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## Presentation

The 2023 Management Report and Financial Statements present the Company's results, in compliance with current regulations, such as Laws no. 6,404/76 and no. 13,303/16 and the Brazilian Securities and Exchange Commission (CVM, in Portuguese) guidelines. Furthermore, the financial information contained in this report was also prepared in accordance with the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) as well as B3's Level 2 of governance requirements.

The document encompasses the period from January 1st to December 31st, 2023. This report may contain forecasts that reflect only expectations of our management and Sanepar undertakes no obligation to update such forecasts in light of new information or future developments.



**Claudio Stabile**  
Sanepar's CEO

## Message from the CEO

Acknowledged as Brazil's best sanitation utility, Sanepar celebrated 60 years of operations in 2023, focusing on innovation and the pursuit of enhanced efficiency to ensure better quality of life and health for the population. This strategic view guided the Company's actions throughout the year and produced impressive results, adding new solutions and making Sanepar even more competitive by improving its performance in several areas and enabling it to meet new market demands without losing sight of environmental and economic-financial sustainability.

In addition to making adjustments in order to improve management and operational performance, we promptly complied with our legal obligations. One of 2023 milestones was the approval, by an Extraordinary General Meeting of the State of Paraná Microrregions, of a proposal to regularize and standardize service provision terms until 2048, by amending the current contracts. The Paraná State Regulatory Agency (AGEPAR, in Portuguese) has attested, in the first and second instances, to Sanepar's economic and financial capacity to meet the legal targets in the 345 municipalities where it operates, aimed at expanding water processes and reaching universalization of sewage services, while ensuring tariff affordability. Contracts are one of our main intangible assets, and these actions are essential in ensuring the Company's perpetuity, preserving its economic and financial health.

**Brazil's first publicly held utility to issue Sustainable and Blue Bonds, raising BRL 400 million in debentures to finance water supply and sewage projects, Sanepar is listed in B3's Corporate Sustainability Index (ISE) portfolio and, in 2023, it was included in IDIVERSA, the stock exchange's first diversity index focused on gender and race.**

The establishment of public-private partnerships (PPPs) represented an important and strategic move to meet the goals of the new Legal Sanitation Framework. We signed the first contract to serve Paraná state's Center-Coast microregion, with an initial projection of BRL 1.1 billion in investments. The result, after a successful auction at B3 - Brasil, Bolsa, Balcão (São Paulo Stock Exchange), was a 30.6% discount. We have also presented PPP projects to provide sewage services in 112 municipalities of Paraná's West and Center-East microregions at B3, which will be bid in 2024.

Our remarkable performance was once again recognized by credit rating agencies Fitch and Moody's, which confirmed Sanepar's AAA (bra) rating, considering the expectation of a solid financial profile. Operating cash generation and EBITDA margin remained robust, and our service coverage remains above the national average.

Brazil's first publicly held utility to issue Sustainable and Blue Bonds, raising BRL 400 million in debentures to finance water supply and sewage projects, Sanepar is listed in B3's Corporate Sustainability Index (ISE) portfolio and, in 2023, it was included in IDIVERSA, the stock exchange's first diversity index focused on gender and race.

This is one of our commitments: to apply ESG practices to our daily activities. We act strictly in accordance with the law and ethics, preserving the environment and caring for people. From

January 2020 to June 2023, 734,000 families and 50,000 companies benefited from the suspension of supply cuts due to default. We went even further and, during the grace period for settling debts, we implemented the Credit Recovery Program for Active and Inactive Private Customers (RECLIP, in Portuguese), offering attractive installment payments of past due amounts in up to 60 months.

We have consolidated the concept that innovation makes sense when it can be applied to people's daily lives, improving their quality of life. This is what pushes us forward.

We have changed our focus by turning problems into solutions. Waste from our processes is being transformed into products and former source of expenses have turned into accessory revenue. Therefore, we are always seeking best practice benchmarks, either in Brazil and/or abroad.

The Company stepped up its international activities, standing out at the Global Water Summit in Berlin and on the International Finance Corporation's (IFC) Utilities for Climate platform, as well as joining the group of 300 world leaders focused on water-related Sustainable Development Goals. Sanepar established a partnership with the Brazil - Germany Chamber of Commerce and Industry - Rio de Janeiro branch (AHK) to carry out a feasibility study on the production of renewable

hydrogen from sewage in Paraná state, supported by German government institutions (BMUV and NOW GmbH). In the Netherlands, Sanepar entered into a partnership with Amanco-Wavin to digitize and optimize water management; and, in Portugal, it strengthened cooperation with local entities on operational efficiency and circular economy. After a mission to Israel, the Company signed an agreement with the Inter-American Development Bank (IDB) to detect water leaks using satellites and artificial intelligence. Sanepar participated in events in Latin America (Argentina, Paraguay and Mexico) and Europe, consolidating partnerships and starting new projects, in particular, the production of renewable hydrogen. We signed a cooperation agreement with a Japanese company to compost sewage sludge, and we were the only Brazilian sanitation company present at the Brazil-Germany intergovernmental negotiations. Sanepar also received delegations from several countries, consolidating its role in the global water management and sanitation industry.

We also developed the *Paraná Bem Tratado* Program with funds from German bank KfW, through which BRL 250 million is being invested to recover energy from the production of biomethane in seven sewage treatment plants.

We also entered into a strategic partnership with Parque Tecnológico de Itaipu (PTI, in Portuguese) to implement sustainable sewage systems in six STPs in the Western region.

For 25 years, we have been working with an anaerobic sewage treatment system that generates, in addition to biogas, sludge, which is sanitized

with lime to produce fertilizer. Over this period, we have distributed more than 300,000 tons of the product to small farmers. Boosting innovation in this regard, in October, we acquired the remaining 60% share of CS Bioenergia S.A., which was fully absorbed by Sanepar and became one of the Company's operating units, enabling us to increase the production of biogas as well as other gases.

Geared towards expanding energy efficiency, in 2023, we finalized the bidding process for two lots in the free energy market to serve 887 of our consumer units. These two contracts should represent estimated savings of BRL 620 million over five years.

Regarding investments to reduce water losses, we established partnerships to detect leaks in real time using sensors in the distribution network, increasing efficiency and agility in cost control.

In a weather scenario diametrically opposed to that of previous years, with heavy rainfall throughout Paraná state, dam volumes remained close to 100% for almost the entire year.

We have shared a hydrographic basin monitoring system with Paraná state's Civil Defense. Called Infohidro, the system monitors the hydro-meteorological conditions of all the state's basins in real time. Weather and telemetric stations installed in all regions send data on rainfall volume, water body flow, hydrological projections, as well as indicating a seven-day forecast.

Sanepar's work has been recognized by awards that attest to the Company's achievements. In addition to topping the Valor 1000 Award in the Water, Sanitation and Environmental Services



sector, in 2023, the Company was doubly awarded for its 2022 accounting statements: it received the Transparency Award and was selected as a highlight among companies with net revenue between BRL 5 billion and BRL 20 billion, by the Brazilian National Association of Finance, Administration and Accounting Executives (Anefac, in Portuguese).

