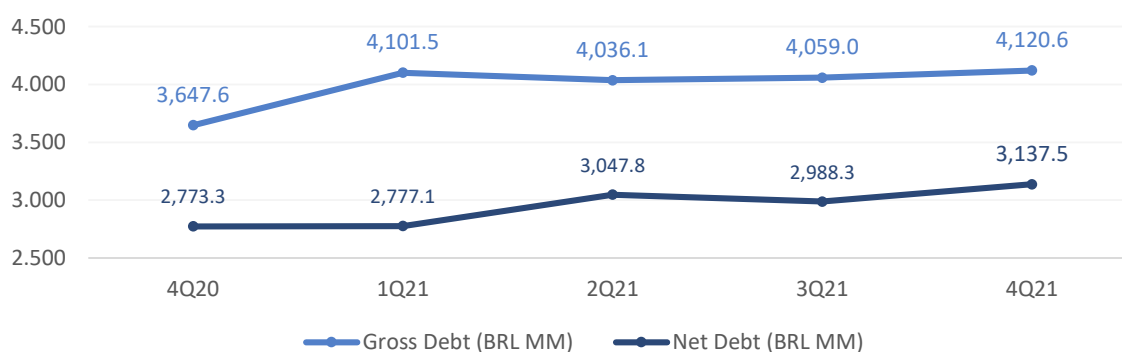
EBITDA increase was mainly due to the 11.8% growth in net revenue. Operating cash generation in 4Q21 was BRL 386.6 million, an increase of 42.9% compared to 4Q20.

2.3 INVESTMENTS

Investments – BRL Million	4Q21 (1)	4Q20 (2)	Var. % (1/2)	2021 (3)	2020 (4)	Var. % (3/4)
Water	159.5	139.6	14.3	614.7	472.7	30.0
Sewage	198.3	102.4	93.7	596.4	419.7	42.1
Other investments ¹	44.1	21.5	105.1	109.1	76.5	42.6
Total	401.9	263.5	52.5	1,320.2	968.9	36.3

2.4 INDEBTEDNESS

Quarterly Evolution of Gross Debt and Net Debt



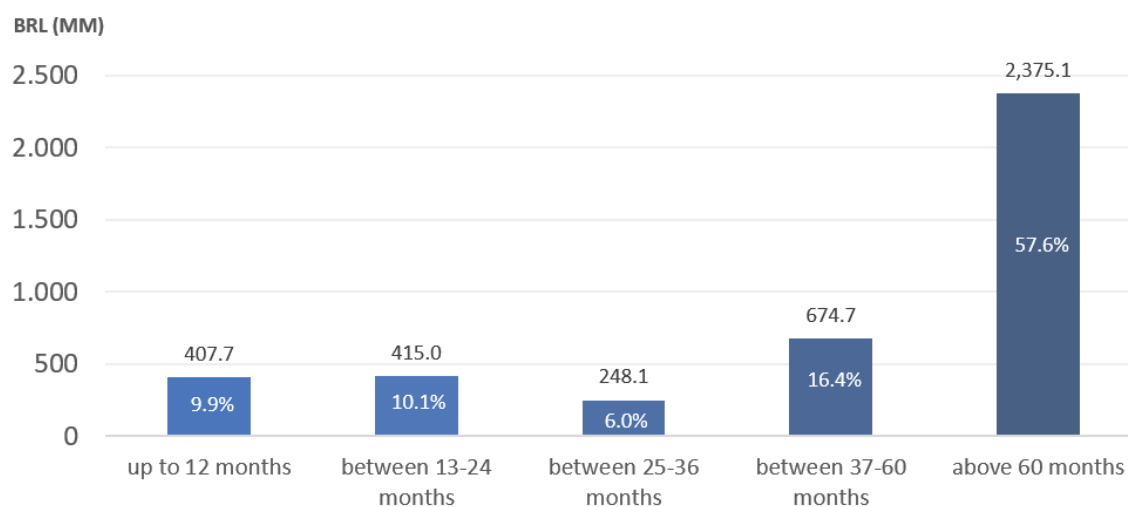
Leverage Ratio (Net Debt / EBITDA - accumulated 12 months) and Indebtedness Level

