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ITR - QUARTERLY INFORMATION THIRD QUARTER OF 2023

COMPANHIA DE SANEAMENTO DO PARANÁ - SANEPAR

Quarterly Information
For the quarter ended at September 30, 2023

Content

Balance sheet

Statements of income

Statements of comprehensive income

Statements of cash flows - indirect method

Statements of changes in equity

Statements of added value - additional information

Management report

Notes to the Quarterly Information

Auditor's review report on the quarterly information

Statements

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

Code of Account	Account description	Current quarter 09/30/2023	Prior Year 12/31/2022
1	Total Assets	18.315.489	16.657.196
1.01	Current assets	2.696.458	2.469.829
1.01.01	Cash and cash equivalents	1.276.092	1.207.932
1.01.01.01	Cash and banks	47.197	38.762
1.01.01.02	Financial investments	1.228.895	1.169.170
1.01.03	Accounts receivable	1.250.471	1.086.163
1.01.03.01	Trade accounts receivable	1.250.471	1.086.163
1.01.04	Inventories	67.351	76.943
1.01.06	Recoverable taxes	106	38.334
1.01.06.01	Current recoverable taxes	106	38.334
1.01.08	Other current assets	102.438	60.457
1.01.08.03	Others	102.438	60.457
1.01.08.03.01	Restricted deposits	34.577	23.705
1.01.08.03.02	Derivative financial instruments	27.177	16.053
1.01.08.03.03	Other accounts receivable	40.684	20.699
1.02	Noncurrent assets	15.619.031	14.187.367
1.02.01	Long-term assets	5.443.066	4.860.198
1.02.01.04	Accounts receivable	288.606	125.750
1.02.01.04.01	Trade accounts receivable	288.606	125.750
1.02.01.07	Deferred taxes	761.053	686.874
1.02.01.07.01	Deferred Income and Social Contribution Taxes	761.053	686.874
1.02.01.10	Other noncurrent assets	4.393.407	4.047.574
1.02.01.10.03	Restricted deposits	81.637	75.214
1.02.01.10.06	Court deposits	602.443	507.294
1.02.01.10.07	Contractual financial assets	857.360	676.465
1.02.01.10.08	Contract of asset	2.793.812	2.746.449
1.02.01.10.09	Other receivables	58.155	42.152
1.02.02	Investments	3.073	1.988
1.02.02.01	Shareholdings	3.073	1.988
1.02.02.01.03	Joint Ventures	3.073	1.988
1.02.03	Fixed assets	369.229	370.524
1.02.03.01	Fixed assets in operation	221.348	219.501
1.02.03.02	Rigth-of-use assets	147.881	151.023
1.02.04	Intangible assets	9.803.663	8.954.657
1.02.04.01	Intangible assets	9.803.663	8.954.657
1.02.04.01.01	Concession contracts	9.629.066	8.777.168
1.02.04.01.02	Rigth-of-use assets	174.597	177.489

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

Code of Account	Account description	Current quarter 09/30/2023	Prior Year 12/31/2022
2	Total Liabilities	18.315.489	16.657.196
2.01	Current liabilities	1.907.104	1.629.658
2.01.01	Payroll and social charges	129.546	139.976
2.01.01.02	Labor liabilities	129.546	139.976
2.01.02	Trade accounts payable	336.008	297.045
2.01.02.01	Trade accounts payable - domestic	336.008	297.045
2.01.03	Tax liabilities	113.176	102.767
2.01.03.01	Federal Taxes	110.341	99.890
2.01.03.01.01	Income tax and social contribution	61.197	0
2.01.03.01.02	Other Federal Taxes	49.144	99.890
2.01.03.03	Municipal Taxes	2.835	2.877
2.01.04	Loans and financing	664.048	575.651
2.01.04.01	Loans and financing	210.878	176.970
2.01.04.01.01	Domestic currency	184.533	161.618
2.01.04.01.01	Foreign currency	26.345	15.352
2.01.04.02	Debentures	356.682	303.115
2.01.04.03	Financing from finance lease	96.488	95.566
2.01.05	Other liabilities	387.254	340.826
2.01.05.02	Others	387.254	340.826
2.01.05.02.01	Dividends and interest on equity capital payable	240.560	227.335
2.01.05.02.05	Collaterals and contractual retentions	2.308	2.217
2.01.05.02.07	Unearned revenue	3.560	3.560
2.01.05.02.08	Derivative financial instruments	27.502	15.746
2.01.05.02.09	Other accounts payable	113.324	91.968
2.01.06	Provisions	277.072	173.393
2.01.06.02	Other provisions	277.072	173.393
2.01.06.02.04	Provisions for pension plan and health insurance	69.690	67.404
2.01.06.02.05	Labor provisions	207.382	105.989
2.02	Noncurrent liabilities	6.910.952	6.240.651
2.02.01	Loans and financing	5.013.248	4.507.593
2.02.01.01	Loans and financing	2.162.021	1.836.065
2.02.01.01.01	Domestic currency	2.162.021	1.836.065
2.02.01.02	Debentures	2.450.577	2.267.243
2.02.01.03	Financing from finance lease	400.650	404.285
2.02.02	Other liabilities	93.453	100.406
2.02.02.02	Others	93.453	100.406
2.02.02.02.04	Contractors and Suppliers	0	1.077
2.02.02.02.09	Unearned revenue	8.603	11.273
2.02.02.02.11	Other accounts payable	84.850	88.056
2.02.04	Provisions	1.804.251	1.632.652
2.02.04.02	Other provisions	1.804.251	1.632.652
2.02.04.02.04	Provisions for pension plan and health insurance	975.657	943.652
2.02.04.02.05	Provisions	828.594	689.000
2.03	Equity	9.497.433	8.786.887
2.03.01	Realized capital stock	5.996.137	3.996.137
2.03.01.01	Paid-in capital stock	5.996.137	3.996.137
2.03.03	Revaluation surplus	51.233	54.426
2.03.03.01	Own assets	51.233	54.426
2.03.04	Profit reserves	2.356.691	4.515.837
2.03.04.01	Legal reserve	0	166.212
2.03.04.07	Tax incentive reserve	11.606	11.606
2.03.04.08	Additional proposed dividend	0	159.146
2.03.04.10	Investment plan	2.345.085	4.178.873
2.03.05	Retained earnings/(Accumulated losses)	872.957	0
2.03.06	Asset and liability valuation adjustments	4.250	4.322
2.03.08	Other comprehensive income	216.165	216.165

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

Code of Account	Account description	Current quarter	Accumulated in current year	Prior quarter	Accumulated in prior year
		07/01/2023 to 09/30/2023	01/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022	01/01/2022 to 09/30/2022
3.01	Revenue from sales of goods and/or services	1.605.776	4.595.768	1.432.464	4.198.419
3.02	Cost of goods sold and/or services rendered	-643.086	-1.848.833	-569.188	-1.809.770
3.03	Gross result	962.690	2.746.935	863.276	2.388.649
3.04	Operating expenses/revenues	-306.608	-997.737	-397.841	-1.096.395
3.04.01	Selling expenses	-44.130	-144.863	-130.105	-373.216
3.04.02	General and administrative expenses	-192.717	-570.270	-188.246	-503.551
3.04.05	Other operating expenses	-69.400	-281.655	-78.865	-217.405
3.04.05.01	Provision for contingencies	-18.751	-139.594	-37.750	-94.464
3.04.05.02	Pension plan and health insurance	-11.430	-34.291	-20.169	-60.508
3.04.05.03	Profit sharing program	-30.359	-87.098	-18.722	-54.519
3.04.05.04	Other operating expenses (revenues)	-8.860	-20.672	-2.224	-7.914
3.04.06	Equity in earnings (losses) of controlled companies	-361	-949	-625	-2.223
3.05	Income (loss) before financial income (loss) and taxes	656.082	1.749.198	465.435	1.292.254
3.06	Financial income (loss)	-65.032	-181.371	-56.868	-175.848
3.06.01	Financial revenues	70.977	220.744	67.998	203.500
3.06.02	Financial expenses	-136.009	-402.115	-124.866	-379.348
3.07	Income (loss) before taxes	591.050	1.567.827	408.567	1.116.406
3.08	Income and Social Contribution Taxes	-194.190	-429.285	-133.639	-315.827
3.08.01	Current	-223.605	-503.464	-176.250	-381.242
3.08.02	Deferred	29.415	74.179	42.611	65.415
3.09	Net income (loss) from continuing operations	396.860	1.138.542	274.928	800.579
3.11	Income/Loss for the period	396.860	1.138.542	274.928	800.579
3.99	Earnings per share – (Reais/Share)				
3.99.01	Basic earnings per share				
3.99.01.01	Preferred shares	0.27082	0.77694	0.18761	0.54632
3.99.01.02	Common shares	0.24620	0.70631	0.17056	0.49665
3.99.02	Diluted earnings per share				
3.99.02.01	Preferred shares	0.27082	0.77694	0.18761	0.54632
3.99.02.02	Common shares	0.24620	0.70631	0.17056	0.49665

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

Code of Account	Account description	Accumulated in current year		Prior quarter	Accumulated in prior year
		Current quarter	01/01/2023 to 09/30/2023		
		07/01/2023 to 09/30/2023	01/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022	01/01/2022 to 09/30/2022
4.01	Net income for the period	396.860	1.138.542	274.928	800.579
4.02	Other comprehensive income	-1.083	-3.265	-1.104	-3.528
4.02.01	Realization of revaluation surplus	-1.602	-4.838	-1.641	-5.184
4.02.02	Taxes on Realization of Revaluation Surplus	545	1.645	558	1.763
4.02.03	Realization of Deemed Cost	-39	-109	-32	-161
4.02.04	Taxes on Realization of Deemed Cost	13	37	11	55
4.03	Comprehensive income for the period	395.777	1.135.277	273.824	797.051

Individual financial statements/Statements of cash flows - indirect method
(In thousands of Brazilian reais)

Code of account	Account description	Accumulated in	Accumulated in
		current year 01/01/2023 to 09/30/2023	prior year 01/01/2022 to 09/30/2022
6.01	Net cash from operating activities	1.730.667	1.474.947
6.01.01	Cash from operations	1.929.104	1.770.696
6.01.01.01	Net income for the period	1.138.542	800.579
6.01.01.02	Depreciation and amortization	355.693	319.402
6.01.01.03	Costs of fixed and intangible assets write-offs	7.628	11.988
6.01.01.04	Impairment	-1.579	-2.840
6.01.01.06	Discount to present value of financial assets	-22.776	-19.585
6.01.01.07	Allowance for doubtful accounts	-88.055	167.065
6.01.01.08	Deferred Income and Social Contribution Taxes, net	-74.179	-65.415
6.01.01.09	Provision for contingencies	139.594	94.464
6.01.01.10	Pension plan and medical insurance	34.291	60.508
6.01.01.11	Interest on financing	315.942	264.384
6.01.01.12	Monetary variations on financing	83.410	75.630
6.01.01.13	Interest and monetary restatements Leasing	33.630	56.604
6.01.01.14	Exchange rate, net	-658	-1.870
6.01.01.15	Exchange on derivative financial instrmnts	2.243	3.315
6.01.01.16	Equity in earnings (losses) of controlled companies	949	2.223
6.01.01.17	Appropriation of costs of funds raised from third parties	4.552	4.150
6.01.01.18	Adjustment to Fair Value – Investments	-123	94
6.01.02	Changes in assets and liabilities	-198.437	-295.749
6.01.02.01	Trade accounts receivable	-239.109	-268.251
6.01.02.02	Recoverable taxes and contributions	38.228	-970
6.01.02.03	Inventories	9.592	-10.316
6.01.02.04	Court deposits	-95.149	-89.375
6.01.02.05	Other receivables and accounts receivable	-36.414	-11.546
6.01.02.06	Contractors and Suppliers	37.886	4.684
6.01.02.08	Taxes and contributions	395.248	302.851
6.01.02.09	Salaries and social charges	90.963	64.078
6.01.02.10	Collaterals and contractual retentions	91	-153
6.01.02.11	Unearned revenues	-2.670	15.023
6.01.02.12	Income and social contribution taxes paid	-414.068	-306.425
6.01.02.13	Other accounts payable	16.965	4.651
6.02	Net cash from investing activities	-1.372.688	-1.264.744
6.02.01	Investments in fixed and intangible assets	-1.371.726	-1.262.003
6.02.02	Investments	-962	-2.741
6.03	Net cash from financing activities	-289.819	34.161
6.03.01	Financing	879.167	940.454
6.03.02	Amortization of financing	-374.343	-257.323
6.03.03	Payments of interest on financing	-309.047	-246.427
6.03.04	Payments of Mercantile Leases	-80.501	-64.127
6.03.05	Costs of funds raised with third parties	-2.258	-12.848
6.03.06	Restricted deposits	-17.295	-16.221
6.03.07	Payments of Interest on Equity	-385.542	-309.347
6.05	Increase (decrease) in cash and equivalents	68.160	244.364
6.05.01	Beginning balance of cash and cash equivalents	1.207.932	983.127
6.05.02	Ending balance of cash and cash equivalents	1.276.092	1.227.491

Individual financial statements/ Statement of changes in equity - 01/01/2023 to 09/30/2023
(In thousands of Brazilian reais)

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	4.515.837	0	274.913	8.786.887
5.03	Adjusted beginning balances	3.996.137	0	4.515.837	0	274.913	8.786.887
5.04	Capital Transactions with Shareholders	2.000.000	0	-2.159.146	-268.850	0	-427.996
5.04.01	Increase in capital stock	2.000.000	0	-2.000.000	0	0	0
5.04.06	Dividends	0	0	-159.146	0	0	-159.146
5.04.07	Interest on Equity	0	0	0	-268.850	0	-268.850
5.05	Total comprehensive income	0	0	0	1.141.807	-3.265	1.138.542
5.05.01	Net income for the period	0	0	0	1.138.542	0	1.138.542
5.05.02	Other comprehensive income	0	0	0	3.265	-3.265	0
5.05.02.06	Realization of revaluation surplus	0	0	0	4.838	-4.838	0
5.05.02.07	Taxes on the realization of revaluation surplus	0	0	0	-1.645	1.645	0
5.05.02.08	Realization of adjustment to deemed cost	0	0	0	109	-109	0
5.05.02.09	Taxes on realization of adjustment to deemed cost	0	0	0	-37	37	0
5.07	Ending balances	5.996.137	0	2.356.691	872.957	271.648	9.497.433

Individual financial statements/ Statement of changes in equity - 01/01/2022 to 09/30/2022
(In thousands of Brazilian reais)

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
5.04	Capital Transactions with Shareholders	0	0	-63.880	-154.207	0	-218.087
5.04.06	Dividends	0	0	-63.880	0	0	-63.880
5.04.07	Interest on Equity	0	0	0	-154.207	0	-154.207
5.05	Total comprehensive income	0	0	0	804.107	-3.528	800.579
5.05.01	Net income for the period	0	0	0	800.579	0	800.579
5.05.02	Other comprehensive income	0	0	0	3.528	-3.528	0
5.05.02.06	Realization of revaluation surplus	0	0	0	5.184	-5.184	0
5.05.02.07	Taxes on the realization of revaluation surplus	0	0	0	-1.762	1.762	0
5.05.02.08	Realization of adjustment to deemed cost	0	0	0	161	-161	0
5.05.02.09	Taxes on realization of adjustment to deemed cost	0	0	0	-55	55	0
5.07	Ending balances	3.996.137	0	3.633.064	649.900	129.733	8.408.834

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

Code of account	Account description	Accumulated in	Accumulated in
		current year 01/01/2023 to 09/30/2023	prior year 01/01/2022 to 09/30/2022
7.01	Revenues	5.021.250	4.342.745
7.01.01	Sales of merchandise, products and services	4.953.867	4.517.724
7.01.02	Other revenues	-20.672	-7.914
7.01.04	Reversal of/allowance for doubtful accounts	88.055	-167.065
7.02	Inputs acquired from third parties	-1.469.340	-1.411.763
7.02.01	Costs of products, merchandise and services sold	-674.900	-625.101
7.02.02	Materials, energy, third-party services and others	-705.153	-721.949
7.02.04	Others	-89.287	-64.713
7.03	Gross value added	3.551.910	2.930.982
7.04	Withholdings	-355.693	-319.402
7.04.01	Depreciation, amortization and depletion	-355.693	-319.402
7.05	Net generated value added	3.196.217	2.611.580
7.06	Value added received by transfer	219.795	201.277
7.06.01	Equity in earnings (losses) of controlled companies	-949	-2.223
7.06.02	Financial revenues	220.744	203.500
7.07	Total value added to be distributed	3.416.012	2.812.857
7.08	Value added distribution	3.416.012	2.812.857
7.08.01	Personnel	926.362	850.310
7.08.01.01	Direct compensation	597.329	529.403
7.08.01.02	Benefits	289.354	284.010
7.08.01.03	Severance Pay Fund (FGTS)	39.679	36.897
7.08.02	Taxes, fees and contributions	942.606	778.143
7.08.02.01	Federal	937.079	773.555
7.08.02.02	State	495	418
7.08.02.03	Municipal	5.032	4.170
7.08.03	Return on debt capital	408.502	383.825
7.08.03.01	Interest	402.115	379.348
7.08.03.02	Rents	6.387	4.477
7.08.04	Return on equity capital	1.138.542	800.579
7.08.04.01	Interest on Equity	268.850	154.207
7.08.04.03	Retained earnings/ Accumulated losses for the period	869.692	646.372

1. OPERATING DATA

1.1 MARKET

We present below the contracts in % of Total Revenue of the Company, as of September 30, 2023:

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	22.3%	24.8 years	Water and Sewage	100%	99.1%	839.1	825.4
Londrina	7.2%	22.8 years	Water and Sewage	100%	97.9%	256.6	252.9
Maringá	5.3%	16.9 years	Water and Sewage	100%	100.0%	174.1	195.5
Ponta Grossa	3.7%	2.5 years	Water and Sewage	100%	92.2%	160.4	146.0
Cascavel	3.6%	1.2 years	Water and Sewage	100%	100.0%	135.6	148.5
Foz do Iguaçu	3.4%	20.4 years	Water and Sewage	100%	82.5%	122.9	101.5
São José dos Pinhais	2.9%	20.3 years	Water and Sewage	100%	86.4%	121.2	103.0
Colombo	1.8%	24.6 years	Water and Sewage	100%	77.6%	88.5	67.3
Guarapuava	1.7%	19.1 years	Water and Sewage	100%	87.9%	71.9	61.8
Toledo	1.6%	1.9 years	Water and Sewage	100%	82.8%	64.4	52.9
Other Municipalities	46.5%					2,232.7	1,415.0
Total				100.0%	80.2%	4,267.4	3,369.8

Contracts	Number of Contracts ¹	Intangible assets + Contract assets + Financial assets ^{1 2}	% of Total Revenues ¹	% of EBITDA ¹
Overdue	24	710.1	4.8	4.7
Maturity in 2023	13	64.7	0.5	0.4
Maturity between 2024 and 2033	53	2,583.6	19.3	19.4
Maturity after 2033 ³	256	9,770.4	75.4	75.5
Total	346	13,128.8	100.0	100.0

¹ Information not audited or not reviewed by independent auditors.