To consolidate the practice of innovation, which earned us the accolade of the most innovative company in the Brazilian infrastructure industry (Valor Inovação) for the third consecutive year, we created the Innovation and New Business Executive Office, dedicated to developing plans and strategies for business models focused on innovability: innovation at the service of sustainability.

In November, the Board of Directors approved the 2024-2028 Multi-Year Investment Plan, totaling BRL 11.2 billion, which will be used to guaran-

tee water supply and quality, as well as to fund the commitments set forth in program and concession contracts aimed at providing universal access to sewage services; the demands arising from operational diagnoses of water supply and sewage systems; and environmental compliance, among others actions.

I would like to thank our employees for their dedication and our customers, partners, investors, the Paraná state government, the Microregions and the municipalities for their trust.

In this report, we present our 2023 performance.

Enjoy your reading!

**Claudio Stabile**  
Sanepar's CEO

# 2023 Highlights

## Financial Capital

BRL **2.4** billion  
Cash Generation

BRL **1.9** billion  
Investments

BRL **9.7** billion  
Shareholders' Equity

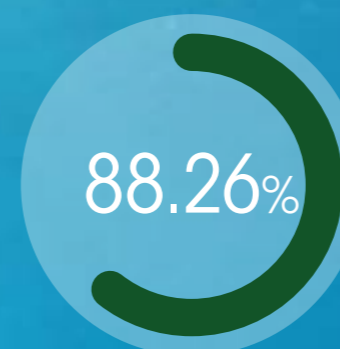
**1.6** X o EBITDA  
Net Debt

## Natural Capital

**811,288,960**  
m<sup>3</sup> distributed

**788,428,555**  
KWh Energy resources  
estimated

## Social Capital



88.26% satisfaction with the  
call center service (0800)

## Manufactured Capital

annual figures (up to 12/31/23)

### Water

**168** WTPs | **1,191** wells | **4** dams

**61,396** km  
Distribution network

**345** municípios atendidos | **3,448,897** Water connections

## Intellectual Capital

**892,464**  
training hours

### Sewage

**265**  
STPs

**42,156**  
Collection network (km)

**2,517,885**  
Sewer connections

**3** Sanitary Landfills  
Urban Solid Waste

## Operating Data

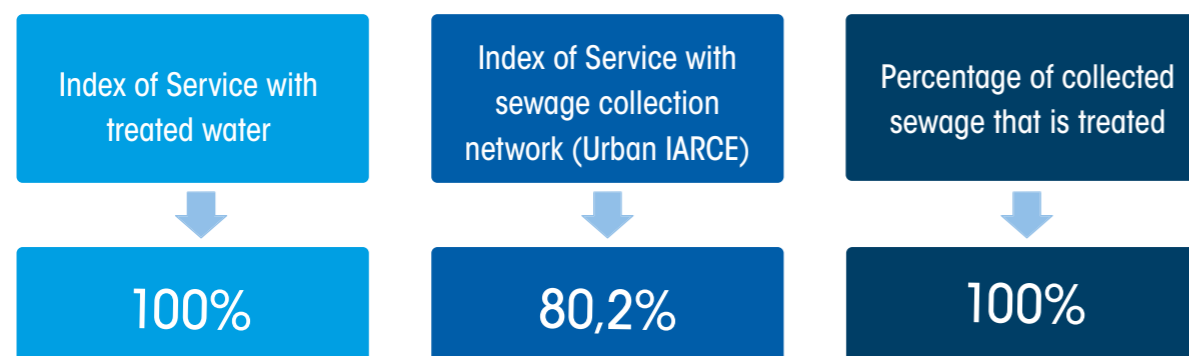
### Market

Agreements as a % of the Company's Total Revenue, as of December 31, 2023:

| Municipalities       | Agreements (% of Total Revenue) <sup>1</sup> |                                |                    | Coverage ratio |              | Total active economic units (in thousands) |                |
|----------------------|--|--------------------------------|--------------------|----------------|--------------|--|----------------|
|                      | Total revenue %                              | Remaining period of concession | Type of concession | Water          | Sewage       | Water                                      | Sewage         |
| Curitiba             | 22.3%  | 24.5 yr.                       | Water & Sewage     | 100%           | 98.7%        | 841.0                                      | 826.4          |
| Londrina             | 7.3%   | 24.5 yr.                       | Water & Sewage     | 100%           | 98.2%        | 256.4                                      | 253.7          |
| Maringá              | 5.3%   | 16.7 yr.s                      | Water & Sewage     | 100%           | 100.0%       | 174.9                                      | 196.2          |
| Ponta Grossa         | 3.7%   | 24.5 yr.                       | Water & Sewage     | 100%           | 92.0%        | 161.2                                      | 147.2          |
| Cascavel             | 3.7%   | 24.5 yr.                       | Water & Sewage     | 100%           | 100.0%       | 136.1                                      | 149.2          |
| Foz do Iguaçu        | 3.4%   | 24.5 yr.                       | Water & Sewage     | 100%           | 83.7%        | 123.1                                      | 103.3          |
| São José dos Pinhais | 2.9%   | 24.5 yr.                       | Water & Sewage     | 100%           | 86.5%        | 122.4                                      | 104.4          |
| Colombo              | 1.8%   | 24.5 yr.                       | Water & Sewage     | 100%           | 76.3%        | 88.6                                       | 67.2           |
| Guarapuava           | 1.7%   | 24.5 yr.                       | Water & Sewage     | 100%           | 88.1%        | 72.3                                       | 62.2           |
| Toledo               | 1.6%   | 24.5 yr.                       | Water & Sewage     | 100%           | 83.8%        | 64.7                                       | 53.6           |
| Other municipalities | 46.3%  |                                |                    |                |              | 2,237.3                                    | 1,431.0        |
| <b>Total</b>         |  |                                |                    | <b>100%</b>    | <b>80.2%</b> | <b>4,278.0</b>                             | <b>3,394.4</b> |

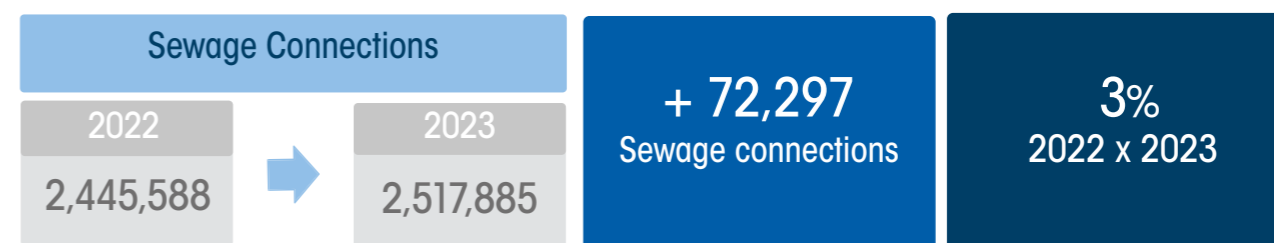
<sup>1</sup> Information not audited or reviewed by independent auditors.