	4Q20	4Q21
Leverage Ratio	1.4x	1.4x
Indebtedness level	47.4%	46.5%

Loans, Financing, Debentures & Leases Breakdown in 12/31/2021:

Indebtedness - BRL million	Annual interest rate	Index	Contract term	Debt balance	%
Caixa Econômica Federal	6.62% to 12.00%	TR	7/19/2042	1,320.5	32.0
Debentures 10th Issue - single series	4.66%	IPCA	3/15/2027	398.3	9.7
Leasing Operations (Paraná Coast)	11.14%	IPC-FIPE	12/7/2036	296.0	7.2
BNDES - PAC2	TJPL + 1.67% & 2.05%	-	7/15/2029	290.4	7.0
Debentures 11th Issue – 2nd series	4.25%	IPCA	3/15/2029	223.7	5.4
Debentures 9th Issue – 1st series	106.05% on DI	-	6/11/2024	200.1	4.9
Debentures 11th Issue – 3rd series	4.49%	IPCA	3/17/2031	173.7	4.2
Debentures 8th Issue – 2nd series	108.00% on DI	-	6/21/2023	155.4	3.8
Debentures 9th Issue – 2nd series	107.25% on DI	-	6/11/2026	151.6	3.7
Debentures 4th Issue – 1st series	TJLP + 1.67%	-	7/15/2027	133.6	3.3
Debentures 11th Issue – 1st series	DI + 1.65%	-	3/13/2026	130.6	3.2
Leasing - Right of Use	5.04%	-	8/31/2026	109.0	2.6
Debentures 4th Issue – 2nd series	7.44%	IPCA	7/15/2027	85.1	2.1
Debentures 7th Issue – 2nd series*	4.79%	IPCA	11/15/2038	73.9	1.8
Debentures 2nd Issue – 2nd series	9.19%	IPCA	9/15/2024	67.0	1.6
Credit Note ("CCB")	DI + 2.75%	-	6/13/2022	66.6	1.6
Debentures 7th Issue – 1st series*	5.20%	IPCA	11/15/2038	45.3	1.1
Debentures 2nd Issue – 3rd series	TJLP + 1.92%	-	9/15/2024	45.0	1.1
Debentures 7th Issue – 4th series	6.57%	IPCA	11/15/2038	36.5	0.9
Debentures 2nd Issue – 1st series	TJLP + 1.92%	-	9/15/2024	33.7	0.8
BNDES - AVANÇAR	3.56% to 3.96%	IPCA	6/15/2040	28.0	0.7
Debentures 7th Issue – 3rd series	6.97%	IPCA	11/15/2038	22.6	0.5
KfW Bank	1.35%	EURO	12/30/2032	11.9	0.3
BNDES	TJLP + 1.82%	-	1/15/2023	8.3	0.2
Banco Itaú PSI	3.00% to 6.00%	-	1/15/2025	8.1	0.2
Banco do Brasil - PSI	3.00% to 6.00%	-	4/15/2024	5.7	0.1
Total				4,120.6	100.0

* IPCA as a variable component of the TLP

Debt Breakdown by Maturity


3. REGULATIONS

2020 Tariff Review

On 12/29/2020, at its Ordinary Meeting No. 029/2020, AGEPAR decided to partially approve Sanepar's readjustment request for the year 2020, approving the index of 5.11% to be applied as of February 5, 2021, according to Resolution No. 040/2020. The calculation made by AGEPAR considered the provisional suspension of the 4th installment of the tariff deferral, originating from the 1st Periodic Tariff Review ("1st RTP") occurred in 2017, and the replacement in the basket of indexes of the IGP-M by the IPCA.