² Book value

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

The rate of service with treated water is 100% and the rate of service with the sewage collection network - IARCE Urbano is 80.2%, with 100% of the collected sewage being treated, according to the Company's Information System.

Revenues stem mainly from residential water connections, representing 90.8% of the total water connections existing on September 30, 2023.

The number of water connections in September 2023 is 1.3% higher than the number of connections existing in September 2022, which represents an increase of 44,995 water connections, as follows:

Number of Water Connections*	SEP/23 (1)	%	SEP/22 (2)	%	Var.% (1/2)
Residential	3,125,996	90.8	3,087,405	90.9	1.2
Commercial	250,598	7.3	245,083	7.2	2.3
Industrial	13,795	0.4	13,702	0.4	0.7
Public Utility	24,390	0.7	24,139	0.7	1.0
Public Administration	27,750	0.8	27,205	0.8	2.0
Total	3,442,529	100.0	3,397,534	100.0	1.3

* Information not audited or not reviewed by independent auditors.

The number of sewage connections in September 2023 is 2.9% higher than the number of connections existing in September 2022, representing an increase of 71,539 new sewage connections, as shown below:

Number of Sewage Connections*	SEP/23 (1)	%	SEP/22 (2)	%	Var.% (1/2)
Residential	2,258,407	90.4	2,194,134	90.5	2.9
Commercial	200,385	8.0	194,320	8.0	3.1
Industrial	6,389	0.3	6,235	0.3	2.5
Public Utility	16,316	0.7	15,853	0.7	2.9
Public Administration	15,742	0.6	15,158	0.5	3.9
Total	2,497,239	100.0	2,425,700	100.0	2.9

* Information not audited or not reviewed by independent auditors.

1.2 PRODUCTIVITY

In 3Q23, the measured volume of treated water was 131.8 million m³, against 125.2 million m³ in 3Q22, representing an increase of 5.3%, as shown below:

Measured Volume - millions of m ³ *	3Q23 (1)	3Q22 (2)	Var. % (1/2)	9M23 (3)	9M22 (4)	Var. % (3/4)
Residential	112.0	106.3	5.4	338.4	323.6	4.6
Commercial	10.7	9.9	8.1	31.7	29.6	7.1
Industrial	2.8	2.9	-3.4	8.5	8.9	-4.5
Public Utility	1.4	1.4	0.0	4.1	4.0	2.5
Public Administration	4.9	4.7	4.3	14.3	13.6	5.1
Total	131.8	125.2	5.3	397.0	379.7	4.6

* Information not audited or not reviewed by independent auditors.

In 3Q23, the volume of treated water billed was 138.0 million m³, against 132.0 million m³ in 3Q22, representing an increase of 4.5%, as shown below:

Billed Water Volume - millions of m ³ *	3Q23 (1)	3Q22 (2)	Var. % (1/2)	9M23 (3)	9M22 (4)	Var. % (3/4)
Residential	117.4	111.7	5.1	353.8	33.9	4.4
Commercial	11.6	10.9	6.4	34.5	32.4	6.5
Industrial	2.9	3.6	-19.4	8.7	10.5	-17.1
Public Utility	1.1	1.0	10.0	3.3	3.2	3.1
Public Administration	5.0	4.8	4.2	14.6	13.9	5.0
Total	138.0	132.0	4.5	414.9	399.0	4.0

* Information not audited or not reviewed by independent auditors.

The volume of sewage billed in 3Q23 increased by 6.6% when compared to 3Q22, as shown below:

Billed Sewage Volume - millions of m ³ *	3Q23 (1)	3Q22 (2)	Var. % (1/2)	9M23 (3)	9M22 (4)	Var. % (3/4)
Residential	92.7	86.7	6.9	277.0	261.4	6.0
Commercial	10.8	10.2	5.9	32.2	30.0	7.3
Industrial	0.9	0.9	0.0	2.9	2.6	11.5
Public Utility	1.0	1.0	0.0	2.9	2.8	3.6
Public Administration	3.9	3.7	5.4	11.3	10.7	5.6
Total	109.3	102.5	6.6	326.3	307.5	6.1

* Information not audited or not reviewed by independent auditors.

DEMONSTRATIVE OF THE LOSS INDEX BY CONNECTION*

As of the 2023 fiscal year, in line with the legal aspects of the Sanitation Regulatory Framework and by determination of the Regulatory Agency of the State of Paraná – AGEPAR, which established the use as an indicator of the Loss Index per Connection in the SNIS standard (National System of Information on Sanitation), the Company changed the way of calculating and presenting this indicator.

The Loss Index per Connection calculated in the SNIS standard considers the volume of water losses defined as the difference between the produced volume, the balance between the exported and imported volume, and the micro-volume measured in the hydrometers, excluding the service volume (operational, recovered and special), being presented accumulated for a period of 12 months.



* Information not audited or not reviewed by independent auditors.

(1) Accumulated values for the last 12 months.

Water*	SEP/23 (1)	SEP/22 (2)	Var. (1/2)	SEP/21 (3)	Var. % (2/3)
Units served by the distribution network	4,267,446	4,222,691	1.1 %	4,149,930	1.8 %
Number of treatment stations	168	168	0.0 %	168	0.0 %
Number of wells	1,270	1,170	8.5 %	1,164	0.5 %
Number of surface catchment	232	235	-1.3 %	235	0.0 %
Km of laid network	61,086	59,825	2.1 %	58,858	1.6 %
Volume produced (m³)	603,591,792	583,826,365	3.4 %	561,697,408	3.9 %
Losses in billings - %	31.26	31.66	-0.40 p.p.	30.86	0.80 p.p.
Evasion of revenues - % (default)	-3.36	4.08	-7.44 p.p.	3.50	0.58 p.p.

* Information not audited or not reviewed by independent auditors.

Sewage*	SEP/23 (1)	SEP/22 (2)	Var. (1/2)	SEP/21 (3)	Var. % (2/3)
Units served by the collection network	3,369,781	3,272,951	3.0 %	3,188,247	2.7 %
Number of treatment stations	264	260	1.5 %	258	0.8 %
Km of laid network	41,827	40,428	3.5 %	39,461	2.5 %
Volume collected in m ³	310,321,968	290,821,131	6.7 %	279,301,187	4.1 %

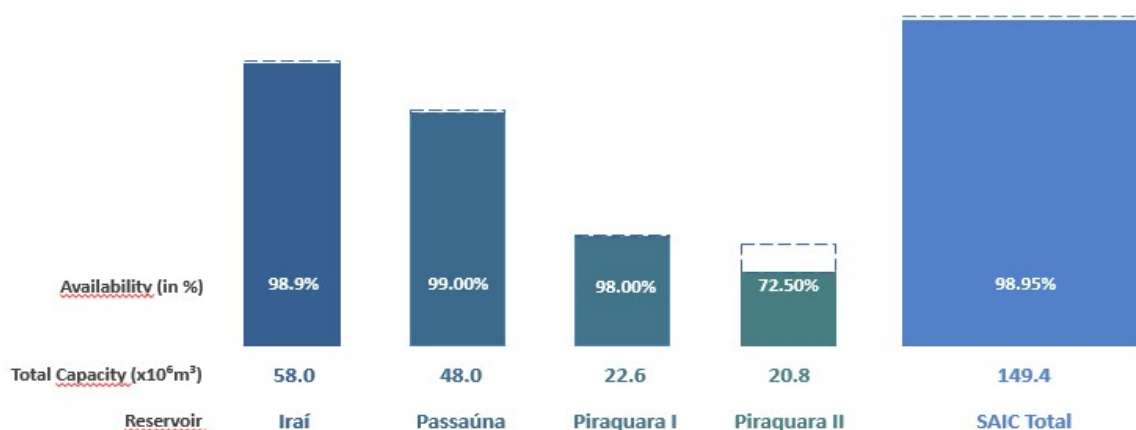
* Information not audited or not reviewed by independent auditors.

AVAILABLE VOLUMES

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 September 30, 2023, the average reserve volume was 99.0% (96.0% on 09/30/2022).



* Information not audited or not reviewed by independent auditors.

2. FINANCIAL DATA

2.1 ECONOMIC PERFORMANCE

Gross Operating Revenue - In million of Reais	3Q23 (1)	3Q22 (2)	Var. % (1/2)	9M23 (3)	9M22 (4)	Var. % (3/4)
Revenues from water	1,050.1	949.7	10.6	3,067.1	2,756.2	11.3
Revenues from sewage	627.9	547.0	14.8	1,743.8	1,623.7	7.4
Revenues from services	31.6	26.9	17.5	82.1	83.0	-1.1
Revenues from solid waste	3.3	3.1	6.5	9.9	9.5	4.2
Services provided to Municipalities	6.3	5.7	10.5	18.0	16.4	9.8
Donations made by clients	9.4	9.5	-1.1	27.8	24.2	14.9
Other revenues	1.9	2.1	-9.5	5.2	4.7	10.6
Total Operating Revenue	1,730.5	1,544.0	12.1	4,953.9	4,517.7	9.7
COFINS	-102.5	-91.8	11.7	-294.6	-262.7	12.1
PASEP	-22.2	-19.8	12.1	-63.5	-56.6	12.2
Total of Deductions	-124.7	-111.6	11.7	-358.1	-319.3	12.2
Total of Operating Revenue - Net	1,605.8	1,432.4	12.1	4,595.8	4,198.4	9.5

Net operating revenue increased by 12.1%, going from R\$1,432.4 million in 3Q22 to R\$1,605.8 million in 3Q23, this increase is due to: (i) 8.23 tariff adjustment as of May 17, 2023; (ii) 4.96% tariff adjustment as of May 17, 2022, fully impacting 2023; (iii) growth in billed water and sewage volumes; and (iv) the increase in the number of connections.

Operating costs and expenses In millions of Reals	3Q23 (1)	3Q22 (2)	Var. % (1/2)	9M23 (3)	9M22 (4)	Var. % (3/4)
Personnel	-330.6	-326.9	1.1	-983.8	-930.0	5.8
Materials	-80.9	-78.8	2.7	-244.0	-218.2	11.8
Electricity	-132.7	-104.5	27.0	-368.6	-426.5	-13.6
Third-party services	-225.8	-197.5	14.3	-613.8	-537.1	14.3
Depreciation and amortization	-121.6	-107.7	12.9	-355.7	-319.4	11.4
Gain (Losses) in Realization of Credits	43.3	-57.3	-175.6	88.1	-167.0	-152.8
Municipal Sanitation and Environmental Fund	-28.1	-25.4	10.6	-81.0	-109.9	-26.3
Regulatory fee	-8.7	-7.0	24.3	-26.2	-20.9	25.4
Compensations for damages to third parties	-11.1	-2.8	296.4	-15.2	-5.6	171.4
Capitalized expenses	30.9	33.2	-6.9	92.9	93.6	-0.7
Provision for contingencies	-18.7	-37.8	-50.5	-139.6	-94.5	47.7
Pension plan and medical insurance	-11.4	-20.2	-43.6	-34.3	-60.5	-43.3
Profit sharing program	-30.4	-18.7	62.6	-87.1	-54.5	59.8
Eventual losses	-7.7	0.0	-	-7.7	0.0	-
Environmental Fines	0.0	0.0	0.0	-9.2	0.0	-
Write-off of assets, net	-1.2	-2.3	-47.8	-3.9	-7.8	-50.0
Other costs and expenses	-15.0	-13.4	11.9	-57.5	-47.9	20.0
Total	-949.7	-967.1	-1.8	-2,846.6	-2,906.2	-2.1

Operating costs and expenses in the 3Q23 decreased by 1.8% compared to the 3Q22.

The main changes resulted from:

Personnel

Growth of 1.1%, due to: (i) Salary adjustment of 5.5% (INPC) on labor allowances and benefits related to the Collective Bargaining Agreement - ACT 2022/2024 (base date March 2023); (ii) Salary adjustment of 10.8% (INPC) related to the Collective Bargaining Agreement - ACT 2022/2024 (base date March 2022), fully reflected in 3Q23; (iii) Readjustment of 15% of SANESAÚDE in June 2023; (iv) Labor indemnities in the amount of R\$9.2 million (R\$16.7 million in the same period of 2022); and (v) provision for indemnity allowance in the amount of R\$16.3 million (R\$15.5 million in the same period of 2022). On the other hand, the number of employees went from 6,159 in 2Q23 to 6,140 in 3Q23.

Materials

Increase of 2.7%, mainly in treatment material, which represents 63.3% of total material expenses in the quarter. Other materials also had an impact, such as: electromechanical maintenance material, fuels and lubricants, and network maintenance material.

Electricity

Increase of 27.0%, mainly due to the average tariff adjustment of 10.5%, applied from 06/24/2023, and the 3% reduction in the subsidy applied to consumer units that benefited from the sanitation discount, from 3 % to 0%.

Third Party Services

Increase of 14.3% mainly in cleaning and hygiene services, registration and billing services, surveillance services, network maintenance services, sewage waste removal services, customer service services, and unit maintenance services in water operations arising from contract readjustments and increase in the volume of services.

Depreciation and amortization

Increase of 12.9%, mainly due to the entry into operation of intangible assets and/or fixed assets, in the period of October 2022 to September 2023, in the amount of R\$1,652.8 million (net of write-offs).

Expected Losses on Credit Realization

Reduction of 175.6%, mainly due to the continuation of the Private Customer Credit Recovery Program (RECLIP), which allowed private customers to negotiate their debts, with the possibility of paying in up to 60 installments, without fines and with installment interest of 0.3% per month, which was valid until 07/31/2023. For the period between 08/01/2023 and 09/30/2023, the negotiation conditions allowed private customers to pay in up to 48 installments, without fine and with installment interest of 0.5% per month.

Municipal Sanitation and Environmental Management Fund

Increase of 10.6%, mainly as a result of the increase in the calculation base related to the tariff adjustment, and also a reflection of the renegotiation of the rates on the occasion of the formalization of the Contractual Update Terms with the Microregions of Public Water and Sanitary Sewage Services of the State of Paraná.

Compensations for damages to third parties

Increase of 296.4%, mainly due to compensation for environmental damages in the amount of R\$6.3 million related to a legal settlement in the Municipality of Campo Magro and the dismissal of 269 lawsuits related to lack of water in the municipality of Paranaity in the amount of R\$ \$2.3 million.

Provisions for Contingencies

Reduction of 50.5%, mainly due to the reversal of the provision as probable loss of precautionary action for early production of evidence to determine environmental damage in the amount of R\$13.0 million, in the Municipality of Campo Magro carried out in 2Q23 due to the conclusion of an agreement court, with compensation in the amount of R\$6.3 million being recorded in 3Q23. There was also a registration of a supplementary provision and new labor actions in the amount of R\$28.0 million, lower than the amount of R\$47.9 million recorded in 3Q22, whose objects mainly arise from: (i) reintegration of retirees; (ii) premiums and overtime; (iii) salary parity; and (iv) lawsuits filed by the Union of Engineers – SENGE regarding salary differences in the Cargo, Career and Compensation Plan – PCCR, offset by the dismissal of 45 labor lawsuits in the amount of R\$4.7 million due to definitive dismissal and procedural archiving.