### Service: Water and Sewage



### Water connection

| Types of connections | 2019             | 2020             | 2021             | 2022             | 2023             |
|----------------------|------------------|------------------|------------------|------------------|------------------|
| Residential          | 2,900,902        | 2,976,232        | 3,043,774        | 3,097,925        | 3,131,292        |
| Commercial           | 230,362          | 233,696          | 240,203          | 247,400          | 251,516          |
| Industrial           | 13,064           | 13,272           | 13,551           | 13,778           | 13,776           |
| Public Utility       | 23,832           | 23,861           | 23,987           | 24,250           | 24,912           |
| Public Authorities   | 26,377           | 26,750           | 26,926           | 27,333           | 27,404           |
| <b>Total</b>         | <b>3,194,537</b> | <b>3,273,811</b> | <b>3,348,441</b> | <b>3,410,686</b> | <b>3,448,900</b> |



### Sewage connections

| Types of connections | 2019             | 2020             | 2021             | 2022             | 2023             |
|----------------------|------------------|------------------|------------------|------------------|------------------|
| Residential          | 2,015,360        | 2,088,213        | 2,152,949        | 2,211,364        | 2,276,921        |
| Commercial           | 180,757          | 184,259          | 190,128          | 196,595          | 202,135          |
| Industrial           | 5,458            | 5,599            | 6,123            | 6,291            | 6,432            |
| Public Utility       | 15,317           | 15,467           | 15,678           | 16,034           | 16,705           |
| Public Authorities   | 14,235           | 14,600           | 14,818           | 15,304           | 15,692           |
| <b>Total</b>         | <b>2,231,127</b> | <b>2,308,138</b> | <b>2,379,696</b> | <b>2,445,588</b> | <b>2,517,885</b> |

## Operational Performance

### Measured water volume evolution

| Measured water volume | 2019         | 2020         | 2021         | 2022         | 2023         |
|-----------------------|--------------|--------------|--------------|--------------|--------------|
| Residential           | 432.4        | 435.9        | 428.5        | 433.4        | 456.5        |
| Commercial            | 42.3         | 36.3         | 36.7         | 39.8         | 42.8         |
| Industrial            | 11.8         | 11.6         | 13.7         | 11.8         | 11.4         |
| Public Utility        | 5.4          | 4.5          | 4.6          | 5.3          | 5.6          |
| Public Authorities    | 19.8         | 15           | 14.7         | 18.3         | 19.6         |
| <b>Total</b>          | <b>511.7</b> | <b>503.3</b> | <b>498.2</b> | <b>508.6</b> | <b>535.9</b> |

### Billed water volume evolution

| Billed water volume (million m <sup>3</sup> ) | 2019         | 2020         | 2021         | 2022         | 2023         |
|---|--------------|--------------|--------------|--------------|--------------|
| Residential                                   | 448.5        | 453.6        | 447.9        | 454          | 476.9        |
| Commercial                                    | 45.3         | 39.8         | 40.3         | 43.6         | 46.7         |
| Industrial                                    | 14.4         | 13.3         | 14.3         | 14           | 11.6         |
| Public Utility                                | 4.5          | 3.8          | 3.9          | 4.3          | 4.5          |
| Public Authorities                            | 20.1         | 15.3         | 15.1         | 18.7         | 19.9         |
| <b>Total</b>                                  | <b>532.8</b> | <b>525.8</b> | <b>521.5</b> | <b>534.6</b> | <b>559.6</b> |

### Billed sewage volume evolution

| Billed sewage volume (million m <sup>3</sup> ) | 2019         | 2020         | 2021         | 2022         | 2023         |
|--|--------------|--------------|--------------|--------------|--------------|
| Residential                                    | 335.2        | 342.9        | 342          | 350.9        | 374.3        |
| Commercial                                     | 41.5         | 35.5         | 36.5         | 40.3         | 43.6         |
| Industrial                                     | 3.5          | 2.9          | 3.2          | 3.6          | 3.8          |
| Public Utility                                 | 3.8          | 3.2          | 3.3          | 3.7          | 4            |
| Public Authorities                             | 15.2         | 11.7         | 11.5         | 14.4         | 15.4         |
| <b>Total</b>                                   | <b>399.2</b> | <b>396.2</b> | <b>396.5</b> | <b>412.9</b> | <b>441.1</b> |



### Evolution of the Losses per Connection Index

| IPL | 2019   | 2020   | 2021   | 2022   | 2023   |
|-----|--------|--------|--------|--------|--------|
|     | 229.68 | 219.86 | 211.17 | 222.67 | 217.57 |

\*There has been a change in the calculation methodology. Historical figures were corrected and disclosed to the market in the quarterly reports.

### Water and Sewerage: general data

| Water data                     | 2019        | 2020        | 2021        | 2022        | 2023        |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Water network savings          | 4,001,074   | 4,087,719   | 4,170,413   | 4,236,728   | 4,277,954   |
| No. Water treatment plants     | 168         | 168         | 168         | 168         | 168         |
| No. of Wells                   | 1,104       | 1,154       | 1,247       | 1,180       | 1,191       |
| No. of surface catchments      | 232         | 232         | 236         | 234         | 231         |
| km network laid                | 55,359      | 57,503      | 59,070      | 60,077      | 61,396      |
| Produced volume m <sup>3</sup> | 780,632,413 | 766,106,638 | 750,475,130 | 785,378,020 | 812,102,342 |
| Billing losses %               | 31.74%      | 31.41%      | 30.51%      | 31.93%      | 31.15%      |
| Revenue evasion %              | 1.65%       | 2.80%       | 3.33%       | 3.36%       | -2.4        |