The Agency also defined that the compensation for the delay in granting the tariff adjustment, in the period between May 2020 and February 2021, should be considered in the 2nd RTP.

On 01/25/2021, the Company filed a request with AGEPAR aiming at offsetting the amounts arising from the replacement of the IGP-M by the IPCA. The Agency, in turn, accepted Sanepar's request and cleared the amounts in the calculation of the 1st Phase of the 2nd Periodic Tariff Review ("2nd RTP"), as well as the compensation resulting from the delay in granting the Tariff Readjustment Index ("IRT 2020") from May 2020 to February 2021.

Portion A Cost Variation Account (CVA)

Portion A cost variation offsetting account corresponds to the offset of the monthly differences, whether gains or losses, calculated as a result of the variations in the costs of electricity, chemical products and segment charges, adjusted by IPCA.

The CVA is determined from the historical cost verified in the period $t - 1$ for the three components referred to above and passed by means of adjustments in the t period. However, the basic formulation of the tariff adjustment does not guarantee the perfect pass through of non-manageable costs to consumers, given that it does not consider, for example, the differences between reference and application markets.

As the calculation of the tariff adjustment assumes that exactly the same volume (m^3) verified upon the calculation of the adjustment will happen in the following period, by the end of t period the balance of CVA would be zero.

In 2021, the Company's CVA ascertained in a managerial way a positive balance of BRL 102.3 million that Sanepar shall recover via tariff.

The Company demonstrate its pro forma adjusted EBITDA with non-manageable items as a metric to analyze the impacts of the offsetting of the "A" portion (electrical energy, treatment material, fees and charges) of the tariff model. Adjusted EBITDA with non-manageable items is a non-accounting measurement and should not be considered in isolation as an operating indicator or cash flow or to measure the Company's liquidity or debt capacity.

Below follows the calculation of Adjusted EBITDA based on EBITDA, which follows ICVM 527/12, considering the estimated values of non-manageable items, accumulated up to December 31, 2021:

EBITDA - BRL million *	2021
EBITDA	2,273.2
(+) Non-manageable items	102.3
Electricity	118.8
Treatment material	7.5
Fee and charges	(24.0)
(=) Adjusted EBITDA with non-manageable items	2,375.5
% EBITDA Margin with non-manageable items	45.6%

* Information not audited or reviewed by independent auditors.

1st Phase of the 2nd Periodic Tariff Review ("RTP")

On 01/04/2021, AGEPAR promoted the opening of Public Consultation No. 001/2021, referring to the first phase of the second RTP and submitted nine Technical Notes opened 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, AGEPAR's Board of Directors, 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 will take effect 30 days after its approval.

Deferral of the 1st RTP

Also, in the 1st Phase of the 2nd RTP, AGEPAR updated the calculation rule in relation to the amortization of the portion of the deferral from the 1st RTP. In the final calculation, the deferred debt balance was estimated based on the balance of the differences between the Required Revenue and Verified Revenue projected up to May/2021 and resulted in the amount of BRL 1,709 million. This amount was integrated into the tariff through a fixed-value compensation portion over the tariff cycle (2021 to 2024) of BRL 0.459 per m³, calculated based on the equality of a cash flow discounted by the regulatory WACC. It should be noted that the amount will be projected each year in order to cover fluctuations in Selic rate (deferral correction rate).

The deferral comes from Sanepar's 1st RTP, on which occasion the Company was authorized by AGEPAR, through Homologatory Resolution No. 003, of April 12, 2017, to apply the index of 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 eight years, and the first installment will correspond, in the year of 2017, to an average repositioning of 8.53%, and the remainder in seven installments of 2.11%, plus the corresponding financial correction and economic correction, which will be applied by the weighted average rate of daily financing calculated in the