2.2 ECONOMIC INDICATORS

Financial income (loss) - in million of Reais	3Q23 (1)	3Q22 (2)	Var. % (1/2)	9M23 (3)	9M22 (4)	Var. % (3/4)
Financial revenues						
Financial investments	42.1	44.2	-4.8	136.8	125.5	9.0
Monetary variation gains	29.8	19.7	51.3	82	55.5	47.7
Exchange rate variation gains	0.3	0.8	-62.5	1.2	3.3	-63.6
Gains on Derivative Financial Instruments	0.3	0.2	50.0	0.5	1.2	-58.3
Other financial revenues	-1.6	3.2	-150.0	0.2	18.0	-98.9
Total financial revenues	70.9	68.1	4.1	220.7	203.5	8.5
Financial expenses						
Interest and fees on loans, financing, debentures and leases	-122.5	-126.1	-2.9	-321.9	-300.3	7.2
Monetary variation losses	-12.3	3.5	-451.4	-76.4	-71.2	7.3
Exchange rate variation loss	-0.5	-0.3	66.7	-0.5	-1.5	-66.7
Loss on Derivative Financial Instruments	-0.7	-1.4	-50.0	-2.8	-4.5	-37.8
Other financial expenses	0.0	-0.6	-100.0	-0.5	-1.8	-72.2
Total financial expenses	-136.0	-124.9	8.9	-402.1	-379.3	6.0
Financial income (loss), net	-65.1	-56.8	14.6	-181.4	-175.8	3.2

The financial result decreased 14.6%, going from –R\$56.8 million in 3Q22 to –R\$65.1 million in 3Q23. Financial Expenses increased 8.9%, although expenses with interest and fees on financing, loans, debentures, and leases decreased 2.9%, going from R\$126.1 million in 3Q22 to R\$122.5 million in 3Q23. Additionally, Financial Expenses arising from Monetary Variation Losses suffered an increase due to the variation in the IPCA when comparing the periods 3Q22 and 3Q23, given the deflation occurred in the assessed period of 2022. On the other hand, Financial Income grew 4.1%, going from R\$68.1 million in 3Q22 to R\$70.9 million in 3Q23, mainly due to the change in the SELIC rate.

Resultado Economic Result - R\$ million	3Q23 (1)	3Q22 (2)	Var. % (1/2)	9M23 (3)	9M22 (4)	Var. % (3/4)
Operating income	656.1	465.3	41.0	1,749.2	1,292.2	35.4
Financial income (loss)	-65.1	-56.8	14.6	-181.4	-175.8	3.2
Taxes on income	-194.2	-133.6	45.4	-429.3	-315.8	35.9
Net income	396.8	274.9	44.3	1,138.5	800.6	42.2

The Company obtained a net income of R\$396.8 million in 3Q23, 44.3% above the net income of R\$274.9 million recorded in 3Q22. The result was mainly affected by the 12.1% growth in net operating revenue and by the 1.8% reduction in operating costs and expenses.

The 3Q23 result was not affected by non-recurring items.

Distribution of the Generated Economic Wealth - In million of Reais	3Q23 (1)	3Q22 (2)	Var. % (1/2)	9M23 (3)	9M22 (4)	Var. % (3/4)
Staff remuneration	311.5	299.4	4.0	926.4	850.3	8.9
Government Compensation (Taxes)	370.2	292.3	26.7	942.6	778.1	21.1
Third-party compensation (Rents)	1.5	1.0	50.0	6.3	4.5	40.0
Return on debt capital (interest and monetary variations)	136.0	124.8	9.0	402.1	379.4	6.0
Interest on Equity and Dividends	0.0	0.0	0.0	268.9	154.2	74.4
Net income for the period not distributed	396.9	275.0	44.3	869.7	646.4	34.5
Total Economic Wealth	1,216.1	992.5	22.5	3,416.0	2,812.9	21.4

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 achieve the universalization foreseen by the new sanitation legal framework.

Economic Indicators - In million of Reais	3Q23 (1)	3Q22 (2)	Var. % (1/2)	9M23 (3)	9M22 (4)	Var. % (3/4)
Net operating revenue	1,605.8	1,432.4	12.1 %	4,595.8	4,198.4	9.5 %
Operating profit	656.1	465.3	41.0 %	1,749.2	1,292.2	35.4 %
Net income	396.8	274.9	44.3 %	1,138.5	800.6	42.2 %
% Operating margin *	34.2	26.5	7.7 p.p.	31.6	24.7	6.9 p.p.
% Net margin *	24.7	19.2	5.5 p.p.	24.8	19.1	5.7 p.p.
% Return on average shareholders' equity *	4.3	3.3	1.0 p.p.	12.5	9.9	2.6 p.p.
Net debt/ EBITDA (Accumulated 12 month) *	1.6	1.7	-0.1 p.p.	1.6	1.7	-0.1 p.p.

* Information not audited or not reviewed by independent auditors.

At the end of 3Q23, the Company's total assets reached R\$18,315.5 million (R\$16,657.2 million on 12/31/2022), while total debt at the end of 3Q23 was R\$8,818.1 million (R\$7,870.3 million on 12/31/2022).

Of the total debt, R\$5,677.3 million (R\$5,083.2 million on 12/31/2022) refer to loans, financing, debentures and leases, an increase of 11.7% compared to the year of 2022.

	Reference	SEP/23	DEC/22	Var.
Equity	R\$ Million	9,497.4	8,786.9	8.1 %
Share value *	R\$	6.28	5.81	8.1 %
Indebtedness level *	%	48.1	47.2	0.9 p.p.
Current ratio *	R\$	1.41	1.52	-7.2 %
Quick ratio *	R\$	1.38	1.47	-6.1 %

* Information not audited or not reviewed by independent auditors.

EBITDA and Generation of Operating Cash

EBITDA in 3Q23, which represents the Company's operating result, was R\$777.7 million, against R\$573.0 million in 3Q22. The EBITDA margin went from 40.0% to 48.4%. The increase in EBITDA was mainly due to the 12.1% growth in net revenue and the 3.7% reduction in costs and expenses that impact EBITDA.

Operating cash generation in 3Q23 was R\$ 705.9 million, an increase of 25.2% when compared to 3Q22. The Conversion of EBITDA into Operating Cash was 90.8%.

EBITDA - R\$ million *	3Q23 (1)	3Q22 (2)	Var. % (1/2)	9M23 (3)	9M22 (4)	Var. % (3/4)
Net income	396.8	274.9	44.3	1,138.5	800.6	42.2
(+) Taxes on income	194.2	133.6	45.4	429.3	315.8	35.9
(+) Financial income (loss)	65.1	56.8	14.6	181.4	175.8	3.2
(+) Depreciation and Amortization	121.6	107.7	12.9	355.7	319.4	11.4
EBITDA	777.7	573.0	35.7	2,104.9	1,611.6	30.6
% EBITDA Margin	48.4	40.0	8.4 p.p.	45.8	38.4	7.4 p.p.
% Conversion of EBITDA into Operating Cash	90.8	98.3	-7.5 p.p.	82.2	91.5	-9.3 p.p.

* Information not audited or not reviewed by independent auditors.

2.3 INVESTMENTS

The investments made in 3Q23 amounted to R\$491.4 million (R\$498.3 million in 3Q22), as stated below:

Investments - R\$ millions	3Q23 (1)	3Q22 (2)	Var. % (1/2)	9M23 (3)	9M22 (4)	Var. % (3/4)
Water	202.4	189.4	6.9	535.1	509.0	5.1
Sewage	272.4	265.7	2.5	767.9	661.2	16.1
Other investments	16.6	43.2	-61.6	68.7	91.8	-25.2
Total	491.4	498.3	-1.4	1,371.7	1,262.0	8.7

2.4 INDEBTEDNESS

Gross debt went from R\$5,083.2 million in December 2022 to R\$5,677.3 million in September 2023, representing an increase of R\$594.1 million. Net debt went from R\$3,875.4 million in December 2022 to R\$4,401.2 million in September 2023.

The leverage ratio, measured by the 'Net Debt / EBITDA (accumulated for 12 months)' was 1.6x in 3Q23 (1.7x in 3Q22).

The level of indebtedness was 48.1% at the end of 3Q23 (48.0% in 3Q22).

We present below the breakdown of loans, financing, debentures, and leases, with their respective interest rates, maturities, and debt balances as of September 30, 2023:

Indebtness - R\$ million	Annual Interest Rate	Index	Contracto Maturity	Debit Balance	%
Caixa Econômica Federal – CEF	6.62% to 12.00%	TR	04/19/2046	1,870.0	33.0
Debentures 10th Issuance - Single Series	4.66%	IPCA	03/15/2027	434.4	7.7
Debentures 13th Issuance - Single Series	DI + 1.90%	-	04/15/2028	423.3	7.5
Debentures 12th Issuance - 2nd Series	5.89%	IPCA	01/15/2032	325.8	5.7
Lease - Coastal	11.14%	IPC-FIPE	12/07/2036	320.0	5.6
Debentures 12th Issuance - 1st Series	DI + 1.08%	-	01/15/2027	304.9	5.4
BNDES - PAC2	TJLP +1.67% to 2.05%	TJLP	07/15/2029	266.8	4.7
Debentures 11th Issuance - 2nd Series	4.25%	IPCA	03/15/2029	244.1	4.3
Debentures 9th Issuance - 1st Series	106.05% of CDI	DI	06/11/2024	207.5	3.7
BNDES - Avançar	3.59% and 5.60%	IPCA	12/15/2041	207.1	3.6
Debentures 11th Issuance -3rd Series	4.49%	IPCA	03/17/2031	189.3	3.3
Lease - Right of Use	10.43%	-	06/30/2028	177.1	3.1
Debentures 9th Issuance - 2nd Series	107.25% of DI	-	06/11/2026	157.2	2.8
Debentures 11th Issuance - 1st Series	DI + 1.65%	-	03/16/2026	129.1	2.3
Debentures 4th Issuance - 1st Series	TJLP + 1.67%	TJLP	07/15/2027	93.2	1.6
Debentures 7th Issuance - 2nd Series	4.79%	IPCA	11/15/2038	77.8	1.4
Debentures 4th Issuance - 2nd Series	7.44%	IPCA	07/15/2027	64.0	1.1
Debentures 7th Issuance - 4th Series	6.57%	IPCA	11/15/2038	41.0	0.7
Debentures 7th Issuance - 1st Series	5.20%	IPCA	11/15/2038	40.4	0.7
Bank KFW	1.35%	EURO	12/30/2032	26.3	0.5
Debentures 2nd Issuance - 2nd Series	9.19%	IPCA	09/15/2024	24.0	0.4
Debentures 7th Issuance - 3rd Series	6.97%	IPCA	11/15/2038	22.2	0.4
Debentures 2nd Issuance - 3rd Series	TJLP + 1.92%	TJLP	09/15/2024	16.6	0.3
Debentures 2nd Issuance - 1st Series	TJLP + 1.92%	TJLP	09/15/2024	12.5	0.2
Banco Itaú PSI	3.00% to 6.00%	-	01/15/2025	2.1	-
Banco do Brasil - PSI	3.00% to 6.00%	-	04/15/2024	0.6	-
Total				5,677.3	100.0

* IPCA as a variable component of the TLP

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

Description - R\$ million	Debt balance	%
Up to 12 months	664.1	11.7
From 13 to 24 months	374.8	6.6
From 25 to 36 months	645.2	11.4
From 37 to 60 months	1,438.5	25.3
Over 60 months	2,554.7	45.0
Total	5,677.3	100.0

3. REGULATIONS

2nd Periodic Tariff Review - Sanepar's RTP

On October 21, 2020, at the 21st Extraordinary Meeting of the Board of Directors of the Regulatory Agency for Delegated Public Services of Paraná (AGEPAR), the establishment of the 2nd Periodic Tariff Review (RTP) of Sanepar was approved, with guidance for it to occur in two phases, the first being in 2021 and the second phase in 2022.

The first phase of the 2nd RTP was consolidated into nine technical notes, which were based on the methodology applied in the first tariff cycle. In line with the provisions of Complementary State Law No. 222/2020, the technical notes were submitted to public consultations, from January 4 to February 17, 2021, and a public hearing on March 31, 2021.

On 04/14/2021, the Board of Directors of AGEPAR, at Extraordinary Meeting No. 012/2021, presented the final result of the 1st phase of the 2nd RTP, when it decided to approve the tariff repositioning of 5.7701%, with annual application of Factor X of 0.98% on portion B of the tariff.

Through Resolution No. 007 of 03/29/2022, AGEPAR released the schedule for the 2nd phase of the 2nd RTP, which resulted in the preparation of eighteen technical notes, which, in line with the provisions of Complementary State Law No. 222/2020, were submitted to four public consultations, held between June 2022 and March 2023 and to a public hearing, in which the P0 result corresponding to the 2nd tariff cycle of Sanepar on April 18, 2023 was presented.

On 04/20/2023, the Board of Directors of AGEPAR approved the readjustment index of 8.2327%, which included the final calculation of the tariff repositioning referring to the 2nd RTP, the annual tariff readjustments (IRTs) of 2022 and 2023 and the X Factor of 0.08%, applied on the total tariff resulting from P0 (except the financial installments), being effective on May 17, 2023.

Sanepar's tariff model underwent changes in the 2nd Periodic Tariff Review, such as the reclassification of costs between manageable and non-manageable to be considered by the regulatory agent.

The most significant changes were in relation to the costs of chemical products, which were now considered manageable costs, and electricity, where the Agency implemented a differentiated tariff treatment which was broken down into: (i) average price of electricity, measured in R\$/GWh, classified as non-manageable cost; and (ii) specific consumption, through electrical energy consumption measured in projected GWh, classified as a manageable cost. The motivation for this decomposition arises from the allegation that the Company does not manage the price of energy, only acting on consumption management.

Furthermore, the Municipal Sanitation Fund, the Charge for the Use of Water Resources, the Transfer for the Use of Water Resources, and the Regulation Fee were maintained as non-manageable costs, and expenses with IPVA, IPTU, and Fees, Permits, and Licensing.

Deferral of the 1st RTP

Part of the financial portion present in the fare 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".

In the 2nd phase of the 2nd RTP, AGEPAR updated the calculation rule concerning the amortization of the financial installments concerning the criteria of the 1st RTP.

Specifically in relation to the calculation of the deferral compensation fee, the balance was calculated on the date of December/2020 (base date for calculating the 2nd RTP) and had the Selic rate as the correction index, applied to the difference between the verified revenue and the current tariff, which resulted in a value of R\$1.582 billion.

The change in methodology occurred in the indexer for the projection of compensation installments considered in the 2nd RTP tariff, with a single indexer being defined by the Agency, including for deferral, starting to be projected based on the WACC calculated in the 2nd RTP until the end of the cycle.

The balance of compensation installments on the base date of December/2020, which ends at the end of the second tariff cycle, totaled R\$ 1.255 billion at the time of the 2nd RTP.

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.

Public Consultation on Annual Tariff Adjustment Methodology

On 09/12/2023, AGEPAR Public Consultation No. 008/2023 was opened, referring to Technical Note No. 10/2023-CSB - Annual Tariff Adjustment Methodology to be applied from the year 2024 for basic sanitation services of water and sewage from the Paraná Sanitation Company – SANEPAR. On 10/11/2023, Sanepar presented its contributions.

In summary, the methodology proposed by the Agency corrects costs according to the IPCA, except for electricity costs, which are corrected by the variation in energy prices, and both are discounted or increased by a quality performance factor (Q Factor) and discounting productivity gains (X Factor). As for Sector Charges, the methodology establishes that adjustments relating to the variation between projected and realized values will only be determined in the subsequent RTP.

4. ESG AGENDA - ENVIRONMENTAL, SOCIAL AND GOVERNANCE

At the beginning of the second semester of 2023, questionnaires from the CDP and ISE B3 platforms were answered, both with results to be released by the end of the year. Companies that reach score C in the CDP Climate Change questionnaire can be part of the ISE B3 portfolio.

Also in August, the Company was included in IDIVERSA - B3's new diversity index, as it cumulatively meets all the eligibility criteria defined by B3, being the only one in the water and sewage sector to make up the index.

These outstanding participations and results validate the efforts that the Company has been making in implementing its ASG Agenda, closely monitored by the Board of Directors, through the ASG Strategic Committee and ASG Executive Committee.

5. PUBLIC-PRIVATE PARTNERSHIP (PPP) OF THE CENTRAL-COASTAL MICRO-REGION OF PARANÁ (MRAE-1)

In a Public Session held on 07/14/2023 at B3 - Brasil, Bolsa, Balcão, the envelopes for Public-Private Partnership (PPP) regarding the provision of sanitary sewage services in 16 municipalities of the Central-Coastal Microregion of Paraná (MRAE-1) were opened, under International Tender No. 100/2023.

The Bidding Committee declared "Saneamento Consultoria S.A.", a group formed by the companies Aegea, Perfin, and Kinea, as the best-ranked bidder, whose proposal resulted in a 30.61% discount on the maximum bid amount. According to the announcement of the aforementioned International Tender, the term of validity of the contract is 24 years and 5 months, counted from the signature of the contract.

6. EXTENSION AND UNIFORMIZATION OF CONCESSION DEADLINES

On October 10, 2023, the Company issued a Material Fact communicating that the 6th Extraordinary General Assembly of the Central-Coastal (MRAE-1), Central-East (MRAE-2), and West (MRAE-3) Microregions of the State of Paraná approved the proposal to extend and standardize contractual deadlines, until 06/05/2048, through amendments to the contracts for the regionalized provision of public water and sewage services in force, aiming at the universalization of water and sewage services while preserving affordability tariff. The standardization of deadlines for the 319 current contracts, which represent approximately 95% of the Company's total revenue, fulfills a stage in the process, with the condition being proof of economic and financial capacity with regulatory bodies, in accordance with Decree No. 11,598, of 12 July 2023 and other requirements set out in the amendments until the end of 2023.

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

(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 is registered with the Securities and Exchange Commission - CVM as a Public Company in category A (issuers authorized to trade any securities) and has its shares traded on the São Paulo Stock Exchange (B3 - Brasil, Bolsa, Balcão), being listed at Level 2 of Corporate Governance.