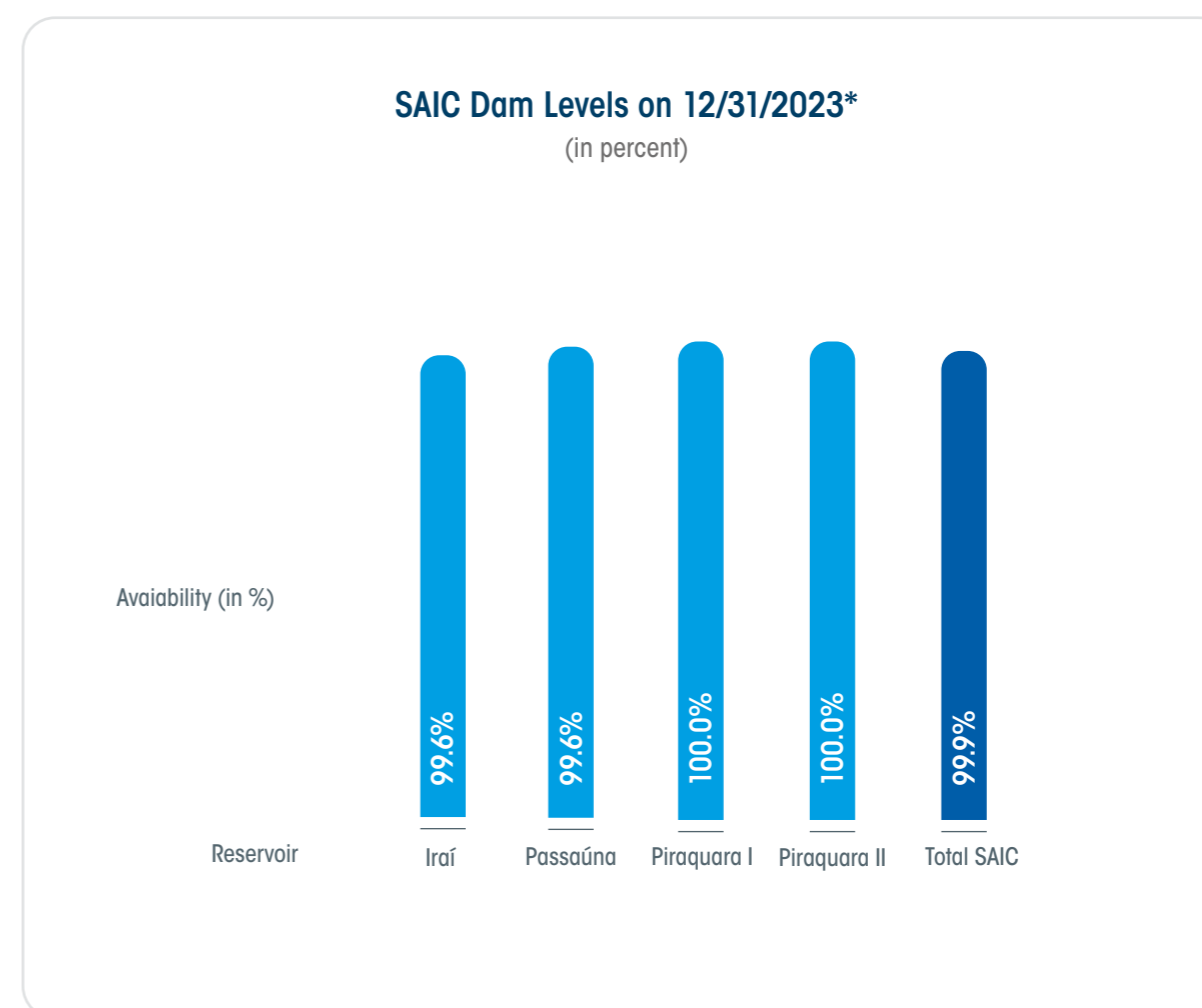
| Sewage data                     | 2019        | 2020        | 2021        | 2022        | 2023        |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|
| Sewerage savings                | 3,019,303   | 3,114,750   | 3,210,059   | 3,296,674   | 3,394,421   |
| No. of treatment plants         | 249         | 255         | 258         | 261         | 264         |
| km network laid                 | 36,754      | 38,464      | 39,660      | 40,733      | 42,156      |
| volume collected m <sup>3</sup> | 382,115,054 | 377,326,945 | 375,586,933 | 390,688,459 | 419,869,134 |

| Market                          | 2019    | 2020    | 2021    | 2022    | 2023    |
|---------------------------------|---------|---------|---------|---------|---------|
| Water coverage index            | 100%    | 100%    | 100%    | 100%    | 100%    |
| Coverage rate sewage collection | 74.2%   | 75.1%   | 77.3%   | 78.9%   | 80.2%   |
| Active Water Savings            | 4,001.1 | 4,087.7 | 4,170.4 | 4,236.7 | 4,277.9 |
| Active Sewage Savings           | 3,019.3 | 3,114.8 | 3,210.1 | 3,296.7 | 3,394.4 |

### Available volumes

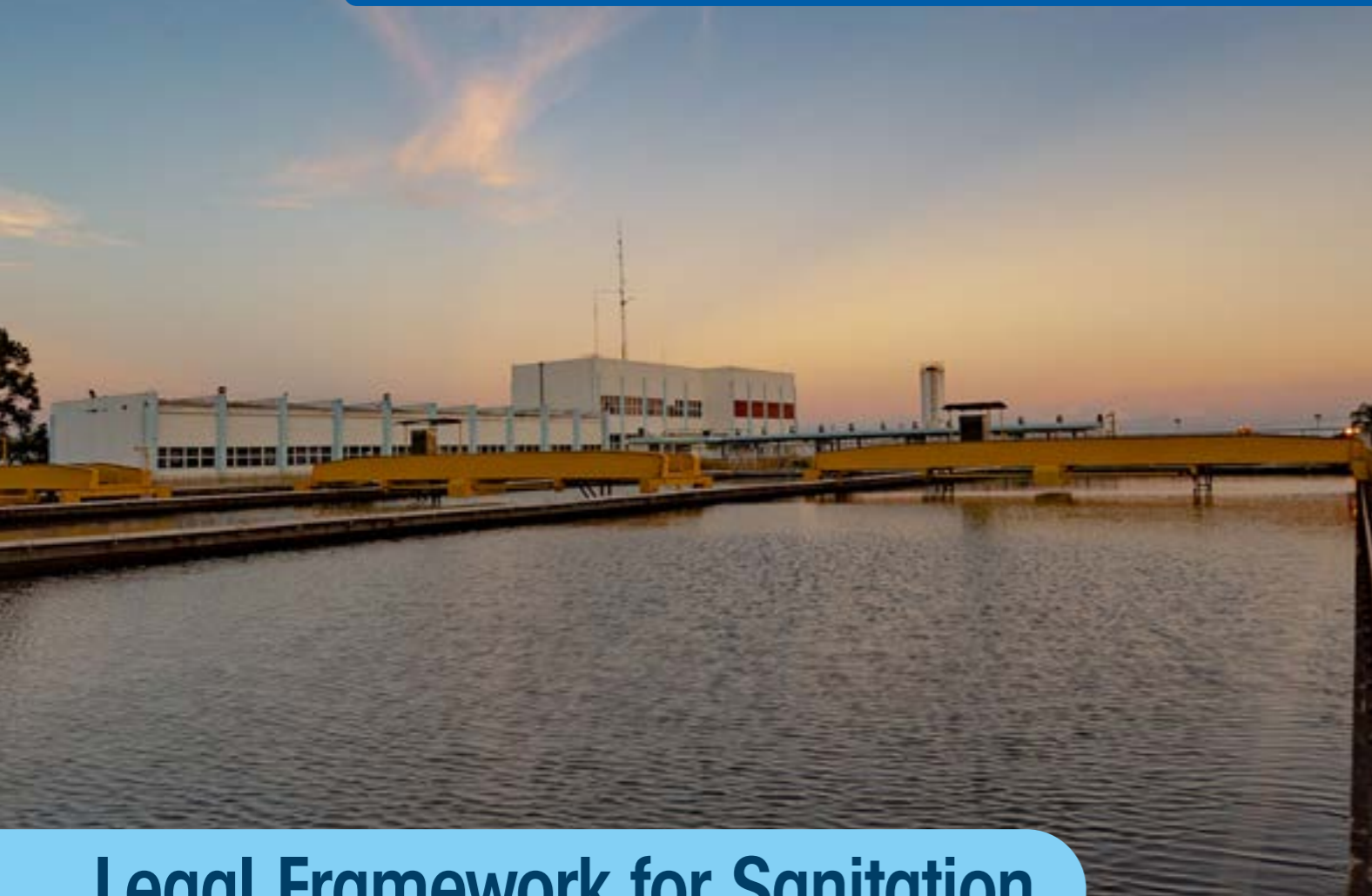
The average volume available from the Curitiba Integrated Supply System (Sistema de Abastecimento Integrado de Curitiba - SAIC) is composed of the Piraquara I, Piraquara II, Iraí, and Passaúna Dams. In the Municipality of Foz do Iguaçu, Sanepar uses water from the Itaipu Binacional Hydroelectric Dam, from the Itaipu Lake, on the Paraná River.