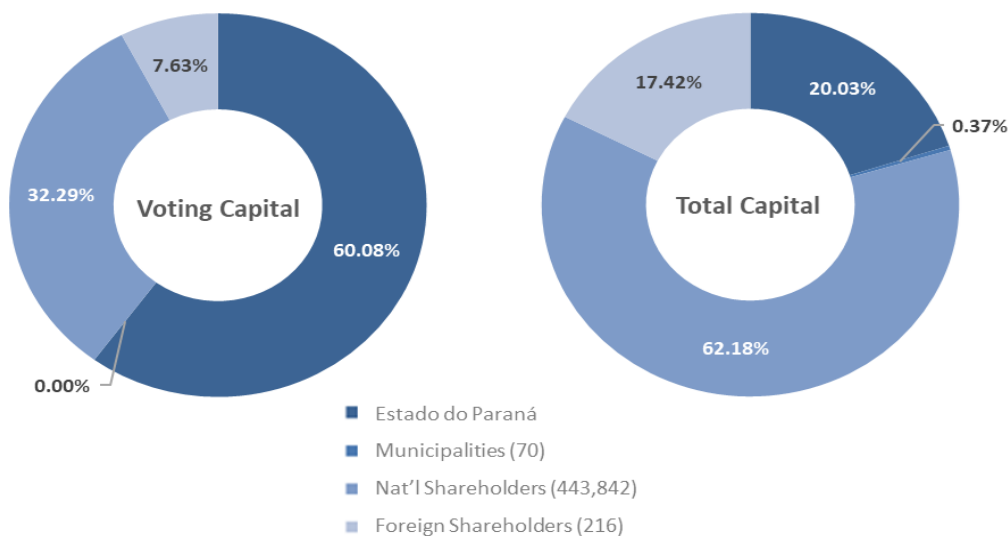
Special Settlement and Custody System (SELIC), under the terms defined in the Technical Note approved in article 1 of this Resolution ”.

In relation to accounting records, in analogy to Technical Guideline OCPC 08 - Recognition of Certain Assets and Liabilities in the General Purpose Accounting-Financial Reports of Electricity Distributors issued in accordance with 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, when 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.

4. CAPITAL MARKET

4.1 SHAREHOLDING COMPOSITION

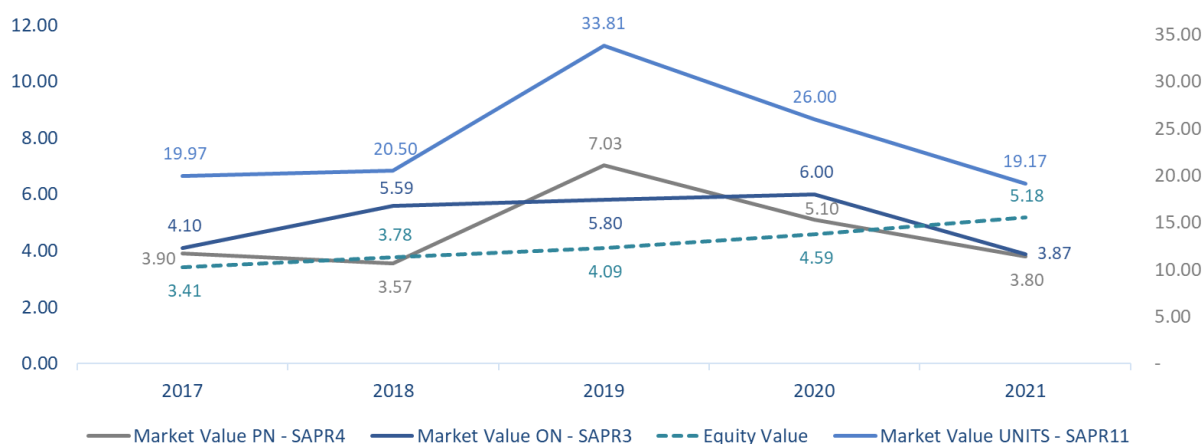
SHAREHOLDERS	Number of Shares			Shareholder Cap (BRL thousands)			% of share	
	ON	PN	Total	ON	PN	Total	Voting Capital	Total Capital
Estado do Paraná	302,653,775	3	302,653,778	801,092	0	801,092	60.08%	20.03%
Municipalities (70)	-	5,570,647	5,570,647		14,745	14,745	0.00%	0.37%
Nat'l Shareholders (443,842)	162,642,719	777,083,450	939,726,169	430,498	2,056,857	2,487,355	32.29%	62.18%
Foreign Sharholders (216)	38,438,765	224,816,160	263,254,925	101,743	595,064	696,808	7.63%	17.42%
TOTAL	503,735,259	1,007,470,260	1,511,205,519	1,333,334	2,666,666	4,000,000	100.00%	100.00%