The Company, through municipal concessions, provides water treatment and distribution services and sewage collection and treatment. 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	% of EBITDA ¹
Overdue	24	710,065	4.8	4.7
Maturity in 2023	13	64,741	0.5	0.4
Maturity between 2024 and 2033	53	2,583,580	19.3	19.4
Maturity after 2033 ³	256	9,770,414	75.4	75.5
Total	346	13,128,800	100.0	100.0

¹ Information not audited or not reviewed by independent auditors.

² Book value.

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

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

Upon expiration of the concession, 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 Extraordinary Appeal (ARE), under No. 1363547, was distributed to Minister Ricardo Lewandowski at the time, which was denied on 02/16/2022, with the analysis of the Appeal pending. Intern filed, on 09/19/2022. Also at the STF, on the dates of 04/20/2022, 05/23/2022, and 08/05/2022, conciliation hearings were held, with the support of the STF Mediation and Conciliation Center and the participation of the State Public Ministry of Paraná, in which Sanepar presented a proposal to the Municipality, however, these remained unfruitful. According to the note in the “Notice to the Market”, on 02/07/2023, the Company and the Municipality of Maringá petitioned in the files of ARE nº 1363547, jointly, requesting the suspension of the process, for 30 (thirty) days, due to internal demands, at administrative headquarters, inherent to the object of the action. There has not yet been any related procedural movement, with the appeal being transferred to the rapporteur of Minister Cristiano Zanin, due to the retirement of Minister Ricardo Lewandowski, with the process being concluded, on 08/10/2023, for evaluation of the request. As determined by the court, the contract will not be terminated until the Municipality pays the compensation due to the Company.

The Company participates with 40% of the capital of a Specific Purpose Company, in the form of a private limited company, called “CS Bioenergia S.A.”, whose corporate purpose is the exploration and adequate final disposal of solid and organic waste, as well as the sludge produced in sewage treatment plants, biogas production, and energy generation. In 3Q23, the Company began the process of acquiring all the shares of CS Bioenergia S.A., as indicated in Explanatory Note 11.

2. PRESENTATION OF THE FINANCIAL STATEMENTS

2.1. Statement of Compliance

The Interim Financial Information are presented in conformity with 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 Interim Financial Statements - 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 Interim Financial Information was authorized for disclosure by the Company’s Board of Directors on November 08, 2023.

2.2. 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. 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.

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

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, aiming to expand the competition in the sector, and imposed compliance targets of serving 99% of the population with drinking water and 90% with sewage collection and treatment until December 31, 2033.

With the enactment of the aforementioned law, the ANA (National Water and Basic Sanitation Agency) became the national regulatory body, responsible for issuing reference standards for the sector.

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, 8.925/2021, and 8.926/2021 were published, which implemented the provisory internal regulations of each of the micro-regions. The definitive internal regulations were unanimously approved at the 5th General Assembly of each of the Microregions, held in July 2023.

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, changed by Federal Law No. 14.026/2020.

In compliance with the law and federal decrees, SANEPAR proved its economic and financial capacity to meet the goals outlined in art. 11-B of Law No. 11,445/2007 in its current contracts, on December 29, 2021, situation that was approved by Paraná Regulatory Agency - AGEPAR and the Intermunicipal Sanitation Regulatory Agency - ARIS, with respective certificate and registration with ANA.

For information, AGEPAR failed to recognize the Company's economic and financial capacity in 21 municipalities, which represented 0.41% of its Net Operating Revenue in the fiscal year of 2022, emphasizing the legality of said contracts up to their terms due to the impossibility of forecasting physical targets for the short-term remaining in these contracts.

For expired contracts and those that did not have their economic capacity declared by AGEPAR in March 2022, the Secretariat for Microregions hired a consultancy from FUNDACE (Foundation for Research and Development of Administration, Accounting and Economics) on November 28, 2022, a consultancy that is also working on the support to the drafting and approval of Regional Basic Sanitation Plans.

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

Lastly, on July 12, 2023, Federal Decrees Nos. 11,598 and 11,599 were issued, replacing Federal Decrees Nos. 11,466 and 11,467, issued on April 5, 2023, which were revoked in their entirety. It should be noted that these new decrees revoked Federal Decree No. 10,710/21, including art. 7th, § 3rd, item I, which prohibited the extension of the validity period of contracts for the provision of water and sewage services.

On October 10, 2023, the 6th Extraordinary General Assembly of the Water and Sewage Microregions of the State of Paraná (MRAE-1, MRAE-2 and MRAE-3) decided to standardize and extend the term of contracts for 319 municipalities served by SANEPAR, until 2048 as a way of achieving universalization while preserving affordable tariffs.

Under the terms of the federal decrees in force, SANEPAR contracted a new economic-financial capacity study to resubmit to the State Regulatory Agency.

2.3. Measurement and Presentation Basis

The Interim Financial Information was prepared considering historical cost as base value, except for recognized revaluations, except for the appreciation of certain assets 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.

2.4. 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 September 30, 2023, are consistent with the practices described in Note 3 of the Company's financial statements for the year ended December 31, 2022. Therefore, this interim financial information should be read along with the annual financial statements for the year ended on December 31, 2022, which were disclosed on February 16, 2023.

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

The new issues and changes to IFRS standards made by IASB, which are effective for the year starting in 2023, had no impact on the Company's Intermediate Accounting Information. Additionally, the IASB issued/revised some IFRS standards, which are to be adopted for the year 2023 or after, and the Company is evaluating the impacts of the adoption of these standards on its Interim Financial Statements:

[Amendment to IFRS 16 – Lease liability in a sale and leaseback](#): Clarifies aspects to be considered for treating an asset transfer as a sale. This standard change is effective for fiscal years beginning on/or after 01/1/2024. The Company does not expect significant impacts on its Interim Financial Statements.

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

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

Amendment to standard 12 – Income Tax: Clarifies aspects related to the recognition and disclosure of deferred tax assets and liabilities related to Pillar Two rules published by the Organization for Economic Co-operation and Development (OECD). This standard change is effective for fiscal years beginning on/or after 1/1/2023. The Company does not expect significant impacts on its Interim Financial Statements.

Amendment to IAS 7 and IFRS 7 – Statement of Cash Flows: Clarifies aspects related to requirements for disclosing qualitative and quantitative information about supplier finance arrangements. This standard change is effective for fiscal years beginning on/or after 01/01/2024. The Company does not expect significant impacts on its Interim Financial Statements.

Amendment to IAS 21 – 'Lack of Exchangeability': Clarifies aspects to specify when a currency is exchangeable and how to determine the exchange rate when it is not, and how an entity determines the exchange rate to apply when a currency is not exchangeable. This standard change is effective for fiscal years beginning on/or after 01/01/2025.

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, the concession contracts and program contracts have an average term of 30 years. These contracts foresee meeting targets for the expansion and maintenance of water and sewage systems, related to the rate of service of the water supply and sewage collection networks. In some situations, the municipality may terminate the contract before its final term or not authorize its renewal upon compensation at the fair value of the balances of investments not yet depreciated/amortized. The process of readjustment and review of the tariff is approved by the Paraná's Regulatory Agency - AGEPAR.

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

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 September 30, 2023, and is stated in Notes 6, 8, and 19. 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 intensifies efforts to reduce default levels with negotiations with debtor municipalities and if there is no agreement, the Company enters with 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, debentures, leases and other financial liabilities.

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 and financing held in reais varied around 25% and 50%, with all other variables held constant, the effect on pre-tax earnings would be R\$19,495 and R\$38,990 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 and financing as described below:

Description	Index	+25%	-25%	+50%	-50%
Financial Investments	DI	35,445	(35,445)	70,890	(70,890)
Assets		35,445	(35,445)	70,890	(70,890)
Caixa Econômica Federal	TR	(4,730)	4,730	(9,460)	9,460
BNDES	TJLP	(1)	1	(2)	2
BNDES-PA C2	TJLP	(3,246)	3,246	(6,492)	6,492
BNDES-AVANÇAR	IPCA	(404)	404	(808)	808
Debentures - 2nd Issuance - 1st and 3rd Series	TJLP	(539)	539	(1,078)	1,078
Debentures - 2nd Issuance - 2nd Series	IPCA	(426)	426	(852)	852
Debentures - 4th Issuance - 1st Series	TJLP	(1,385)	1,385	(2,770)	2,770
Debentures - 4th Issuance - 2nd Series	IPCA	(655)	655	(1,310)	1,310
Debentures - 7th Issuance - 1st to 4th Series	IPCA	(1,499)	1,499	(2,998)	2,998
Debentures - 8ª Issuance - 2nd Series	DI	(2,586)	2,586	(5,172)	5,172
Debentures - 9th Issuance - 1st and 2nd Series	DI	(9,109)	9,109	(18,218)	18,218
Debentures - 10th Issuance - Single Series	IPCA	(3,987)	3,987	(7,974)	7,974
Debentures - 11th Issuance - 1st Series	DI	(3,314)	3,314	(6,628)	6,628
Debentures - 11th Issuance - 2nd and 3rd Series	IPCA	(3,997)	3,997	(7,994)	7,994
Debentures - 12th Issuance - 1st Series	DI	(7,521)	7,521	(15,042)	15,042
Debentures - 12th Issuance - 2nd Series	IPCA	(2,999)	2,999	(5,998)	5,998
Debentures - 13th Issuance - Single Series	DI	(6,400)	6,400	(12,800)	12,800
Lease - Financial Lease	IPC - FIPE	(2,809)	2,809	(5,618)	5,618
Lease - Right of Use	DI	667	(667)	1,334	(1,334)
Liabilities		(54,940)	54,940	(109,880)	109,880
Effects on Income Before Tax		(19,495)	19,495	(38,990)	38,990

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

The index considered for the 12-month period ended on September 30, 2023, were TR of 2.02% and the TJLP of 7.21% obtained from BACEN - Banco Central do Brasil, the IPCA at the rate of 5.19% obtained from IBGE – Instituto Brazilian Geography and Statistics, the DI at the rate of 13.44% obtained from B3 – Brasil, Bolsa e Balcão and the IPC at the rate of 3.51% 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 a decrease of 1.334% in the dollar rate. This scenario uses the average exchange rate projected for December 2023, in relation to the last PTAX rate informed for 09/30/2023.

Considering the notional amount of €5,076 thousand (R\$26,902 thousand), the value of the Euro quotation as R\$5.3000 for September 30, 2023 (Ptax – Central Bank) and considering the premise of maintaining the proportional value of U\$1.0584 for each euro, according to a dollar PTAX of R\$5.0076, 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 (decrease of 1.334%)	359	(6,726)	6,726	(13,452)	13,452

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 13, 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 policy.

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, presenting the effects of this derivative financial instrument in the financial result. The debt of this loan is shown in Note 13.

On September 30, 2023, the Company has swap contracts (Euro + Interest x CDI) as shown below:

Financial Instruments - Swap Contracts							
Operation	Agent	Beginning Date of the Operation	Maturity of the Operation	Notional Value EUR	Fair alue of the Asset Position	Fair alue of the Liability Position	Gain (Loss) with Derivative Financial Instruments - Swap
1	Banco Itaú	11/28/2022	12/26/2023	501	2,666	2,870	(204)
2	Banco Santander	06/12/2023	12/26/2023	1,880	10,072	10,122	(50)
3	Banco Santander	06/12/2023	06/25/2024	2,381	12,757	12,819	(62)
4	Banco Bradesco	06/12/2023	12/24/2024	314	1,682	1,691	(9)
TOTAL				5,076	27,177	27,502	(325)

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

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 of new loans and financing, issue promissory notes and contract operations with derivatives. For the period ended on September 30, 2023, there was no change in the objectives, policies or capital structure processes.

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

Description	09/30/2023	12/31/2022
Loans, financing, debentures and lease	5,677,296	5,083,244
Cash and cash equivalents	(1,276,092)	(1,207,932)
Net debt *	4,401,204	3,875,312
Equity	9,497,433	8,786,887
Net Debt/Equity Ratio *	0.46	0.44

* Information not audited or not reviewed by independent auditors

4.3. Financial Instruments

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

Description	09/30/2023	12/31/2022
Assets		
Fair value through profit or loss		
Financial Investments	1,228,895	1,169,170
Derivative Financial Instruments	27,177	16,053
Restricted Deposits	116,214	98,919
Amortized cost		
Cash and Banks	47,197	38,762
Trade Accounts Receivables, net	1,539,077	1,211,913
Contractual Financial Assets	857,360	676,465
Other Accounts receivable	98,839	62,851
Total	3,914,759	3,274,133
Liabilities		
Fair value through profit or loss		
Derivative Financial Instruments	27,502	15,746
Amortized cost		
Loans, Financing, Debentures and Lease	5,677,296	5,083,244
Contractors and Suppliers	336,008	298,122
Other Accounts Payable	198,174	180,024
Total	6,238,980	5,577,136

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

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

5. CASH AND CASH EQUIVALENTS

These have the following composition:

Description	09/30/2023	12/31/2022
Unrestricted Bank Deposits	508	5,803
Restricted Bank Deposits	46,689	32,959
	<u>47,197</u>	<u>38,762</u>
Financial Investments	1,228,895	1,169,170
Total of Cash and Cash Equivalents	<u>1,276,092</u>	<u>1,207,932</u>

Financial investments are close to fair value, classified in level 2 of the fair value hierarchy and have short-term characteristics, high liquidity, and low risk of changes in value. They are made up of a fixed income fund, invested in an exclusive Investment Fund (CNPJ 03.737.212/0001-44 – Caixa SANEPAR I Fixed Income Exclusive Investment Fund) whose portfolio is composed mostly of federal government bonds, and by the CDB at Caixa (CNPJ 00.360.305/0001-04), with an average yield of 100.04% of CDI (99.65% in 2022).

6. TRADE ACCOUNTS RECEIVABLE

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

Description	09/30/2023	12/31/2022
Falling Due Accounts Receivable	394,459	334,328
Accounts Receivable from Installment Payments (1)	550,735	248,679
Adjustment to Present Value	(65,053)	(32,060)
Accounts to be Billed (Unbilled Consumption)	259,624	256,713
	<u>1,139,765</u>	<u>807,660</u>
Overdue Accounts Receivable		
From 1 to 30 days	212,209	175,395
From 31 to 60 days	80,182	82,055
From 61 to 90 days	43,112	54,852
From 91 to 180 days	78,719	116,384
Over 180 days	479,059	557,711
Allowance for Losses on Doubtful Accounts	(493,969)	(582,144)
	<u>399,312</u>	<u>404,253</u>
Total Accounts Receivable, net	<u>1,539,077</u>	<u>1,211,913</u>
Current	1,250,471	1,086,163
Noncurrent	288,606	125,750

(1) The increase in Accounts Receivable from Installment Payments is due to Private Customers joining the Private Customer Credit Recovery Program (RECLIP).

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

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

Description	Trade accounts receivable	Allowance for doubtful accounts	Adjustment to present value	09/30/2023	12/31/2022
Municipal Administration	115,276	(53,606)	(68)	61,602	30,251
Private	1,943,648	(440,363)	(64,985)	1,438,300	1,168,766
Federal Entity	1,647	-	-	1,647	1,396
State Entity	37,528	-	-	37,528	11,500
Balance at the end of the period	2,098,099	(493,969)	(65,053)	1,539,077	1,211,913

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

Description	09/30/2023	12/31/2022
Balances at Beginning of Period	(582,144)	(390,748)
Amounts Recorded as Expenses/Reversal	88,055	(192,257)
Write-offs, Net of Recoveries	120	861
Balances at end of the period	(493,969)	(582,144)

The reduction in the provision for expected losses on overdue accounts balance is a consequence of the maintenance of the Private Customer Credit Recovery Program (RECLIP), which provided the installment of debts of private customers in up to 60 payments until 07/31/2023 and in up to 48 payments between 08/01/2023 and 09/30/2023.

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

Description	09/30/2023	12/31/2022
Private Customers	(440,363)	(529,830)
Municipal Administrations	(53,606)	(52,314)
Total	(493,969)	(582,144)

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

Description	09/30/2023	12/31/2022
Balances at Beginning of the Period	(32,060)	(17,211)
Adjustment to Present Value	(32,993)	(14,849)
Balances at end of period	(65,053)	(32,060)

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

7. RESTRICTED DEPOSITS

Restricted deposits breakdown as follows:

Description	09/30/2023	12/31/2022
Health National Foundation - FUNASA	2,940	3,198
Reserves kept in CAIXA (1)	81,637	75,214
Other Agreements (2)	31,637	20,507
Totals	116,214	98,919
Current	34,577	23,705
Noncurrent	81,637	75,214

(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".

8. OTHER ACCOUNTS RECEIVABLE

The composition is as follows:

Description	09/30/2023	12/31/2022
Advances to Employees	34,459	15,501
Reimbursable Payments	1,404	965
Guarantee Deposits	1,851	1,768
Municipal Sanitation and Environmental Management Fund (1)	41,848	43,254
Prepaid Expenses	270	302
Advance for Acquisition of Interest in CS Bioenergia S/A (2)	17,400	-
Securities and Other Credits	1,607	1,061
Total	98,839	62,851
Current	40,684	20,699
Noncurrent	58,155	42,152

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

(2) Advance of the 1st installment of R\$8,700 relating to the process of acquiring all the shares of CS Bioenergia S/A. The 2nd installment in the amount of R\$8,700 is subject to delivery to the Company of proof of compliance with the suspensive conditions that are the exclusive obligation of the selling partner, as described in Explanatory Note 11.