As of December 31, 2023, the average reserve volume was at 99.9%.



\* Information not audited or not reviewed by independent auditors.





## Legal Framework for Sanitation

In force since July 15, 2020, Federal Law no. 14,026/2020 updated the Legal Framework for Basic Sanitation and amended other rules to include innovations proposed by the new wording. The main change introduced by the new legal framework was the imposition of targets regarding universalization of sanitation services, establishing that 99% of urban population should have access to drinking water and 90% to sewage collection and treatment services by December 31, 2033. The National Water Agency (Agência Nacional de Águas – ANA, in Portuguese), linked to the Ministry of the Environment and Climate Change (MMA, in Portuguese), became a regulatory agency and is responsible for enacting benchmark rules for the sanitation industry.

On July 9, 2021, Complementary State Law no. 237 created the West, Center-East and Center-Coast microregions for the rendering of drinking water distribution and sewage services in the State of Paraná, with their respective governance structures. The law encompasses the 399 municipalities in Paraná state – the Company operates in 345 of them.

State Decrees no. 8,924/2021, 8,925/2021 and 8,926/2021, published on October 1, 2021, implemented provisional internal regulations for each microregion. The final regulations were unanimously approved at the 5th General Meeting of each Microregion, held in July 2023.

On March 30, 2022, the General Meetings of the Water and Sewage Microregions of the State of Paraná (MRAE-1, MRAE-2 and MRAE-3) approved the inclusion of targets set forth in article 11-B of Federal Law no. 11,445/2007, amended by Federal Law no. 14,026/2020, with amendments to the Concession/Program Contracts.

In compliance with the legislation and federal decrees, on December 29, 2021, Sanepar Filed the financial studies to prove it's economical and financial capacity to meet the universalization targets in its contracts. The Company's position was approved by the Paraná State Regulatory Agency (AGEPAR, in Portuguese) and the Intermunicipal Sanitation Regulatory Agency (ARIS, in Portuguese), with the respective certificate and registration with ANA.

On July 12, 2023, Federal Decrees no. 11,598 and 11,599 were enacted, authorizing the extension of water and sewage service contracts. This extension became possible after Federal Decree no. 10.710/21 was revoked, which prohibited this possibility.

On October 10, 2023, an Extraordinary General Meeting 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 the contracts of 319 municipalities served by Sanepar until June 5, 2048, in order to preserve tariff affordability until universalization is reached. This group of municipalities accounts for 95% of Sanepar's revenue — this percentage includes the municipality of Maringá (non-uniform term), whose amendment extending concession term until August 27, 2040 is under legal discussion.



The main change introduced by the new legal framework was the imposition of targets regarding universalization of sanitation services, establishing that 99% of urban population should have access to drinking water and 90% to sewage collection and treatment services.

On November 30, 2023, the next Extraordinary General Meeting of the Center-Coast (MRAE-1), Center-East (MRAE-2) and West (MRAE-3) Microregions approved Sanepar's request for the adjustment and regularization of 25 provisional contracts through direct rendering of services at regional level, with a standardized term until June 5, 2048, in order to meet the water and sewage services universalization targets, in accordance with Article 11-B of Federal Law No. 14,026/2020, while ensuring tariff affordability. These 25 municipalities account for approximately 5% of the Company's total revenue.

In compliance with federal decrees in force, the Company hired a new economic and financial capacity study, which was submitted to AGEPAR on November 10, 2023.

On December 11, 2023, AGEPAR's Board, at Extraordinary Meeting No. 031/2023, resolved on Sanepar's request for proof of economic and financial capacity, in compliance with Law No. 14,026/2020 and Federal Decree No. 11,598/2023, and decided to attest, in the first and second instances, to Sanepar's Economic and Financial Capacity to meet the legal targets in the 345 municipalities where it operates, and to recommend, as a suggestion for improvement, changes to the points indicated in the process.



# 2023 Financial Capital

## Competitive Advantages

- Operational Excellence
- Managerial excellence
- Solid financial performance
- Predictable and resilient business with a diversified customer base and market credibility

### Outputs / deliveries:

- 100%** water distribution network coverage
- 4,3 million** active water economies
- 99.9%** compliance rate of distributed water
- 80.2%** sewage network coverage
- 100%** of collected sewage treated
- 3.4 million** active sewage economies
- 64.2 thousand** tons of Urban Solid Waste treated per year