4.2 SECURITIES

Security	Ticker	Closing Value 4Q20	Closing Value 4Q21	Variation between 4Q20 and 4Q21
Common Shares	SAPR3	R\$ 6.00	R\$ 3.80	-36.67%
Preferred Shares	SAPR4	R\$ 5.10	R\$ 3.87	-24.12%
UNITS	SAPR11	R\$ 26.00	R\$ 19.17	-26.27%

Comparison between equity value and market value (in BRL)*



* Adjusted to the split occurred on 03/30/2020

The equity value of each share in 4Q21 was BRL 5.18, while in 4Q20, BRL 4.59 was recorded. The Company's market cap on 12/30/2021 was BRL 5.8 billion.

4.3 PAYOUT

According to the Bylaws, the portion referring to the mandatory dividend may not be less than 25% of adjusted net profit, pursuant to article 202 of Law 6.404/76.

Under the current dividend policy, Management may, in addition to the mandatory annual dividend, observing the financial health and public interest that motivated the incorporation of the Company, approve the distribution as additional Dividends of up to 25% of net profit. For shareholders of preferred stocks, Dividends / Interest on Equity per share 10% higher than that assigned to common stocks, was assigned.

The remuneration credit to the Company's shareholders is assigned based on the shareholding position on the last working day of June and December of each financial year. And any negotiations subsequent to the credit are considered as ex-dividends (interest on shareholders' equity and dividends).

Interest on Capital is subject to the incidence of Income Tax, except for shareholders who declare themselves immune or exempt.

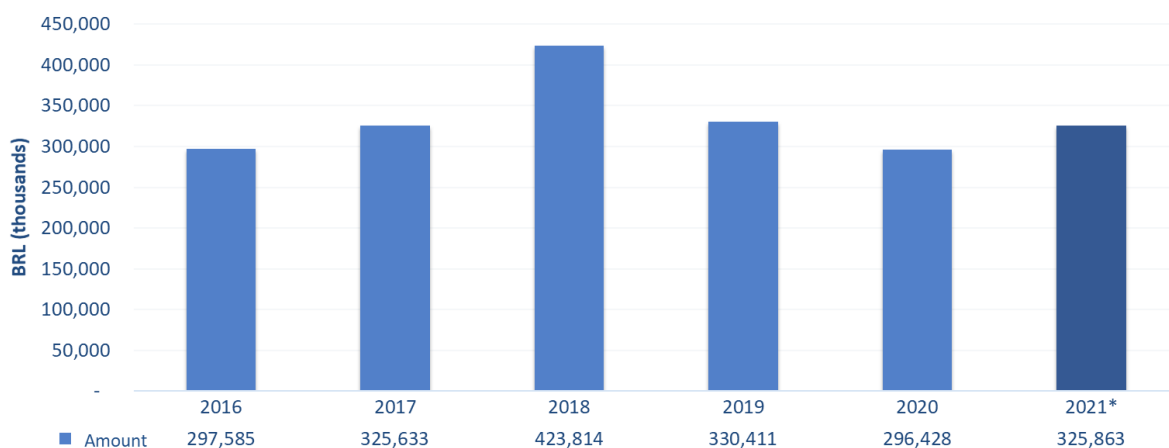
On June 18, 2021, the payment of IoE credits related to the 1st and 2nd halves of 2020 was made, in accordance with the decision of the 57th Annual General Meeting (“AGM”).