9. CONTRACTUAL FINANCIAL ASSETS

Changes in Financial Assets are as follows:

Description	12/31/2022	Additions	NPV Revenue	NPV Expense	09/30/2023
Unamortized Investments	1,763,518	400,732	-	-	2,164,250
Adjustment to Present Value	(1,087,053)	(242,613)	22,877	(101)	(1,306,890)
Total	676,465	(a) 158,119	22,877	(101)	857,360

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 12c).

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

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

10. CONTRACT ASSETS

It has the following movement:

Description	12/31/2022	Additions	Capitalisation of Interest	Write-off and Loss	Transfer to Intangible asset	Requisition for Constructions	09/30/2023
Projects and Works in Progress	2,614,277	1,279,004	39,444	-	(1,236,189)	-	2,696,536
Inventories for Construction Work	132,172	34,848	-	-	-	(69,744)	97,276
Total	2,746,449	1,313,852	39,444	-	(1,236,189)	(69,744)	2,793,812

Until the 3rd quarter of 2023, the amount of R\$1,313,852 (R\$1,195,522 in the same period of 2022) was recorded as projects and works in progress, resulting from: (i) expansion of the Water Supply System, mainly in the municipalities of São José dos Pinhais, Londrina, Laranjeiras do Sul, Guarapuava, and União da Vitória; (ii) Sewage Collection and Treatment mainly in the municipalities of Pato Branco, Araongas, Capitão Leônidas, Curitiba, and Ibaiti. Amounts referring to completed constructions for the expansion of the Water Supply and Sewage Collection and Treatment System were transferred to intangible assets, mainly in the municipalities of Curitiba, Cafelândia, União da Vitória, Londrina, and Colombo.

Until the quarter ended on September 30, 2023, interest and other financial charges were capitalized on the funds and loans and financing that financed the Company's projects and constructions, for the amount of R\$39,444 (R\$29,539 in the same period in 2022). The average rate used to determine the amount of capitalized borrowing costs concerning total costs was 9.8%.

11. INVESTMENTS

The Company has the following investments:

Description	09/30/2023	12/31/2022
Investment in joint venture - CS Bioenergia S.A.	16,666	16,555
Impairment Test	(15,706)	(16,555)
Other investment	2,113	1,988
Total	3,073	1,988

Investment in joint venture – CS Bioenergia S.A.

The Company owns 40% of CS Bioenergia SA, a company located next to the ETE – Belém Sewage Treatment Station, whose purpose is the exploration and proper disposal of solid and organic waste and the sludge produced in the aforementioned ETE, in addition to the production of biogas and energy generation through the bio digestion process. CS Bioenergia S.A. partially started its operations in June 2017 and in 2019 it reached its operational stability and started the process of transferring electricity credits to Sanepar's consumer units. The

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

financial contribution made by the Company comprises the amount of R\$36,104 recorded in its Capital Stock and R\$6,141 as an Advance for Future Capital Increase - AFAC. In 3Q23, the Company began the process of acquiring all the shares of CS Bioenergia S.A.

Investment acquisition process (Business Combination)

On August 2, 2023, at its 16th/2023 Extraordinary Meeting, the Board of Directors authorized Sanepar's Executive Board to carry out negotiations aimed at acquiring the shares of CS Bioenergia S.A., with the transfer of share control to SANEPAR, which will pass to hold 100% of the Share Capital.

On August 30, 2023, at its 18th/2023 Extraordinary Meeting, the Board of Directors approved the terms of the deal, and on September 1, 2023, the "Share purchase and sale agreement and other provisions of CS Bioenergia S.A." was signed, with the payment of R\$17,400, having as a parameter the Net Equity of CS Bioenergia S.A., being agreed in 2 installments of R\$8,700, with the payment of the 2nd and final installment being conditioned to proof of compliance with the contractual suspensive conditions that are the sole responsibility of the selling partner. The 1st installment was paid on September 12, 2023, as described in Note 8.

As stated in the "Share purchase and sale agreement", the scheduled date for SANEPAR to assume control and complete management of CS Bioenergia S.A.'s operation is October 2, 2023 (acquisition date), as long as all suspensive conditions of the Contract are met.

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.	09/30/2023	12/31/2022
Current Assets	3,774	4,500
Noncurrent Assets	51,476	53,906
• Fixed Assets	39,854	43,928
• Other	11,622	9,978
Total Assets	55,250	58,406
Current Liabilities	5,988	8,538
• Loans, Financing and Leases ¹	1,470	4,446
• Other	4,518	4,092
Noncurrent Liabilities	7,597	8,232
• Loans, Financing and Leases ¹	6,521	6,870
• Other	1,076	1,362
Equity	41,665	41,636
Total Liabilities and Equity	55,250	58,406

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

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

Statement of Income (Loss) – CS Bioenergia S.A.	09/30/2023	09/30/2022
Gross Revenue	14,810	12,391
(-) Cost of Services	(13,962)	(14,506)
Gross Profit (Loss)	848	(2,115)
(-) Operating Expenses	(2,566)	(2,517)
Loss before Net Financial Result and Taxes	(1,718)	(4,632)
(-) Net Financial Result	(654)	(926)
Loss Before Taxes	(2,372)	(5,558)
Income Taxes (IRPJ and CSLL)	-	-
Loss for the period	(2,372)	(5,558)

Changes in the investment in the period are as follows:

Description	09/30/2023	12/31/2022
Balance at beginning of the period	-	-
Financial Contribution	960	5,181
Equity in Earnings (Losses) of Controlled Company (percentage of interest of 40%)	(949)	(3,300)
Impairment Test - (Constitution)/Reversal	949	(1,881)
Balance at end of the period	960	-

Impairment of investments on CS Bioenergia S.A.

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

Other investments

The Company has investment quotas in FINAM (Amazon Investment Fund), classified as level I, resulting from the application of Income Tax Incentive of R\$2,201 and other investments over which do not have significant influence in the amount of R\$322, with no maturity date and that are not immediately convertible, which at fair value, considering the quotation on 09/30/2023, are equivalent to R\$2,113.

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

12. FIXED AND INTANGIBLE ASSETS

a) Fixed assets

These have the following composition:

By Account			09/30/2023	12/31/2022
Description	Cost	Accumulated depreciation	Net amount	
Goods for Administrative Use	390,980	(171,056)	219,924	217,456
Other Fixed Assets	4,772	(3,348)	1,424	2,045
Right of Use Lease	213,103	(65,222)	147,881	151,023
Total	608,855	(239,626)	369,229	370,524
By Nature			09/30/2023	12/31/2022
Description	Annual depreciation rate	Cost	Accumulated depreciation	Net amount
Plots of land	-	2,946	-	2,946
Civil Construction	*1.84%	120,307	(25,410)	94,897
Improvements	*2%	3,491	(930)	2,561
Facilities	*5.83%	12,252	(4,603)	7,649
Equipments	*6.23%	103,318	(44,167)	59,151
Furniture and Fixtures	*7.14%	55,718	(26,689)	29,029
IT Equipments	*19.82%	39,473	(28,959)	10,514
Vehicles	*13.05%	31,065	(21,257)	9,808
Machinery, Tractors and Similar	*19.35%	25,480	(21,631)	3,849
Tools	*6.67%	1,658	(758)	900
Patrimonial Assets to be Incorporated	-	44	-	44
Lease - Right of Use	*27.01%	213,103	(65,222)	147,881
Total		608,855	(239,626)	369,229

* Weighted Average Rate

b) Intangible assets

These have the following composition:

By account			09/30/2023	12/31/2022
Description	Cost	Accumulated Amortization	Net Amount	
Water Mains	6,517,732	(2,137,066)	4,380,666	3,954,648
Sewage Mains	6,819,774	(1,790,078)	5,029,696	4,610,250
Solid Waste	5,592	(5,535)	57	-
Right of Use and System Operation	125,114	(78,864)	46,250	47,657
Other Intangible Assets	288,064	(115,667)	172,397	164,613
Lease - Right of Use	200,194	(25,597)	174,597	177,489
Total	13,956,470	(4,152,807)	9,803,663	8,954,657

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

By nature				09/30/2023	12/31/2022
Description	Annual Amortization Rate	Cost	Accumulated Amortization	Net Amount	
Plots of Land	-	320,548	-	320,548	279,477
Wells	*3.10%	183,454	(45,206)	138,248	130,420
Dams	*2.67%	150,458	(69,214)	81,244	81,782
Civil Construction	*2.59%	3,330,501	(794,325)	2,536,176	2,173,857
Improvements	*2.67%	55,050	(7,671)	47,379	41,860
Piping	*2.64%	6,744,025	(1,911,951)	4,832,074	4,502,262
Building Connections	*3.33%	1,007,082	(338,586)	668,496	638,225
Facilities	*5.83%	249,485	(113,311)	136,174	131,207
Hydrometers	*10%	320,307	(130,905)	189,402	176,530
Macro-meters	*10%	8,824	(5,549)	3,275	2,110
Equipments	*6.23%	943,260	(399,627)	543,633	481,661
Furniture and Fixtures	*7.14%	8,148	(4,658)	3,490	3,255
IT Equipment	*19.82%	94,614	(87,128)	7,486	7,261
Computer Programs	*20%	124,714	(70,741)	53,973	54,348
Vehicles	*13.05%	20,432	(16,320)	4,112	7,849
Machinery, Tractors and Similar	*19.35%	26,544	(24,498)	2,046	2,180
Tools	*6.67%	377	(262)	115	113
Rights of Use and Transmission Lines	*6.25%	4,796	(676)	4,120	4,060
Environmental Protection and Preservation	*20%	35,488	(27,718)	7,770	8,822
Concession of the Mun. of Curitiba (1)	*1.5%	125,000	(78,750)	46,250	47,656
Concession of the Mun. of Cianorte (2)	*5%	114	(114)	-	-
Patrimonial Assets to be Incorporated	-	3,055	-	3,055	2,233
Lease - Rights of Use	*37.43%	200,194	(25,597)	174,597	177,489
Total		13,956,470	(4,152,807)	9,803,663	8,954,657

* Weighted average rate.

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

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 13.

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

As of September 30, 2023, the book value for each category of assets under a Lease commitment recorded in Intangible and Fixed Assets is shown below:

By accounts				09/30/2023	12/31/2022
Description	Annual Amortization Rate	Cost	Accumulated amortization	Net amount	
Civil Construction	1.67%	37,434	(3,921)	33,513	33,983
Piping	2.00%	147,316	(17,236)	130,080	132,289
Building Connections	3.33%	8,226	(1,635)	6,591	6,797
Facilities	6.67%	309	(129)	180	195
Equipments	6.00%	6,013	(2,278)	3,735	4,002
Lease - Coastal		199,298	(25,199)	174,099	177,266
Car Rental	48.52%	94,302	(31,749)	62,553	87,600
Civil Construction	20.78%	43,192	(12,358)	30,834	32,991
Equipments	52.48%	1,387	(687)	700	764
IT Equipments	29.53%	75,118	(20,826)	54,292	29,891
Lease - Right of use		213,999	(65,620)	148,379	151,246
Total		413,297	(90,819)	322,478	328,512
Fixed assets		213,103	(65,222)	147,881	151,023
Intangible assets		200,194	(25,597)	174,597	177,489

The Company recorded in its Income Statement the amount of R\$6,387 relating to low value and short-term lease contracts (less than 12 months).

Assets resulting from leasing contracts present the following changes:

Asset	12/31/2022	Additions	Amortization	09/30/2023
Lease - Coastal	177,266	-	(3,167)	174,099
Vehicles	87,600	3,293	(28,340)	62,553
Civil Construction	32,991	4,250	(6,407)	30,834
Equipments	764	465	(529)	700
IT Equipments	29,891	36,150	(11,749)	54,292
Amount	328,512	44,158	(50,192)	322,478

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

c) Changes in fixed and intangible assets for the 2023 period:

Description	12/31/2022	Additions	Depreciation and Amortization	Write-Offs and Losses	Transfers from Work in Progress	Transfers	09/30/2023
Fixed Assets							
Plots of Land	2,922	24	-	-	-	-	2,946
Civil Construction	94,720	-	(1,776)	(1)	1,887	67	94,897
Improvements	1,862	425	(46)	-	291	29	2,561
Facilities	5,648	-	(451)	(1)	2,453	-	7,649
Equipments	59,653	5,008	(4,341)	(155)	402	(1,416)	59,151
Furniture and Fixture	27,822	2,307	(2,387)	(441)	1,728	-	29,029
IT Equipments	12,796	295	(2,653)	(45)	121	-	10,514
Vehicles	8,765	2,778	(1,735)	-	-	-	9,808
Machinery, Tractors and Similar	3,130	1,125	(406)	-	-	-	3,849
Tools	928	42	(70)	-	-	-	900
Patrimonial Assets to be Incorporated	1,255	(1,211)	-	-	-	-	44
Lease of Right of Use	151,023	43,628	(46,770)	-	-	-	147,881
Total Fixed Assets	370,524	54,421	(60,635)	(643)	6,882	(1,320)	369,229
Intangible Assets							
Plots of Land	279,477	6,443	-	-	34,628	-	320,548
Wells	130,420	101	(1,513)	-	9,547	(307)	138,248
Dams	81,782	40	(2,471)	(2)	2,164	(269)	81,244
Civil Construction	2,173,857	6,165	(59,322)	-	487,813	(72,337)	2,536,176
Improvements	41,860	237	(1,032)	-	7,254	(940)	47,379
Piping	4,502,262	22,630	(123,184)	(135)	511,277	(80,776)	4,832,074
Building Connections	638,225	-	(23,760)	(147)	57,744	(3,566)	668,496
Facilities	131,207	637	(10,452)	-	14,782	-	136,174
Hydrometers	176,530	10	(21,702)	(1,626)	36,190	-	189,402
Macro-meters	2,110	51	(302)	(7)	1,423	-	3,275
Equipments	481,661	29,519	(28,258)	(4,415)	63,710	1,416	543,633
Furniture and Fixture	3,255	368	(260)	(17)	144	-	3,490
IT Equipments	7,261	114	(1,316)	(6)	1,433	-	7,486
Computer Programs	54,348	12,610	(13,456)	-	471	-	53,973
Vehicles	7,849	(2,753)	(984)	-	-	-	4,112
Machinery, Tractors and Similar	2,180	375	(509)	-	-	-	2,046
Tools	113	12	(10)	-	-	-	115
Right of Use and Transmission Lines	4,060	-	(216)	-	276	-	4,120
Environmental Protection and Preservation	8,822	-	(1,483)	-	451	(20)	7,770
Concession of the Municipality of Curitiba	47,656	-	(1,406)	-	-	-	46,250
Patrimonial Assets to be Incorporated	2,233	822	-	-	-	-	3,055
Lease of Right of Use	177,489	530	(3,422)	-	-	-	174,597
Total Intangible Assets	8,954,657	77,911	(295,058)	(6,355)	1,229,307	(156,799)	9,803,663
Grand Total	9,325,181	132,332	(355,693)	(6,998)	(a) 1,236,189	(b) (158,119)	10,172,892

a) Amount transferred from the Contract Asset account (note 10).

b) Amount transferred to the Contractual Financial Assets line, regarding the expected residual amount receivable by the end of the program contracts, net of present value adjustment (note 9).

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

13. LOANS, FINANCING, DEBENTURES AND LEASE

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

Description	Yearly Interest Rate	Index	09/30/2023			12/31/2022		
			Current	Noncurrent	Total	Current	Noncurrent	Total
In Brazilian Reais:								
Debentures 8th Issuance - 2nd Series	108.00% of DI	-	-	-	-	155,563	-	155,563
BNDES	TJLP + 1.82%	-	-	-	-	645	-	645
Banco do Brasil - PSI	3.00% to 6.00%	-	555	-	555	2,097	190	2,287
Debentures 2nd Issuance - 1st Series	TJLP + 1.92%	-	12,456	-	12,456	12,383	9,232	21,615
Debentures 2nd Issuance - 2nd Series	9.19%	IPCA	23,951	-	23,951	24,196	22,992	47,188
Debentures 2nd Issuance - 3rd Series	TJLP + 1.92%	-	16,608	-	16,608	16,510	12,310	28,820
Debentures 9th Issuance - 1st Series	106.05% of DI	-	207,495	-	207,495	1,476	199,137	200,613
Banco Itaú - PSI	3.00% to 6.00%	-	1,865	194	2,059	3,067	1,445	4,512
Debentures 13th Issuance - 1st Series	DI + 1.08%	-	7,502	297,366	304,868	18,571	296,519	313,090
Debentures 9th Issuance - 2nd Series	107.25% of DI	-	6,393	150,822	157,215	1,137	150,810	151,947
Debentures 11th Issuance - 1st Series	DI + 1.65%	-	59	129,078	129,137	4,899	128,590	133,489
Debentures 4th Issuance - 1st Series	TJLP + 1.67%	-	24,539	68,704	93,243	24,406	86,143	110,549
Debentures 4th Issuance - 2nd Series	7.44%	IPCA	16,855	47,186	64,041	16,301	57,507	73,808
Debentures 10th Issuance - Single Series	4.66%	IPCA	-	434,356	434,356	4,276	417,946	422,222
Debentures 13rd Issuance - Single Series	DI + 1.90%	-	24,935	398,408	423,343	-	-	-
Debentures 11th Issuance - 2nd Series	4.25%	IPCA	-	244,140	244,140	2,237	234,893	237,130
BNDES - PAC2	TJLP + 1.67% to 2.05%	-	67,255	199,525	266,780	62,214	232,093	294,307
Arrendamento Litoral	11.14%	IPC-FIPE	15,413	304,608	320,021	13,899	303,313	317,212
Arrendamento Direito Uso	10.43%	-	81,075	96,042	177,117	81,667	100,972	182,639
Debentures 11th Issuance - 3rd Series	4.49%	IPCA	-	189,279	189,279	1,965	182,057	184,022
Debentures 13th Issuance - 2nd Series	5.89%	IPCA	3,392	322,399	325,791	7,837	309,978	317,815
Debentures 7th Issuance - 1st Series *	5.20%	IPCA	2,797	37,619	40,416	2,854	39,611	42,465
Debentures 7th Issuance - 2nd Series *	4.79%	IPCA	5,369	72,416	77,785	4,648	64,714	69,362
Debentures 7th Issuance - 3rd Series	6.97%	IPCA	1,524	20,653	22,177	1,477	20,953	22,430
Debentures 7th Issuance - 4th Series	6.57%	IPCA	2,807	38,151	40,958	2,379	33,851	36,230
BNDES - AVANÇAR	3.59% to 5.60%	IPCA	6,674	200,456	207,130	1,360	77,418	78,778
Caixa Econômica Federal	6.62% to 12.00%	TR	108,184	1,761,846	1,870,030	92,235	1,524,919	1,617,154
Total in Brazilian Reais			637,703	5,013,248	5,650,951	560,299	4,507,593	5,067,892
In Foreign Currency:								
KfW Bank	1.35%	EURO	26,345	-	26,345	15,352	-	15,352
Total in Foreign Currency			26,345	-	26,345	15,352	-	15,352
Balance at the End on the Period			664,048	5,013,248	5,677,296	575,651	4,507,593	5,083,244
Loans and Financing			210,878	2,162,021	2,372,899	176,970	1,836,065	2,013,035
Debentures			356,682	2,450,577	2,807,259	303,115	2,267,243	2,570,358
Leases			96,488	400,650	497,138	95,566	404,285	499,851

* IPCA as a variable component of TLP

Foreign Currency Debt:

On December 11, 2017, the Company signed a loan agreement with KfW Bank of EUR 50 million, with interest subsidy provided by the Federal Republic of Germany for projects that meet the eligibility criteria of the development policy as per terms that meet the OECD - Organization for Economic Co-operation and Development requirements for recognition as Official Development Assistance. The first release of funds took place in August 2019. Until the 3rd quarter of 2023 €9,838 thousand were made available.