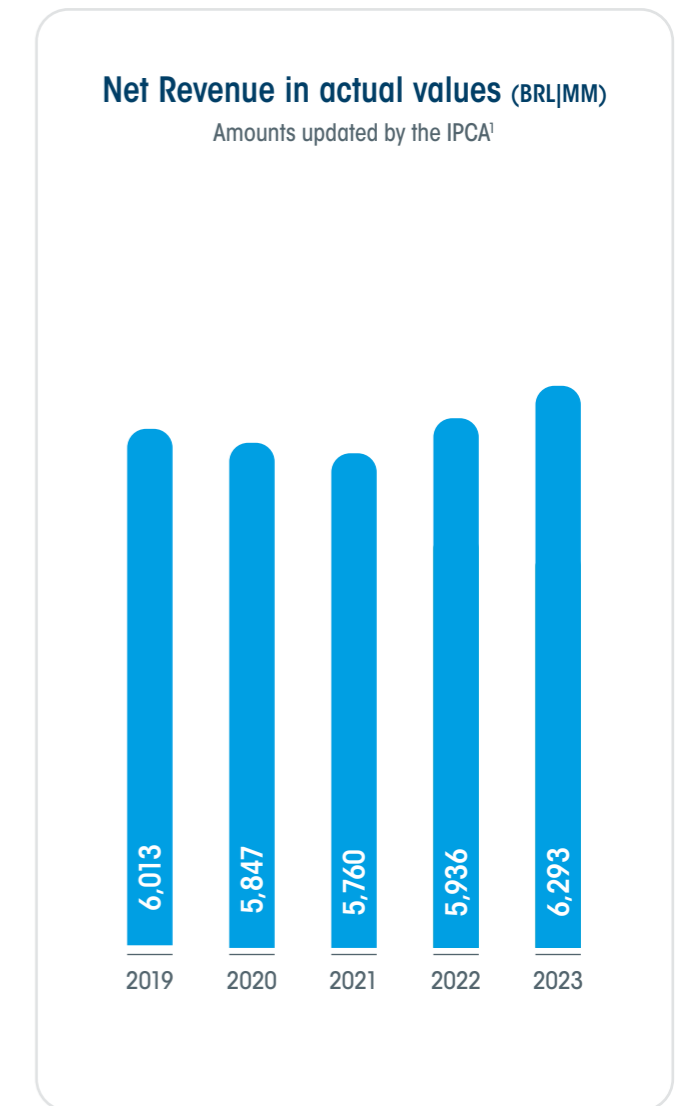
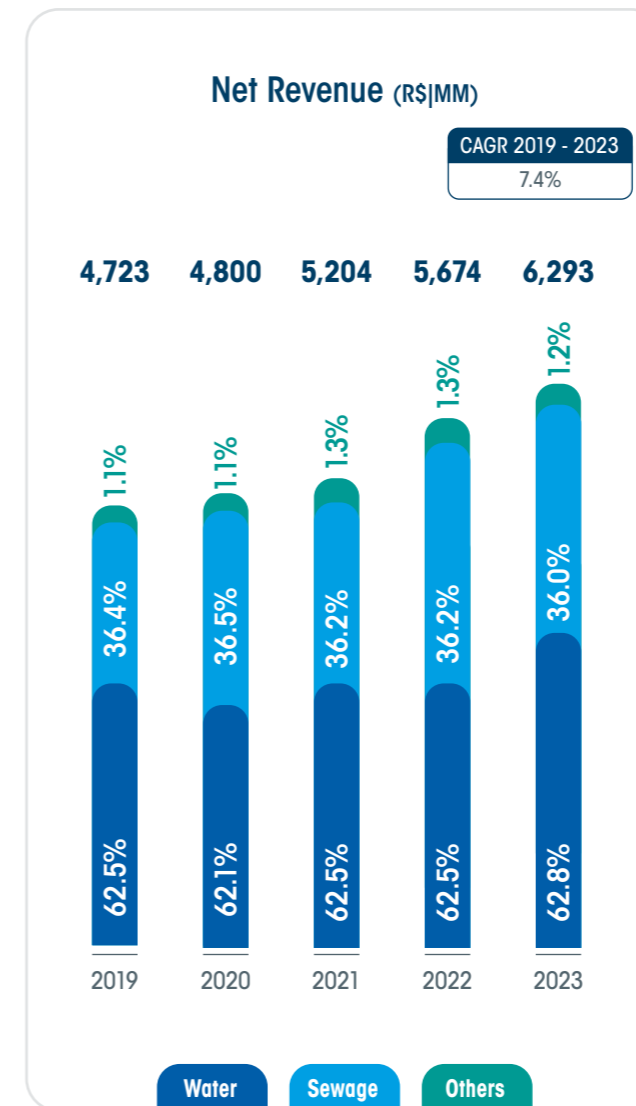
### Outcomes / value creation:

- High conformity to potability standard index **(99.9%)**
- Sewage collection service index above national average, with a positive impact on the health and customers quality of life
- Dividend payment and cash generation
- Impact management and environmental compliance

## Net Revenue

In 2023, net operating revenue was R\$6.3 billion, moving up 10.9% from 2022, mainly driven by the following factors: Annual Tariff Adjustment (IRT, in Portuguese) of 8.23% as of May 17, 2023; tariff adjustment of 4.96% as of May 17, 2022 with full impact in 2023; higher water and sewage billed volume and an increase in the number of connections.

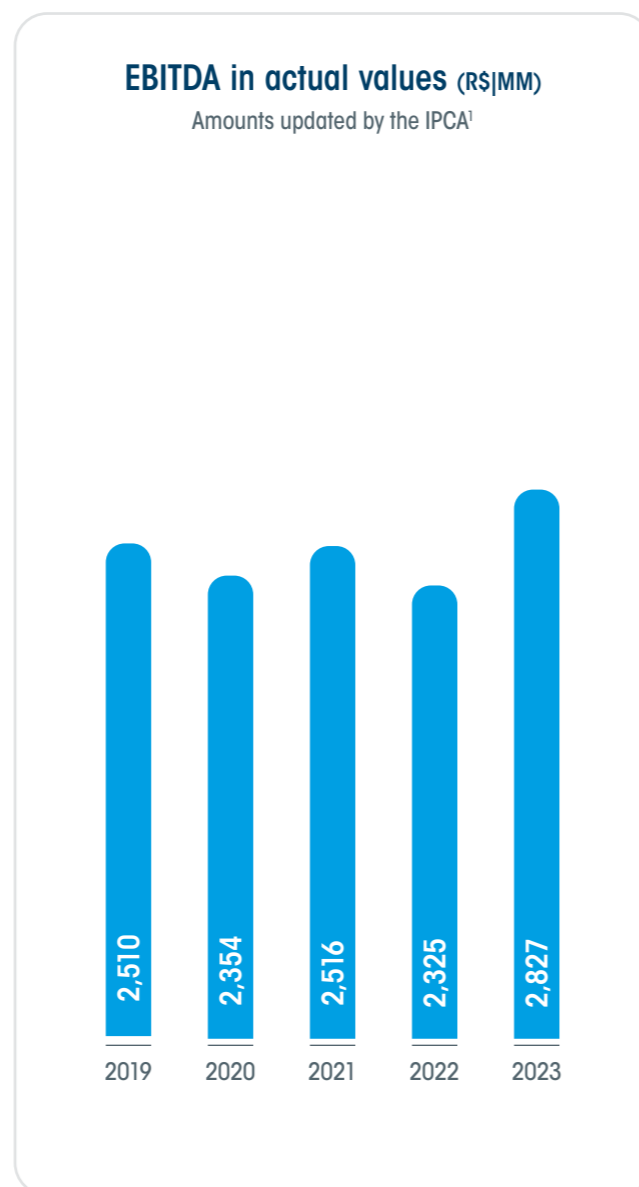
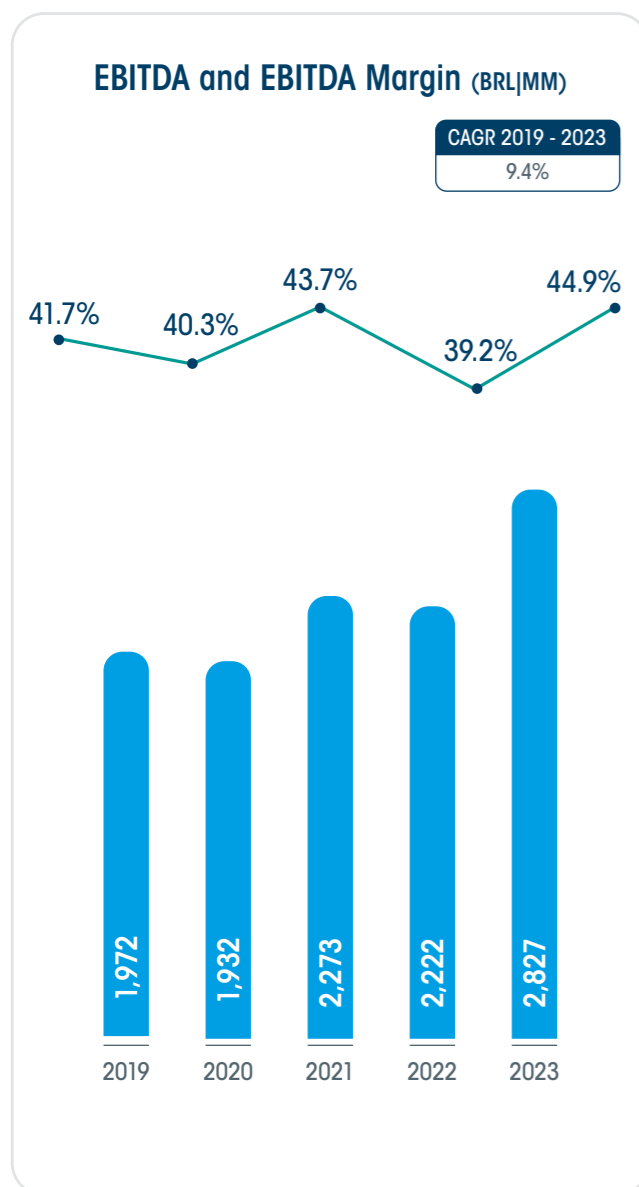
In the period, the Company expanded its services and installed 38.2 thousand new water connections and 72.3 thousand new sewer connections, which contributed to the 4.7% and 6.8% increase in billed volume of water and sewage, respectively.