For the first half of 2021, the calculated (gross) value of Interest on Capital, observing the legal limit of the TJLP variation in the period, was BRL 151,083,814.93. This amount is in lieu of Mandatory Dividends, according to the statutory forecast and based on the income calculated in the first half of 2021. The Interest on Capital was resolved by the Board of Directors at its 6th/2021 Ordinary Meeting of June 24, 2021 and informed to the market in the Notice to Shareholders of the same date, considering the shareholding position of June 30, 2021.

For the second half of 2021, the calculated (gross) value of Interest on Capital, observing the legal limit of the TJLP variation in the period, was BRL 174,779,663.05. This amount is in lieu of Mandatory Dividends, according to the statutory forecast and based on the income calculated in the second half of 2021. The Interest on Capital was resolved by the Board of Directors at its 16th/2021 Extraordinary Meeting of December 16, 2021 and informed to the market in the Notice to Shareholders of the same date, considering the shareholding position of December 30, 2021.

The financial availability of the respective amounts will take place on a date yet to be defined by the 58th Annual General Meeting, scheduled to take place on April 28, 2022.

Remuneration to shareholders:



*IoE credited for the first and second halves of 2021.

Earnings per Share:

Security	Total per Share 2020		IoC 1st Half 2021		IoC 2nd Half 2021	
Common Share	R\$	0.183893607058	R\$	0.09372721015	R\$	0.10842730054
Preferential Share	R\$	0.202282967777	R\$	0.10309993116	R\$	0.11927003059
Unit	R\$	0.993025478167	R\$	0.50612693478	R\$	0.58550742290

* Adjusted to the split occurred on 03/30/2020

Also, referring to the year 2021, Management proposes a total distribution of BRL 343,564,442.56 million, corresponding to 30.7% of the Adjusted Net Income for the period, considering the amount of BRL 17,700,964.58 as Additional Dividends to be resolved on the 58th AGM.

5. OTHER INFORMATION

5.1 CORONAVIRUS (COVID-19) IMPACT

The Company disclosed the impacts of the new coronavirus pandemic (COVID-19) in Explanatory Note No. 31 of the 2021 Financial Statements.

5.2 REGIONALIZATION OF SERVICES

As provided for in Federal Law No. 14,026, of July 15, 2020, the Government of the State of Paraná enacted the Complementary Law No. 237/2021 on July 09, 2021, which institutes the Central-Coast, Central-East and West micro-regions of public water supply and sewage services 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 the aforementioned micro-regions.

5.3 PROOF OF ECONOMIC AND FINANCIAL CAPACITY

The Company, in compliance with the obligations provided for in Federal Decree No. 10,710/2021, filed the proof of economic and financial capacity to meet the goals provided for in art. 11-B of Law No. 11,445/2007 on December 29, 2021 at AGEPAR (The Regulatory Agency for Delegated Public Services of Paraná) and at ARIS (Santa Catarina's Intermunicipal Sanitation Regulatory Agency), and between December 29 and 30, 2021, at ANA (The National Water and Sanitation Agency).

Income Statement	4Q21	4Q20	4Q19
Net Operating Revenue	1,383.2	1,236.9	1,339.6
Costs of Services Provided	-553.1	-476.3	-501.2
Gross Profit	830.1	760.6	838.4
Operating Expenses	-355.3	-307.4	-293.2
Commercial	-112.7	-116.1	-92.3
Administrative	-176.9	-142.1	-162.8
Losses due to non-recoverability of assets	-4.1	1.1	-19.4
Civil, Labor, Tax & Environmental Provisions	-14.1	8.4	0.3
Retirement and Health Care Plan Provisions	-13.2	-10.7	-15.2
Profit Sharing Program	-20.6	-31.9	-0.2
Other Operating Expenses (Revenues)	-13.0	-16.2	-2.4
Equity Results Method	-0.7	0.1	-1.2
Income Before Financial Result and Taxes	474.8	453.2	545.2
Financial Result	-66.6	-62.9	-46.0
Financial Revenues	39.1	15.0	22.1
Financial Expenses	-105.7	-77.9	-68.1
Result before taxes on the profit	408.2	390.3	499.2
Income Tax and Social Contribution on the Profit	-76.2	-99.0	-112.9
Net Profit in the Period	332.0	291.3	386.3