The Company is using 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.

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

The Company promotes the execution of the contractually planned activities and Banco KfW disburses the amounts according to the construction schedule. Half-yearly payment of a 0.25% commitment fee will be due per year on the amount not yet disbursed and interest of 1.35% per year. On the amount disbursed. The debt will be repaid in 21 semi-annual payments, with the first installment being amortized in December 2022.

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

The Company hired 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. On September 30, 2023, there were 4 Swap operations in effect, totaling a notional amount of €5,076 thousand for interest rate and exchange variation protection, with no speculative character, converting the financial charges to 76.10% of the CDI (average weighted), which represents the percentage of 10.23% for a rate of 13.44% of the CDI (accumulated in the past 12 months).

Leases:

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

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

(ii) Vehicle, movable and immovable leasing contracts (Lease – Right of Use) do not have a contractual term exceeding 5 years. The incremental borrowing rate (weighted average) applied to the liabilities of these leases varies according to the period in which they are signed, when the respective initial accounting record is carried out. As of January 1, 2019, the weighted average discount rate applied to contracts was 6.88%. As of December 31, 2019, the weighted average discount rate applied in the recognition of these contracts was 6.76%, as of December 31, 2020, it was 6.12%, as of December 31, 2021, it was 4.77%, as of December 31, 2022, it was 8.70%, and as of September 30, 2023, it was 10.43%. The Company does not have variable rent payments in its leasing contracts, nor does it have a sale or leaseback transaction of assets.

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

Liabilities	12/31/2022	Additions	Restatement	Financial Charges	Payments	09/30/2023
Lease - Coastal	317,212	-	11,235	25,064	(33,490)	320,021
Lease - Right of Use	182,639	44,158	-	(2,669)	(47,011)	177,117
Total	499,851	44,158	11,235	22,395	(80,501)	497,138
Current	95,566					96,488
Noncurrent	404,285					400,650

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

As of September 30, 2023, the present value of the minimum future financial obligations related to Leases is shown below:

Description	Minimum Future Payments	Financial Charges	09/30/2023	13/31/2022
			Present Value of Future Payments	Present Value of Future Payments
Lease - Coastal				
Less than a year	45,968	(30,555)	15,413	13,899
More than a year and less than five years	185,146	(118,479)	66,667	59,638
Above five years	353,647	(115,706)	237,941	243,675
Subtotal	584,761	(264,740)	320,021	317,212
Lease - Right of Use				
Less than a year	95,445	(14,370)	81,075	81,668
More than a year and less than five years	108,376	(12,334)	96,042	100,971
Subtotal	203,821	(26,704)	177,117	182,639
Total	788,582	(291,444)	497,138	499,851

Liabilities from right of use and coastal leases were measured considering the incremental loan discount rate, with the incorporation of projected inflation, and presents the following composition:

Description	09/30/2023
Lease - Coastal	393,152
Vehicles	70,240
Mobile goods	62,010
Real Estate	39,749
Total	565,151

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

Description	2023	2024	2025	2026	2027	2028	2029 to 2036	Total
Lease - Coastal	11,572	47,034	48,800	50,545	52,329	54,167	458,189	722,636
Vehicles	9,014	37,883	32,056	-	-	-	-	78,953
Mobile goods	4,738	20,394	20,278	16,420	12,971	312	-	75,113
Real Estate	2,233	8,733	8,996	10,312	11,849	10,042	-	52,165
Total	27,557	114,044	110,130	77,277	77,149	64,521	458,189	928,867

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	09/30/2023	12/31/2022
TR	1,870,030	1,617,154
TJLP	389,087	455,936
IPCA	1,670,024	1,531,450
DI	1,222,058	956,702
IPC-FIPE	320,021	317,212
EURO	26,345	15,352
With No Monetary Adjustment	179,731	189,438
Total	5,677,296	5,083,244

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

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

Description	Period of Issuance	Final Maturity	Hired Amount	Number of Debentures	Payments	
					Amortization	Interest
Debentures 9th Issuance - 1st Series	2019	2024	199,150	19,915	2024	Six-Monthly
Banco do Brasil - PSI - 4 Contracts	2013 to 2014	2024	19,825	-	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 - 10 Contracts	2013 to 2014	2025	25,330	-	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	2018 to 2023	2023 to 2028	233,242	-	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
Debentures 13th Issuance - Single Series	2023	2028	400,000	400,000	2028	Six-Monthly
BNDES - PAC2 - 4 Contracts	2011 to 2014	2029	602,665	-	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 - Coastal	2013	2036	460,592	-	Monthly	Monthly
Debentures 7th Issuance - 1st Series	2018	2038	47,279	19,733	Monthly	Quarterly during grace period and monthly at 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 - 2 Contracts	2020 to 2021	2041	525,583	-	Monthly	Quarterly during grace period and monthly at amortization
Caixa Econômica Federal - 292 Contracts	2007 to 2022	2046	3,330,872	-	Monthly	Monthly

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

c) The amortization timeline is as follows:

Description	2023	2024	2025	2026	2027	2028	2029	2030
Debentures 2nd Issuance	7,427	45,588	-	-	-	-	-	-
Debentures 4th Issuance	10,714	40,907	40,908	40,908	23,847	-	-	-
Debentures 7th Issuance	4,194	11,876	11,876	11,876	11,876	11,876	11,876	11,876
Debentures 9th Issuance	14,758	199,129	-	150,823	-	-	-	-
Debentures 10th Issuance	-	-	-	-	434,356	-	-	-
Debentures 11th Issuance	59	-	64,539	64,539	-	-	244,140	-
Debentures 12th Issuance (1)	10,894	-	-	148,683	148,683	-	-	-
Debentures 13th Issuance	24,935	-	-	-	-	398,408	-	-
Debentures Subtotal	72,981	297,500	117,323	416,829	618,762	410,284	256,016	11,876
BNDES - PAC2	17,436	66,427	66,428	54,481	31,229	26,554	4,225	-
BNDES - AVANÇAR	2,479	5,592	12,147	12,170	12,170	12,170	12,170	12,170
Banco do Brasil - PSI	341	214	-	-	-	-	-	-
Banco Itaú - PSI	567	1,405	87	-	-	-	-	-
Caixa Econômica Federal	30,322	104,606	111,097	120,624	128,484	135,257	136,293	133,169
KfW Bank	12,062	14,283	-	-	-	-	-	-
Loans and Financing Subtotal	63,207	192,527	189,759	187,275	171,883	173,981	152,688	145,339
Lease - Coastal	6,671	13,332	14,722	16,274	18,009	19,951	22,124	24,558
Lease - Right of Use	36,967	58,136	47,883	19,443	13,417	1,271	-	-
Leases Subtotal	43,638	71,468	62,605	35,717	31,426	21,222	22,124	24,558
Total	179,826	561,495	369,687	639,821	822,071	605,487	430,828	181,773

Description	2031	2032	2033	2034	2035	2036	2037 to 2046	Total
Debentures 2nd Issuance	-	-	-	-	-	-	-	53,015
Debentures 4th Issuance	-	-	-	-	-	-	-	157,284
Debentures 7th Issuance	11,876	11,876	11,876	11,876	11,876	11,876	22,754	181,336
Debentures 9th Issuance	-	-	-	-	-	-	-	364,710
Debentures 10th Issuance	-	-	-	-	-	-	-	434,356
Debentures 11th Issuance	189,279	-	-	-	-	-	-	562,556
Debentures 12th Issuance (1)	-	322,399	-	-	-	-	-	630,659
Debentures 13th Issuance	-	-	-	-	-	-	-	423,343
Debentures Subtotal	201,155	334,275	11,876	11,876	11,876	11,876	22,754	2,807,259
BNDES - PAC2	-	-	-	-	-	-	-	266,780
BNDES - AVANÇAR	12,170	12,170	12,170	12,170	12,170	12,170	53,042	207,130
Banco do Brasil - PSI	-	-	-	-	-	-	-	555
Banco Itaú - PSI	-	-	-	-	-	-	-	2,059
Caixa Econômica Federal	127,507	95,194	94,745	88,514	92,265	96,139	375,814	1,870,030
KfW Bank	-	-	-	-	-	-	-	26,345
Loans and Financing Subtotal	139,677	107,364	106,915	100,684	104,435	108,309	428,856	2,372,899
Lease - Coastal	27,288	30,350	33,788	37,650	38,803	16,501	-	320,021
Lease - Right of Use	-	-	-	-	-	-	-	177,117
Leases Subtotal	27,288	30,350	33,788	37,650	38,803	16,501	-	497,138
Total	368,120	471,989	152,579	150,210	155,114	136,686	451,610	5,677,296

(1) In February 2022, the Company raised R\$600,000 in the capital market 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, counted from the date of issue of the debentures, which occurred on 01/15/2022. The second series matures in 10 years.

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

d) Changes in loans, financing, debentures, and leases were as follows:

Description	09/30/2023		09/30/2022	
	Current	Noncurrent	Current	Noncurrent
Balances at the Beginning of the Period	575,651	4,507,593	407,680	3,712,885
Releases	24,038	855,129	4,918	935,536
Interest and Fines on Financing	315,942	-	264,384	-
Monetary Variation on Financing	-	83,410	-	75,630
Transfers	445,914	(445,914)	366,042	(366,042)
Amortization	(763,891)	-	(567,877)	-
Costs of Funds Raised with Third Parties	499	1,795	(573)	(8,125)
Exchange Rate Variation	(658)	-	(1,870)	-
Interest and Monetary Variation on Leases	22,395	11,235	25,736	30,868
Leases	44,158	-	30,051	-
Balances at the End of the Period	664,048	5,013,248	528,491	4,380,752

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

Until the 3rd quarter of 2023, the Company obtained and amortized funds from third parties, as stated below:

Index	Releases	Amortization
Debentures 2nd issuance	-	(52,213)
Debentures 4th issuance	-	(40,063)
Debentures 7th issuance	17,306	(20,676)
Debentures 8th issuance	-	(165,906)
Debentures 9th issuance	-	(24,289)
Debentures 10th issuance	-	(19,888)
Debentures 11th issuance	-	(37,958)
Debentures 12th issuance	-	(61,361)
Debentures 13th issuance	400,000	-
BNDES	-	(648)
BNDES - PAC2	17,091	(62,719)
BNDES - AVANÇAR	124,954	(4,473)
Banco do Brasil - PSI	-	(1,775)
Banco Itaú - PSI	-	(2,583)
Caixa Econômica Federal	295,778	(176,184)
Banco KfW	24,038	(12,654)
Subtotal	879,167	(683,390)
Leases (1)	44,158	(80,501)
Total	923,325	(763,891)

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

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

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 9th, 10th, 11th, 12th and 13th Issuance of Debentures

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

(iii) Covenants of contracts with Caixa Econômica Federal

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

(iv) Covenants of contracts with KfW Bank

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

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

In case one or more of the Company covenants should exhibit for a minimum of two (02) quarters, consecutive or not, within 12 months, ratios within the range mentioned above, the monthly amount for the installment of the transferred rights granted in escrow in the terms of the clause “Fiduciary Assignment of Rights” for each of the contracts will be automatically increased by 20% (twenty percent).

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

Concerning contracts in item (ii), of the 9th, 10th, 11th, 12th and 13th issuances of simple debentures, not convertible into shares, considering that it does not confer any special or general privilege to the holders, the Company must maintain the ratios mentioned above throughout the period and until the final maturity.

About the contracts of item (iii) of Caixa Econômica Federal, related to the 3rd phase of Normative Instruction 14, in accordance with Clause Sixteen of said contracts, and of Normative Instructions 22 and 29, in accordance with Clause Thirty-Two of referred to contracts, the Company shall maintain during the entire 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 Setembro 30, 2023, the Company complies with the restrictive clauses stipulated when issuing debentures, financing from BNDES, Caixa Econômica Federal and KfW Bank.

14. TAXES AND CONTRIBUTIONS

The composition is as follows:

Description	09/30/2023	12/31/2022
Income Tax Payable	43,583	-
Social Contribution Payable	17,614	-
COFINS (tax on sales) Payable	32,645	34,025
PASEP (tax on sales) Payable	7,039	7,354
Taxes and Contributions Withheld at Source	12,295	61,388
Total taxes and contributions	113,176	102,767
Current	113,176	102,767

15. INCOME TAX AND SOCIAL CONTRIBUTION

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

Descrição	09/30/2023		09/30/2022	
	Income Tax	Social Contribution	Income Tax	Social Contribution
Income Before Income Tax and Social Contribution	1,567,827	1,567,827	1,116,406	1,116,406
Income Tax and Social Contribution - Current Rate	(391,957)	(141,104)	(279,101)	(100,477)
Benefit of the Deductibility of Interest on Equity	67,213	24,197	38,552	13,878
Worker's Meal Program - PAT (1)	14,681	-	11,122	-
Corporate Citizen Incentive (2)	490	-	429	-
Equity in Earnings (Losses) of Controlled Companies	(237)	(86)	(556)	(200)
Other	(1,777)	(705)	429	97
Total of Expenses	(311,587)	(117,698)	(229,125)	(86,702)
Total of Income Tax and Social Contribution	(429,285)		(315,827)	
Effective Rate	27.4%		28.3%	

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

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

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

b) Current and deferred income and social contribution taxes

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

Description	09/30/2023	09/30/2022
Income Tax	(366,381)	(277,475)
Social Contribution	(137,083)	(103,767)
Realization of Deferred Income Tax	54,794	48,350
Realization of Deferred Social Contribution	19,385	17,065
Total	(429,285)	(315,827)

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

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	09/30/2023				12/31/2022
		Calculation Basis	Income Tax	Social Contribution	Total	Total
ASSETS						
NPV on Contractual Financial Assets	30 years	1,306,890	326,722	117,620	444,342	369,598
Recoverable Value of Assets (Impairment) - Solid Waste	17 years	9,999	2,500	900	3,400	3,614
Health and Pension Plans	15 years	1,045,347	261,337	94,081	355,418	343,759
Lease - Coastal (Asset)	14 years	320,020	80,005	28,802	108,807	107,852
Impairment of Assets	10 years	4,163	1,041	374	1,415	1,416
Civil, Labor, Tax and Environmental Provisions	5 years	828,594	207,148	74,573	281,721	234,260
Lease - Right of Use (Asset)	5 years	177,117	44,279	15,941	60,220	62,098
NPV of Trade Accounts Receivable	5 years	65,053	16,263	5,855	22,118	10,900
Impairment on Investments - CS Bionergia	5 years	15,706	3,926	1,414	5,340	5,663
FVA - Investments Appraised at Fair Value	5 years	409	102	37	139	181
Provision for Losses on Credit Realization	3 years	51,817	12,954	4,664	17,618	17,329
Allowance for Doubtful Accounts - CPC 48	3 years	14,631	3,658	1,317	4,975	8,388
Net Realizable Value of Inventories	2 years	678	170	61	231	88
PAI - Encouraged Retirement Program	2 years	259	65	23	88	53
Provision for PPR	1 year	87,098	21,775	7,839	29,614	29,951
Total			981,945	353,501	1,335,446	1,195,150
LIABILITIES						
NPV on Contractual Financial Assets	30 years	1,196,591	299,148	107,693	406,841	336,045
Revaluation Surplus	25 years	77,625	19,406	6,986	26,392	28,038
Deferred IRPJ on Construction and Improvements	20 years	101,514	25,379	-	25,379	26,327
Donations from Public Agencies	20 years	11,616	2,904	1,045	3,949	3,946
Lease - Coastal (Liabilities)	14 years	174,099	43,525	15,669	59,194	60,271
Atribution of Deemed Cost to Fixed Assets	12 years	6,439	1,609	580	2,189	2,225
Lease - Right of Use (Liabilities)	5 years	148,378	37,095	13,354	50,449	51,424
Total			429,066	145,327	574,393	508,276
Total amount, net			552,879	208,174	761,053	686,874

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

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 September 30, 2023, is as follows:

Realization period	Deferred Tax Assets			Deferred Tax Liabilities		
	Income Tax	Social Contribution	Total	Income Tax	Social Contribution	Total
2023	22,226	8,001	30,227	5,771	1,959	7,730
2024	110,845	39,904	150,749	23,082	7,835	30,917
2025	105,461	37,966	143,427	23,082	7,835	30,917
2026	88,849	31,986	120,835	23,082	7,835	30,917
2027	129,607	46,659	176,266	28,647	9,838	38,485
2028 to 2030	103,515	37,266	140,781	46,990	15,493	62,483
2031 to 2033	104,557	37,640	142,197	46,990	15,493	62,483
2034 to 2036	103,515	37,266	140,781	46,704	15,389	62,093
2037 to 2039	63,623	22,904	86,527	36,706	11,790	48,496
2040 to 2042	32,672	11,762	44,434	36,815	11,830	48,645
2043 to 2045	32,672	11,762	44,434	32,316	11,634	43,950
2046 to 2048	32,672	11,762	44,434	31,516	11,345	42,861
2049 to 2051	32,672	11,762	44,434	29,915	10,769	40,684
2052 to 2054	19,059	6,861	25,920	17,450	6,282	23,732
Total	981,945	353,501	1,335,446	429,066	145,327	574,393

16. 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 until the 3rd quarter of 2023 was R\$2,670 (R\$2,777 in the same period of 2022). The balance on September 30, 2023, is R\$12,163 (R\$14,833 on 12/31/2022), of which R\$3,560 (R\$3,560 on 12/31/2022) is recorded in current liabilities and R\$8,603 in noncurrent liabilities (R\$ 11,273 on 12/31/2022).