<sup>1</sup> IPCA IBGE 2020: 4.52% | 2021: 10.06% | 2022: 5.79% | 2023: 4.62%

## EBITDA and EBITDA Margin

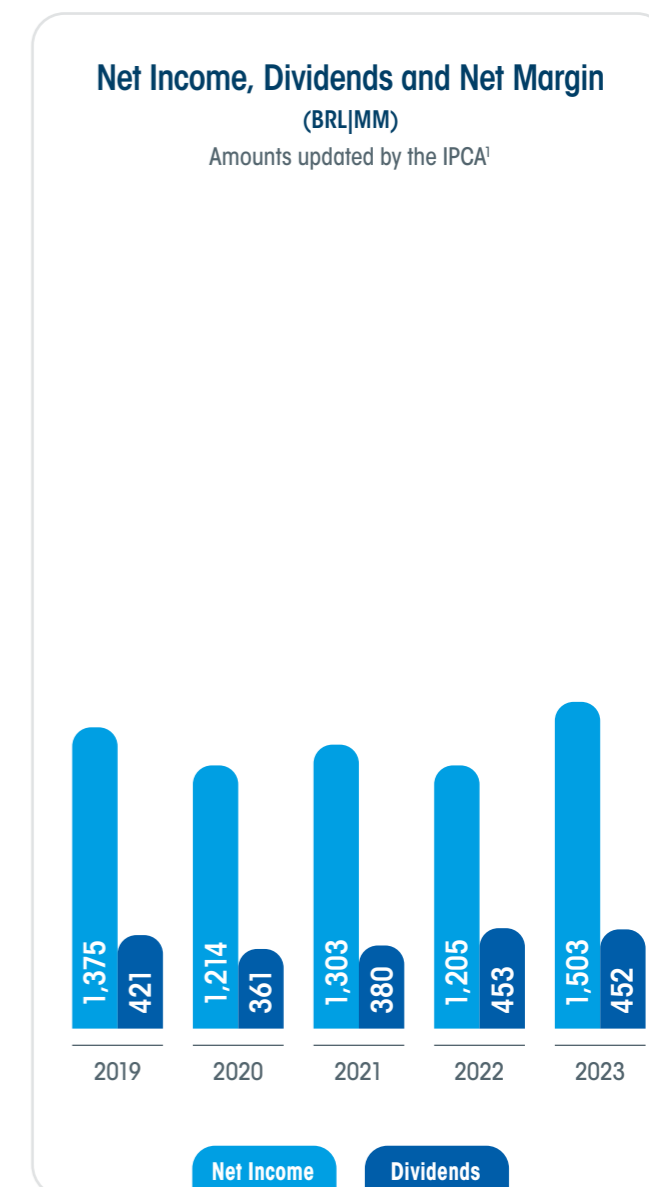
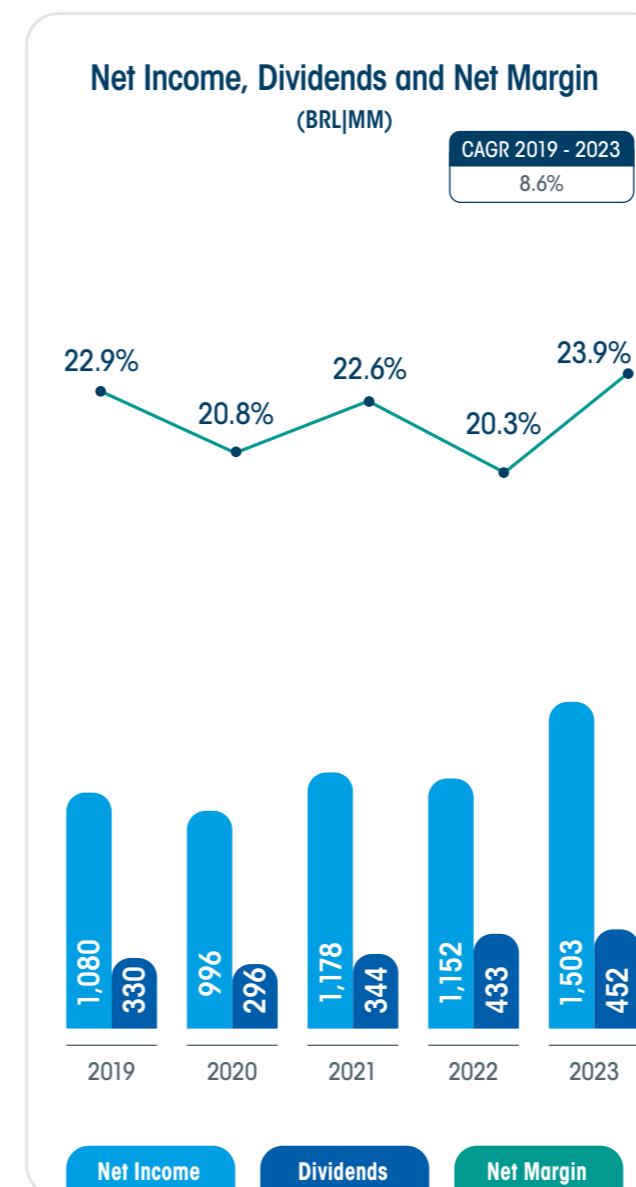
EBITDA, which represents the Company's operating result, amounted to BRL 2.8 billion, corresponding to a 44.9% Margin – 5.7 p.p. up versus the 2022 margin. Net Operating Revenue, in turn, moved up 10.9%, stemming from the 1.6% increase in operating costs and expenses. Sewage waste removal services grew 14.6% and treatment material, which recorded higher consumption and price adjustment, moved up 18.4%. Network maintenance services increased by 14.6% mainly due to higher demand.