Balance Sheet - Assets	DEC/21	DEC/20	DEC/19
Current Assets			
Cash & Cash Equivalent	983.1	874.3	274.1
Accounts Receivable from Customers	971.5	779.4	809.7
Stocks	57.7	53.9	46.1
Taxes to Recover	11.4	6.8	0.3
Linked Deposits	14.4	4.7	2.9
Derivative Financial Instruments	12.7	9.5	-
Other Accounts Receivable	20.8	27.7	37.6
Total Current Assets	2,071.6	1,756.3	1,170.7
Non-current Assets			
Accounts Receivable from Customers	51.6	20.2	19.8
Deferred Income Tax & Social Contribution	679.5	656.5	629.1
Linked Deposits	59.0	56.9	55.7
Judicial Deposits	408.6	320.5	297.8
Derivative Financial Instruments	-	-	2.0
Contractual Financial Assets	603.0	490.1	435.2
Contracts Assets	1,869.7	1,634.8	1,756.7
Other Accounts Receivable	44.0	45.9	48.6
Investments	2.0	2.4	2.7
Fixed Asset	312.7	286.0	297.7
Intangible Asset	8,538.9	7,921.3	7,223.6
Total Non-current Assets	12,569.0	11,434.6	10,768.9
Total Assets	14,640.6	13,190.9	11,939.6

Balance Sheet - Liabilities	DEC/21	DEC/20	DEC/19
Current Liabilities			
Labor Obligations	117.9	181.4	119.5
Suppliers	269.4	209.4	214.5
Tax Obligations	84.6	72.7	100.8
Loans, Financing, Debentures, Leasing	407.7	521.5	357.2
Dividends & IoC - Payable	243.6	206.2	229.3
Concession Contracts	-	-	31.4
Contractual Collateral and Withholding	2.2	2.3	2.2
Revenue to be Appropriated	0.7	4.2	4.2
Derivative Financial Instruments	11.6	8.2	-
Other Bills to Pay	85.6	77.3	56.5
Retirement and Health Care Plan Provisions	77.3	78.1	82.4
Labor Provisions	96.6	87.6	93.4
Total Current Liabilities	1,397.2	1,448.9	1,291.4
Non-current Liabilities			
Suppliers	2.8	4.4	-
Loans, Financing, Debentures, Leasing	3,712.9	3,126.1	2,723.2
Taxes and Contributions	-	0.1	0.6
Revenue to be Appropriated	-	0.7	4.9
Derivative Financial Instruments	-	-	2.0
Other Bills to Pay	3.0	29.6	42.7
Retirement and Health Care Plan Provisions	1,082.8	1,093.2	1,154.2
Provisions	615.6	544.7	546.7
Total Non-current Liabilities	5,417.1	4,798.8	4,474.3
Total Liabilities	6,814.3	6,247.7	5,765.7
Equity			
Issued Capital Share	3,996.1	3,996.1	2,851.1
Revaluation Reserve	59.0	64.3	69.5
Profit Reserve	3,696.9	2,853.6	3,306.8
Accumulated Profits	-	-	-
Equity Valuation Adjustments	4.5	4.7	5.2
Other Statements of Comprehensive Income	69.8	24.5	-58.7
Total Shareholders' Equity	7,826.3	6,943.2	6,173.9
Total Liabilities and Shareholders' Equity	14,640.6	13,190.9	11,939.6