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

17. PROVISIONS, CONTINGENT LIABILITIES, CONTINGENT ASSETS AND COURT DEPOSITS

a) Provisions

The Company records provisions for civil, labor, tax and environmental claims classified as probable losses, which presented the following changes:

Nature	12/31/2022	Additions	Reversals	Payments	09/30/2023
Labor Claims (i)	399,669	170,338	(1,220)	(45,381)	523,406
Civil Claims (ii)	263,351	36,455	(2,777)	(25,321)	271,708
Environmental Claims (iii)	15,406	32,956	(21,790)	(3,728)	22,844
Tax Claims (iv)	10,574	62	-	-	10,636
Total	689,000	239,811	(25,787)	(74,430)	828,594

Main events during the period:

Complement of labor provisions in the amount of R\$33,026, referring to a lawsuit filed by the Union of Engineers of the State of Paraná - SENGE, related to salary differences in the Position, Career, and Remuneration Plan; R\$84,428 referring to labor lawsuits whose object is due to the reintegration of retirees and salary parity; and R\$52,884 referring to the restatement of amounts provisioned for labor claims due to court decisions and new claims filed in the period. On the other hand, there was a reduction in labor provisions (Reversals and Payments) in the amount of R\$46,601, due to the shelving and definitive write-off of legal claims.

Provisioning as a probable loss of lawsuits of an environmental nature related to notices of infraction by the Brazilian Institute of the Environment and Renewable Natural Resources – IBAMA and the Instituto Água e Terra do Paraná – IAT in the amount of R\$ 12,395, in addition to the impact resulting from the precautionary action for early production of evidence to determine environmental damage in the amount of R\$13,000 in the municipality of Campo Magro provisioned in 2Q23 that was reversed in 3Q23, due to a legal settlement.

b) Contingent liabilities

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

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

Nature	Contingent liabilities	
	09/30/2023	12/31/2022
Labor claims (i)	124,981	98,239
Civil claims (ii)	1,327,067	488,163
Environmental claims (iii)	119,852	134,732
Tax claims (iv)	25,072	28,568
Total	1,596,972	749,702

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

c) Nature of Provisions and Contingent Liabilities

(i) Labor

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

(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) mass actions due to lack of water; and iii) other proceedings resulting from indemnification related to the suspension of the contract, traffic accidents, property damage, loss of profits, among others.

In the second quarter of 2023, the Company updated the amount of the Contingent Liability to R\$684,344, related to the Public Civil Action, whose purpose refers to the lack of water in the municipality of Maringá in January 2016, pending in the 2nd Court of the Public Treasury of Maringá, in which the Public Prosecutor's Office of the State of Paraná and the Company are parties, by a sentence handed down in the first instance. However, the Company appealed to the Court of Justice of Paraná -TJ/PR and based on the opinion of its internal legal advisors, it understands that there are elements of success on appeal, considering the expert work carried out during the procedural instruction and similar cases in which the Company has already achieved legal success.

(iii) Environmental

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

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

(iv) Tax

Tax proceedings are mainly related to the collection of IPTU (Urban Property and Land Tax), municipal fees and ISSQN (Tax on Services of Any Nature) due to divergences in the interpretation of the law. The main IPTU claims are related to inquiries from the municipalities of Curitiba, Londrina and Pinhais. Municipal fees concern Paranavaí and the main ISSQN actions relate to questions from the municipalities of Paranavaí, Maringá, Campina da Lagoa and Pinhais.

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

d) Contingent Assets

The Company is the author of a declaratory action under No. 1074228-74.2022.4.01.3400 in which the Federal Regional Court of the 1st Region recognized the lack of a legal tax relationship between Sanepar and the Union, as the Company is a beneficiary of tax immunity reciprocity provided for in art. 150, VI, "a", of CRFB/88, in which the success is restricted to the payment of the Corporate Income Tax - IRPJ (repetition of undue debt), covering the period from May 1996 to December 2022. The uncontroversial estimated amount initially recognized by the Union was R\$3,628,754.

The estimated claimed amount may change, and in this sense, the Company has already requested the issuance of a precatory requesting letter for registration in the Union budget. It is safe to say that an estimate of the term for settlement of the writ and effective assessment of the value is unpredictable.

e) 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	
	09/30/2023	12/31/2022
Labor Claims (i)	426,051	363,510
Civil Claims (ii)	138,048	111,707
Environmental Claims	12,981	7,488
Tax Claims	25,363	24,589
Total	602,443	507,294

(i) During the third quarter of 2023, 121 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\$33,026 were recorded, and 13 new court deposits from labor lawsuits referring to lawsuits for the reinstatement of retirees in the amount of R\$4,845.

(ii) Until the third quarter of 2023, 1.037 new court deposits in the amount of R\$37,627 were recorded, mainly referring to material damages and improper collection of fees.

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

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

The Plenary of the Federal Supreme Court unanimously concluded that judicial decisions taken definitively “res judicata” in favor of taxpayers lose their effects if, afterward, the Supreme Court has a different understanding of the subject. That is, if years ago a company

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

obtained authorization from the Court to stop paying any tax, this permission will expire if, and when, the STF decides otherwise.

Management evaluated with its internal legal advisors the possible impacts of this STF decision and concluded that the decision, based on management's assessment supported by its legal advisors, and in line with CPC25/IAS37 Provisions, Contingent Liabilities and Contingent Assets and the CPC24/IAS10 Subsequent Events, does not result in impacts on its financial statements as of September 30, 2023.

18. PENSION PLAN AND HEALTH 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\$27,994 (R\$26,010 in the same period of 2022) 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.

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, until this quarter, the amount of R\$71,081 (R\$63,732 in the same period of 2022).

Additionally, to comply with the determinations contained in CPC 33 (R1) – Employee Benefits, approved by CVM Resolution No. 110/22, the company Data A Soluções in Serviços Actuariais, Economics and Social Security Ltda. was hired for the year ended on December 31, 2022, which issued detailed reports, supporting the information included, on the said base date.

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

The actuarial position of liabilities related to the retirement plan and health care plan as of September 30, 2023, and December 31, 2022, is shown below:

Description	Retirement plan	Health Insurance Plan	09/30/2023	12/31/2022
Current	18,884	50,806	69,690	67,404
Noncurrent	264,370	711,287	975,657	943,652
Total	283,254	762,093	1,045,347	1,011,056

Below we present the projection of expenses for the year 2023:

Description	Retirement plan	Health insurance plan	2023
Current Service Cost	5,613	4,836	10,449
Cost of Interests	126,775	72,459	199,234
Expected Gains of Plan Assets	(99,922)	-	(99,922)
Contributions from the Sponsor/Participants	(26,423)	(37,617)	(64,040)
Total	6,043	39,678	45,721

The amount of R\$45,721 was actuarially estimated as the expected variation of the plans for the year 2023, which is being monthly recorded by the Company, having been appropriated up to the 3rd quarter of 2023 the amount of R\$34,291 (R\$60,508 in the same period of 2022). At the end of 2023, 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.

19. RELATED-PARTY TRANSACTIONS

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.

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

We present below the balances and transactions with Related Parties:

Description	Asstes		Liabilities		Income		Cost / Expenses	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022	09/30/2023	09/30/2022	09/30/2023	09/30/2022
State of Paraná								
Interest on Equity	-	-	50,478	81,228	-	-	-	-
Municipalities								
Solid Waste Services	-	-	-	-	9,920	9,505	-	-
Trade Accounts Receivable	61,602	30,251	-	-	-	-	-	-
Municipal Sanitation and Environmental Management Fund	-	-	18,662	27,636	-	-	80,968	109,920
CS Bioenergia S.A.								
Sewage Effluent Treatment	1,700	1,285	-	-	401	240	-	-
Sludge Removal - ETE Belém	-	-	-	-	-	-	9,858	10,055
Electric Power Plant Rental	-	-	-	-	-	-	3,057	1,403
Organic Waste Treatment (CEASA)	-	-	-	-	-	-	462	349
Property Rental	809	472	-	-	287	271	-	-
Reimbursable Electricity Expenses	60	46	-	-	-	-	383	394
Sanepar Foundations								
Property Rental	-	-	-	-	-	464	-	-
Employer Contributions	-	-	-	-	-	-	99,075	89,742
Tecpar								
ISO and Water Safety Plan	-	-	14	-	-	-	303	1,881
Celepar								
e-Protocol System, among others	-	-	35	9	-	-	205	97
Stock Investment	5	3	-	-	-	-	-	-
Interest Receivable	8	8	-	-	-	-	-	-
Simepar								
Water security plan and others	-	-	90	-	-	-	2,805	2,674
Total	64,184	32,065	69,279	108,873	10,608	10,480	197,116	216,515

b) Management compensation

The overall annual management compensation for the year 2023 was approved by the 59th/2023 Annual General Meeting (AGO) of April 28, 2023, in the global amount of R\$15,677. For the year 2022, the approval was given by the 58th/2022 Ordinary General Meeting (AGO) held on April 28, 2022, in the amount of R\$15,054.

We present below the payments made to management:

Description	09/30/2023	09/30/2022
Remuneration	7,443	7,498
Charges and Benefits	2,608	2,582
Social Charges	2,460	2,395
Health Plan (Sanesaúde)	67	69
Pension Plan (Fusanprev)	81	95
Complementary Programmes	-	23
Total	10,051	10,080

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

20. OTHER ACCOUNTS PAYABLE

The composition is as follows:

Description	09/30/2023	12/31/2022
Contracts and Agreements with Third Parties (1)	40,082	24,473
Agreements with Municipal Administrations	24,583	21,810
Collaterals and Reimbursable Amounts	26,724	16,449
Installment Payment IBAMA – PRD (2)	-	1,600
IAT Installment (3)	492	-
IBAMA TCCM (4)	87,631	87,631
Municipal Sanitation and Environmental Management Fund	18,662	27,636
Other Accounts Payable	-	425
Total	198,174	180,024
Current	113,324	91,968
Noncurrent	84,850	88,056

(1) Amount referring to the technical and financial cooperation agreement signed between the Company, Itaipu, and Fundação Parque Tecnológico Itaipu - PTI, for sanitation infrastructure actions and monitoring of water resources and public health, aiming to promote improvements in environmental, social, and economic in the western region of Paraná.

(2) Amount referring to installment payments of several environmental assessment notices from the Brazilian Institute of Environment and Renewable Natural Resources – IBAMA, fully paid off in this quarter.

(3) Amount referring to the installments of several Notices of Environmental Infractions with Instituto Água e Terra - IAT.

(4) 2 (two) Terms of Commitment for Conversion of Fines - TCCM, in the direct modality, which consolidated the debt amount of 5 (five) Notices of Environmental Infractions - AIA, drawn up by the Brazilian Institute of the Environment and Renewable Resources - IBAMA in the year of 2012, in the amount of R\$ 87,631, to be invested directly by the Company over 120 (one hundred and twenty) months in Environmental Actions related to the execution of an environmental project called "Requalification of pit complexes for environmental improvement of the Iguaçu River and areas wet surroundings".

21. 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.

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

The equity value of each share on September 30, 2023, is R\$6.28 (R\$5.81 on December 31, 2022).

In the 2nd quarter of 2023, the Company increased its Capital Stock by R\$2,000,000 using part of the Profit Reserves balance, without share bonus. The increase was due to the fact that the balance of Profit Reserves exceeded the amount of Share Capital.

Subscribed and paid-in capital stock as of September 30, 2023, is R\$6,000,000, which, net of share issue cost, amounts to R\$5,996,137, 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	-	-	5,561,963	0.6	5,561,963	0.4
Foreign Investors	53,488,841	10.6	274,420,331	27.2	327,909,172	21.7
Other Investors	147,592,643	29.3	727,487,963	72.2	875,080,606	57.9
Total	503,735,259	100.0	1,007,470,260	100.0	1,511,205,519	100.0

b) Income Reserve

b.1) Legal Reserve

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

b.2) Tax Incentive Reserve

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

b.3) Reserve for Investment Plan

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

c) Revaluation Surplus

It was carried out until the 3rd quarter, transferring to Retained Earnings, the amount of R\$3,193 (R\$3,422 in the same period of 2022), net of Income Tax and Social Contribution.

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

The realization of this reserve occurs in the same ratio as of right down and depreciation of assets registered in the fixed and intangible assets line, object of said reevaluation.

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

Description	09/30/2023	09/30/2022
Balances at the beginning of the period	54,426	59,002
Realization of the Revaluation Surplus	(4,838)	(5,184)
Realization of Taxes on the Revaluation Surplus	1,645	1,762
Balances at the end of the period	51,233	55,580

d) Valuation Adjustments to Equity

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

During this quarter it was transferred to retained earnings, the amount of R\$72 (R\$106 in the same period in 2022), net of income tax and social contribution. The realization of this account occurs in the same proportion of the write-offs and depreciation of property, plant and equipment and intangible assets, to which new values have been assigned.

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

Description	09/30/2023	09/30/2022
Balances at the beginning of the period	4,322	4,458
Realization of the Adjustments to Deemed Cost	(109)	(161)
Realization of Taxes on the Adjustments to Deemed Cost	37	55
Balances at the end of the period	4,250	4,352

e) Other Comprehensive Income

Pursuant to CPC 33 (R1) – Employee Benefits, adjustments to the fair value of actuarial liabilities related to employee benefit plans (Note 18) 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.

f) 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.

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

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, 2023, the 59th Shareholders' Meeting approved the payment of Interest on Equity and Additional Dividends, credited to shareholders in 2022, in the gross amount of R\$432,623, which, net of Withholding Income Tax, represented R\$385,621, fully paid off in June 2023.

g) Earnings per share

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

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

On June 2023, the Company's Management proposed and the Board of Directors approved at the 6th/2023 Ordinary Meeting, held on June 27, 2023, the credit of Interest on Equity, observing the legal limit of TJLP variation in the period, based on the results obtained in the 1st semester of 2023. The gross amount of Interest on Equity, calculated for the 1st semester of 2023, was R\$268,850, with the amount of R\$29,229 being withheld as Withholding Income Tax. This credit generated tax savings of R\$91,409.

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

Basic and Diluted Earnings per Share	09/30/2023	09/30/2022
Numerator		
Net income for the year attributed to Company shareholder's		
Common shares	355,794	250,181
Preferred shares	782,748	550,398
Denominator		
Weighted average of number of common shares	503,735,259	503,735,259
Weighted average of number of preferred shares	1,007,470,260	1,007,470,260
Basic and diluted earnings per share		
Per ordinary share	0.70631	0.49665
Per preferred share	0.77694	0.54632

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

22. OPERATING REVENUES

Operating Revenues composition, by nature, is the following:

Description	07/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022	01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022
Revenue				
Revenues from Water	1,050,075	949,601	3,067,099	2,756,151
Revenues from Sewage	627,918	546,967	1,743,798	1,623,665
Revenues from Services	31,569	26,955	82,058	83,036
Revenues from Solid Waste	3,311	3,146	9,920	9,505
Services Provided to Municipalities	6,291	5,675	18,000	16,424
Donations Made by Clients	9,358	9,570	27,795	24,227
Other Revenue	1,906	2,102	5,197	4,716
Total of Operating Revenues	1,730,428	1,544,016	4,953,867	4,517,724
Deductions on Operating Revenues				
COFINS	(102,552)	(91,773)	(294,633)	(262,687)
PASEP	(22,100)	(19,779)	(63,466)	(56,618)
Total of Deductions	(124,652)	(111,552)	(358,099)	(319,305)
Total Operating Revenues, net	1,605,776	1,432,464	4,595,768	4,198,419

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

The Company incurred revenues and costs with construction contracts linked to the concessions in the amount of R\$58,328 (R\$64,614 for the same period in 2022), until the 3rd quarter of 2023, that is, with zero margins. Revenue is presented net of construction costs.