Cash Flow Statement	4Q21	4Q20	4Q19
Cash Flow From Operating Activities			
Net Profit in the Period	332.0	291.3	386.3
Adjustments to reconcile net profit and net cash			
Depreciation & Amortization	101.7	94.0	86.0
Costs of write-offs in fixed and intangible assets	6.8	3.9	3.4
Adjustment to Recoverable Value of Assets	3.5	-1.1	19.2
Adjustment to Present Value - Financial Assets	-1.2	0.9	-10.9
Provision for Losses in credit realizations	29.1	34.7	6.1
Deferred Income Tax & Social Contribution, net	-20.9	-5.9	-16.2
Civil, Labor, Tax and Environmental Provisions	14.1	-8.4	-0.3
Retirement & Health Care Plan	13.2	10.7	15.2
Interest of Financing	68.7	50.5	49.3
Monetary Variations on Financing	35.2	17.0	2.4
Interest and Monetary Updates on Leasing	4.0	8.4	19.8
Exchange Variations, net	-	-0.2	0.0
Financial Derivatives Variation	0.2	0.1	0.0
Result of Equity Method	0.7	-0.1	1.2
Appropriation of costs on the third parties fundraising	1.1	0.8	0.1
Fair Value Adjustment - Investments	-0.1	-0.2	-0.3
	588.1	496.4	561.3
Variation in Assets & Liabilities			
Accounts Receivable from Customers	-90.9	-60.4	-103.1
Taxes and Contributions to recover	-11.3	-0.4	0.0
Stocks	-5.2	-5.2	-2.3
Judicial Deposits	-27.4	-16.9	-4.0
Other Credits and Accounts Receivable	17.1	21.8	22.8
Suppliers	9.9	21.4	20.2
Concession Contracts	-	-	0.4
Taxes and Contributions	111.1	57.4	144.9
Salaries and Charges Payable	-47.6	-118.2	-69.9
Contractual Collateral and Withholding	-0.1	0.1	0.0
Revenues to be Appropriated	-1.0	-1.1	-1.1
Income Tax and Social Contribution, paid	-143.0	-144.8	-147.0
Other Accounts to pay	-13.1	20.5	-17.5
	-201.5	-225.8	-156.6
Caixa Gerado pelas Atividades Operacionais	386.6	270.6	404.7
Cash Flow from Investments			
Investment in Fixed & Intangible Assets	-401.8	-263.5	-274.6
Investments Application	-	-	-2.5
Cash Generated by Investment Activities	-401.8	-263.5	-277.1
Cash Flow from Financing Activities			
Financing Obtained	96.2	98.7	93.2
Amortization on Financing	-83.4	-125.2	-123.7
Interest Payments on Financing	-62.1	-48.6	-60.1
Leasing Payments	-22.2	-20.0	-20.4
Costs in the Third Parties Fundraising	-	-1.1	0.0
Linked Deposits	-1.0	0.2	0.3
Payment of Interest on Equity (IoE)	-0.1	-0.2	-0.3
Cash Generated by Financing Activities	-72.6	-96.2	-111.0
Variation in Cash and Cash Equivalent Balance	-87.7	-89.1	16.6
Cash and Cash Equivalent Initial Balance	1,070.8	963.4	257.5
Cash and Cash Equivalent Final Balance	983.1	874.3	274.1

Earnings Conference Call | 4Q21

Friday, February 25th, 2022 | 10:00 am (BRT)

Guest access phone numbers:

(11) 3137-8038 (Brazil)

(+1) 786-209-1795 (US)

(+44) 20-3769-3830 (UK)

Webcast access at ri.sanepar.com.br

Investor Relations

CFO & IRO

Abel Demetrio

Investor Relations Manager

Fabiane Queiroz Santos Heinisch

Investor Relations Team

Daniele Rodrigues de Almeida

Jamile Gema de Oliveira

Marcos Aurélio Gaiovicz

Ricardo Garcia Gonçalves

ri@sanepar.com.br | ri.sanepar.com.br