23. COST OF SERVICES RENDERED

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

Description	07/01/2023 to 09/30/2023			07/01/2022 to 09/30/2022		
	Water	Sewage	Total	Water	Sewage	Total
Personnel	(83,006)	(41,921)	(124,927)	(85,283)	(41,951)	(127,234)
Materials	(31,945)	(31,792)	(63,737)	(34,480)	(28,564)	(63,044)
Electricity	(114,877)	(17,836)	(132,713)	(91,020)	(13,525)	(104,545)
Third-party Services	(79,902)	(63,010)	(142,912)	(63,647)	(54,514)	(118,161)
Depreciation and Amortization	(48,980)	(48,335)	(97,315)	(45,753)	(43,287)	(89,040)
Compensation of Third-Party Damages	(1,086)	(6,613)	(7,699)	(929)	(545)	(1,474)
Municipal Sanitation and Environmental Management Fund	(15,262)	(12,757)	(28,019)	(13,844)	(11,569)	(25,413)
Other costs	(31,083)	(14,681)	(45,764)	(29,658)	(10,619)	(40,277)
Total	(406,141)	(236,945)	(643,086)	(364,614)	(204,574)	(569,188)

Description	01/01/2023 to 09/30/2023			01/01/2022 to 09/30/2022		
	Water	Sewage	Total	Water	Sewage	Total
Personnel	(255,932)	(125,711)	(381,643)	(252,962)	(117,934)	(370,896)
Materials	(105,443)	(89,492)	(194,935)	(102,204)	(71,629)	(173,833)
Electricity	(320,568)	(48,039)	(368,607)	(376,017)	(50,524)	(426,541)
Third-party Services	(220,366)	(173,380)	(393,746)	(189,248)	(145,566)	(334,814)
Depreciation and Amortization	(143,590)	(139,433)	(283,023)	(135,550)	(128,082)	(263,632)
Compensation of Third-Party Damages	(2,929)	(7,666)	(10,595)	(2,389)	(1,379)	(3,768)
Municipal Sanitation and Environmental Management Fund	(44,577)	(36,391)	(80,968)	(61,585)	(48,335)	(109,920)
Other costs	(98,268)	(37,048)	(135,316)	(93,178)	(33,188)	(126,366)
Total	(1,191,673)	(657,160)	(1,848,833)	(1,213,133)	(596,637)	(1,809,770)

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

24. SELLING, ADMINISTRATIVE AND OTHER EXPENSES

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

Description	07/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022	01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022
Selling				
Personal	(34,072)	(33,904)	(102,054)	(97,974)
Materials	(1,913)	(1,118)	(5,107)	(3,114)
Thrid-Party Services	(45,658)	(32,769)	(110,503)	(93,041)
Depreciation and Amortization	(2,537)	(1,798)	(7,156)	(5,521)
Gain (Losses) in Credit Realization (1)	43,342	(57,351)	88,175	(167,006)
Compensation of Third-Party Damages	(1,619)	-	(2,814)	-
Sanepar Rural Program	(1,294)	(1,620)	(4,323)	(3,554)
Other Expenses	(379)	(1,545)	(1,081)	(3,006)
Total of Selling Expenses	(44,130)	(130,105)	(144,863)	(373,216)
Administratives				
Personal	(171,611)	(165,714)	(500,138)	(461,098)
Materials	(15,202)	(14,621)	(43,920)	(41,217)
Thrid-Party Services	(37,283)	(46,559)	(109,557)	(109,205)
Depreciation and Amortization	(21,781)	(16,857)	(65,514)	(50,249)
Regulatory Fee	(8,754)	(6,979)	(26,256)	(20,933)
Travel Expenses	(1,562)	(1,501)	(4,419)	(3,812)
Legal and Court Fees	(2,864)	(960)	(7,804)	(2,395)
Social and Environmental Programs	(2,432)	(1,523)	(8,930)	(7,646)
Compensation of Third-Party Damages	(995)	(1,240)	(1,784)	(1,797)
Other Expenses	(3,849)	(2,982)	(15,870)	(12,556)
Transfer to Costs and Selling Expenses (2)	42,783	37,598	121,140	113,884
Capitalized Expenses (3)	30,833	33,092	92,782	93,473
Total of Administrative Expenses	(192,717)	(188,246)	(570,270)	(503,551)
Other Operating (Expenses) Revenue Expenses				
Eventual Losses (4)	(7,743)	102	(7,681)	2
Environmental Fines (5)	(11)	12	(9,218)	(53)
Write-off of Assets	(1,190)	(2,288)	(3,896)	(7,769)
Fair Value Adjustments - Investments	84	(50)	123	(94)
Total of Other Operating (Expenses) Revenues, net	(8,860)	(2,224)	(20,672)	(7,914)

- (1) Reversal of part of the provision balance for credit losses arising from overdue accounts, mainly due to the installment of accounts receivable from private customers, as a result of the Credit Recovery Program for Private Customers (RECLIP).
- (2) These amounts are first recorded as administrative expenses and later transferred to costs and selling expenses.
- (3) These amounts refer to capitalized administrative expenses, as they relate to projects and works in progress, allocated directly by the Company's Management.
- (4) Amount of R\$7,876 referring to the partial settlement of the lawsuit, relating to economic-financial rebalancing paid to the DM/LFM/SEF Consortium.
- (5) TAC Value - Conduct Adjustment Commitment Term, entered into with the Public Prosecutor's Office/6th Public Prosecutor's Office of the District of Ponta Grossa/PR, referring to compensatory measures for the distribution of water with microcrustaceans to part of the population of Ponta Grossa/PR in 2022 (R\$5,200) and the value of the Terms of Commitment for the Indirect Conversion of Environmental Fines entered into with IAT – Instituto Água e Terra, referring to various environmental fines (R\$3,728).

25. PROFIT SHARING PROGRAM

The Company provisioned the amount of R\$87,098 (R\$54,519 in the same period in 2022), related to Profit Sharing, based on goals and performance established for the year 2023, which is recorded in the Salaries and Social Charges account, in current liabilities.

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

26. NET FINANCIAL RESULT

Description	07/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022	01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022
Financial revenues				
Financial Investments (1)	42,061	44,137	136,790	125,511
Monetary Variation Gains (1)	29,867	19,712	82,040	55,509
Exchange Rate Variations Gains	370	809	1,217	3,319
Gains on Derivative Financial Instruments	311	185	519	1,177
Other Financial Revenues (2)	(1,632)	3,155	178	17,984
Total of Financial Revenues	70,977	67,998	220,744	203,500
Financial Expenses				
Financing, Lease and Debenture Interest and Charges (1)	(122,481)	(126,127)	(321,861)	(300,344)
Monetary Variation Losses (1)	(12,337)	3,488	(76,437)	(71,237)
Exchange Rate Variations Loss	(559)	(232)	(559)	(1,449)
Loss on Derivative Financial Instruments	(617)	(1,396)	(2,762)	(4,492)
Other Financial Expenses	(15)	(599)	(496)	(1,826)
Total of Financial Expenses	(136,009)	(124,866)	(402,115)	(379,348)
Financial Income (Loss), net	(65,032)	(56,868)	(181,371)	(175,848)

(1) Increase in the interest calculation base, due to the raising of third-party funds, as well as the growth of some debt monetary restatement indexes, mainly the CDI, offset by the growth of financial income, mainly due to the variation in the SELIC rate.

(2) Variation mainly related to the recording of the Adjustment to Present Value of Accounts Receivable from Customer Installments

27. 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.

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

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

Description	01/01/2023 to 09/30/2023			01/01/2022 to 09/30/2022		
	Water	Sewage	Total	Water	Sewage	Total
Direct Operating Revenue	3,126,816	1,776,059	4,902,875	2,817,589	1,654,768	4,472,357
Other Operating Revenues	28,542	22,450	50,992	25,621	19,746	45,367
Total Gross Operating Revenue	3,155,358	1,798,509	4,953,867	2,843,210	1,674,514	4,517,724
Revenue Deductions (PASEP and COFINS)	(200,439)	(157,660)	(358,099)	(180,311)	(138,994)	(319,305)
Net Operating Revenue	2,954,919	1,640,849	4,595,768	2,662,899	1,535,520	4,198,419
Cost	(1,191,673)	(657,160)	(1,848,833)	(1,213,133)	(596,637)	(1,809,770)
Gross Profit	1,763,246	983,689	2,746,935	1,449,766	938,883	2,388,649
Selling Expenses	(81,086)	(63,777)	(144,863)	(210,776)	(162,440)	(373,216)
Administrative Expenses	(319,204)	(251,066)	(570,270)	(284,383)	(219,168)	(503,551)
Other Operating Revenues (Expenses)	(11,571)	(9,101)	(20,672)	(4,470)	(3,444)	(7,914)
Equity in Earnings (Losses) of Controlled Companies	-	(949)	(949)	-	(2,223)	(2,223)
Net Financial Income (Loss)	(81,456)	(99,915)	(181,371)	(80,643)	(95,205)	(175,848)
Profit Sharing Program	(48,752)	(38,346)	(87,098)	(30,790)	(23,729)	(54,519)
Provisions	(78,150)	(61,444)	(139,594)	(53,304)	(41,160)	(94,464)
Pension Plan and Health Insurance	(19,194)	(15,097)	(34,291)	(34,170)	(26,338)	(60,508)
Income Before Taxes and Contributions	1,123,833	443,994	1,567,827	751,230	365,176	1,116,406
Income Tax and Social Contribution	(307,715)	(121,570)	(429,285)	(212,520)	(103,307)	(315,827)
Net Income for the Period	816,118	322,424	1,138,542	538,710	261,869	800,579
Operating Margin - Unaudited/Not Revised	38.0%	27.1%	34.1%	28.2%	23.8%	26.6%
Net Margin - Unaudited/Not Revised	27.6%	19.6%	24.8%	20.2%	17.1%	19.1%
Investments in Fixed /Intangible Assets in the Period (1)	562,901	808,825	1,371,726	548,899	713,104	1,262,003
Equity Interest - CS Bioenergia	-	960	960	-	2,741	2,741
Indebtedness – Loans, Financing, Debentures and Leases	2,596,306	3,080,990	5,677,296	2,257,267	2,651,976	4,909,243
Contract Asstes, Fixed Assets and Intangible Assets, net	5,763,927	7,202,777	12,966,704	5,246,585	6,388,892	11,635,477
Depreciation and Amortization for the Period	(184,272)	(171,421)	(355,693)	(167,049)	(152,353)	(319,402)
Accounts Receivable (Current and Noncurrent) (2)	1,537,818	560,281	2,098,099	1,163,437	544,818	1,708,255
Total Assets	8,141,556	10,173,933	18,315,489	7,290,063	8,877,285	16,167,348
Total Liabilities (Current and Noncurrent)	4,032,618	4,785,438	8,818,056	3,884,326	3,874,188	7,758,514
Number of Users – Unaudited/Not Reviewed (3)	3,442,529	2,497,239	-	3,397,534	2,425,700	-
Volume Thousand m³ Invoiced - Unaudited/Not Reviewed (4)	414,916	326,348	-	399,000	307,500	-

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

(2) Presented by the gross value.

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

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

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

28. 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\$1,954,103, with coverage term from 03/14/2023 to 03/13/2024, contemplating basic coverage for fire, wind, and electrical damages to the equipment.

Asset	Amount insured
Buildings	1,030,516
Machinery, Equipment and Vehicles	835,324
Inventory	88,263
Total	1,954,103

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 September 30, 2023, the Company offered guarantees through the Surety Bond in 385 lawsuits in the amount of R\$379,523 with Pottencial Seguradora S/A, maturing on 06/15/2025.

The Company also signed/renewed the contract with Starr Internacional Brasil Seguradora S/A for insurance coverage in the modality of civil liability to council members, 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 09/07/2024.

29. SUBSEQUENT EVENTS

On October 2, 2023, the process of acquiring all the shares of CS Bioenergia S.A. was completed, with all the suspensive conditions existing in the Share Purchase and Sale Agreement and other provisions, signed between the parties, having been met, with the Company assumed control and complete management of the operation of CS Bioenergia S.A., as of this date. In addition, the Company contracted the Fundação Instituto de Pesquisas Contábeis, Actuarial e Financeira (FIPECAFI) to prepare an evaluation report to allocate the price paid in the acquisition process of CS Bioenergia S.A. (PPA – Purchase Price Allocation), as established by CPC 15 – Business Combination, which will support the accounting record to be carried out by the Company.

Companhia de Saneamento do Paraná – SANEPAR

NOTES TO THE INTERIM FINANCIAL INFORMATION

Base date September 30, 2023

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

On October 10, 2023, the Company in Relevant Fact reported that the 6th Extraordinary General Assembly of the Central-Coastal (MRAE-1), Central-East (MRAE-2), and West (MRAE-3) Microregions of the State of Paraná approved the proposal to extend and standardize contractual deadlines, until 06/05/2048, through amendments to the contracts for the regionalized provision of public water and sewage services in force, aiming at the universalization of water and sewage services while preserving affordability tariff. The standardization of deadlines for the 319 current contracts, which represent approximately 95% of the Company's total revenue, fulfills a stage in the process, with the condition being proof of economic and financial capacity with regulatory bodies, in accordance with Decree No. 11,598, of 12 July 2023 and other requirements set out in the amendments. The percentage of revenue mentioned above includes the Municipality of Maringá (non-standardized period), whose additive term that extended the concession until 08/27/2040 is under court discussion.

On October 23, 2023, the Company informed its shareholders, investors, and the market in general that, aiming to support the populations affected by heavy rains and minimize the losses of these communities in an emergency situation decreed by the Government of the State of Paraná, it will take the following measures: (i) properties with damage caused by intense rains and registered by the Civil Defense of the State of Paraná will have billing for water supply and sewage collection and treatment services in the symbolic value of R\$ 1.00 in the next two months; (ii) suspension of water cuts for residential and commercial units affected by the severe rains and that are registered with the Civil Defense of the State of Paraná; (iii) supply of packaged water and/or other actions that can assist in the necessary measures to provide the population with drinking water; and (iv) assistance in cleaning public roads affected by floods with water jet trucks.

On October 30, 2023, at the 22nd/2023 Extraordinary Meeting of the Board of Directors, Mr. Anatalicio Ridsen Junior was elected to hold the position of Director of Innovation and New Business from 11/01/2023, with a unified mandate with the other directors until 06/10/2024.

On November 8, 2023, at the 11th Ordinary Meeting, the Board of Directors approved the beginning of the structuring of the operation to issue Debentures, not incentivized, not convertible into shares, of the unsecured type, in accordance with CVM Resolution No. 160/2022, up to R\$600 million.

On November 8, 2023, at the 11th Ordinary Meeting, the Board of Directors approved the Investment Program for the period from 2024 to 2028, in a global value of R\$ 11,215.8 million, according to the Material Fact disclosed on the same date.

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 September 30, 2023, which comprise the balance sheet on September 30, 2023, and the related statements of income and comprehensive income for the three and nine-months period then ended, and the statements of changes in equity and cash flows for the for the nine-month period then ended, including the 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).



Other issues

Statement of added value

The quarterly information referred to above includes the statements of value added (SVA) for the nine-month period ended September 30, 2023, prepared under the responsibility of Company management and presented as supplementary information for IAS 34 purposes. This information has 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, November 8, 2023.



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

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

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 1376, Curitiba - PR, registered at CNPJ under nº 76.484.013/0001- 45, for the purposes of CVM Resolution nº 80/2022, declares that it has reviewed, discussed and agreed with Sanepar's interim financial statements for the period ended on September 30, 2023.

Curitiba, October 30, 2023

CLAUDIO STABILE
Chief Executive Officer

ABEL DEMETRIO
Chief Financial and Investor Relations
Officer

SERGIO WIPPEL
Chief Operating Officer

LEURA LUCIA CONTE DE OLIVEIRA
Chief Investment Officer

ELERIAN DO ROCIO ZANETTI
Chief Commercial Officer

RAUL CLEI COCCARO SIQUEIRA
Chief Legal Officer

FERNANDO MAURO NASCIMENTO GUEDES
Chief Administrative Officer

JULIO CESAR GONCHOROSKY
Chief of Environment and Social Action Officer

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 1376, Curitiba - PR, registered at CNPJ under nº 76.484.013/0001- 45, for the purposes of CVM Resolution nº 80/2022, declares that it has reviewed, discussed and agreed with 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 September 30, 2023.

Curitiba, November 08, 2023.

CLAUDIO STABILE
Chief Executive Officer

ABEL DEMETRIO
Chief Financial and Investor Relations
Officer

SERGIO WIPPEL
Chief Operating Officer

LEURA LUCIA CONTE DE OLIVEIRA
Chief Investment Officer

ELERIAN DO ROCIO ZANETTI
Chief Commercial Officer

RAUL CLEI COCCARO SIQUEIRA
Chief Legal Officer

FERNANDO MAURO NASCIMENTO GUEDES
Chief Administrative Officer

JULIO CESAR GONCHOROSKY
Chief of Environment and Social Action Officer

ANATALICIO RISDEN JUNIOR
Chief of Innovation and New Business Officer