<sup>1</sup> IPCA IBGE 2020: 4,52% | 2021: 10,06% | 2022: 5,79% | 2023: 4,62%

## Net Income and Net Margin

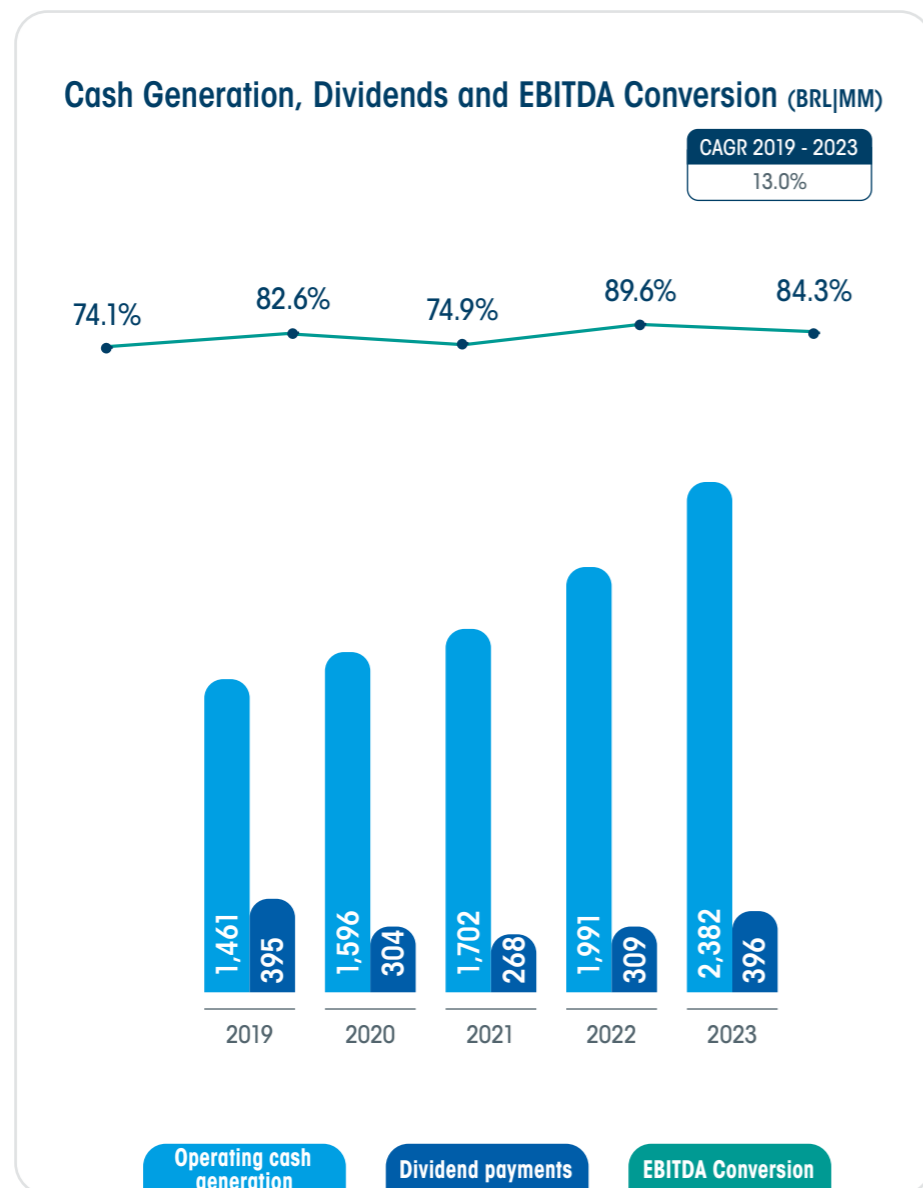
In 2023, Net Income was BRL 1.5 billion, moving up 30.5% from 2022. Net margin stood at 23.9%, up by 3.6 p.p due to the increase in net revenue coupled with efficient cost and expenses management and tax savings from credits to shareholders as interest on equity in lieu of mandatory dividends.



<sup>1</sup> IPCA IBGE 2020: 4,52% | 2021: 10,06% | 2022: 5,79% | 2023: 4,62%

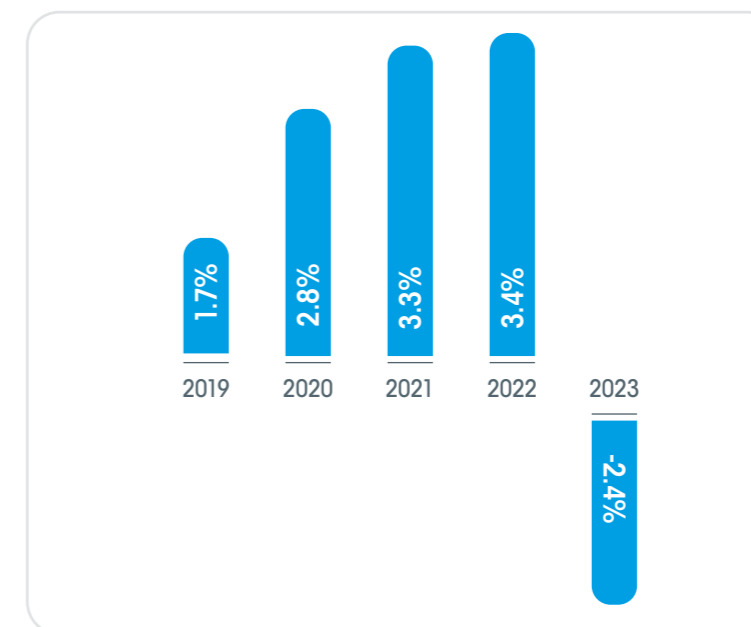
## Operating Cash Flow Generation

Sanepar's operation generated cash flow of BRL 2.4 billion in 2023, while the Company paid BRL 385.5 million as shareholder compensation in the same period.



## Default

In 2023, default rate came to -2.4%, substantially lower than the 3.4% recorded in 2022, mainly due to private customers joining the Company's Credit Recovery Program (RECLIP, in Portuguese) until July 31, 2023, which allowed them to pay their debts in up to 60 installments. In August and September 2023, the Company offered private customers the possibility for paying their debts in up to 48 installments. From October to December, the Program enabled payments in up to 36 installments.



## Funding

In order to expand service provision and maintain the Company's liquidity, Sanepar raises third-party funds with public banks (Caixa Econômica Federal and BNDES) as well as the capital markets.

### Funds raised with financial institutions in 2023:

Caixa Econômica Federal: **BRL 363.1 million**

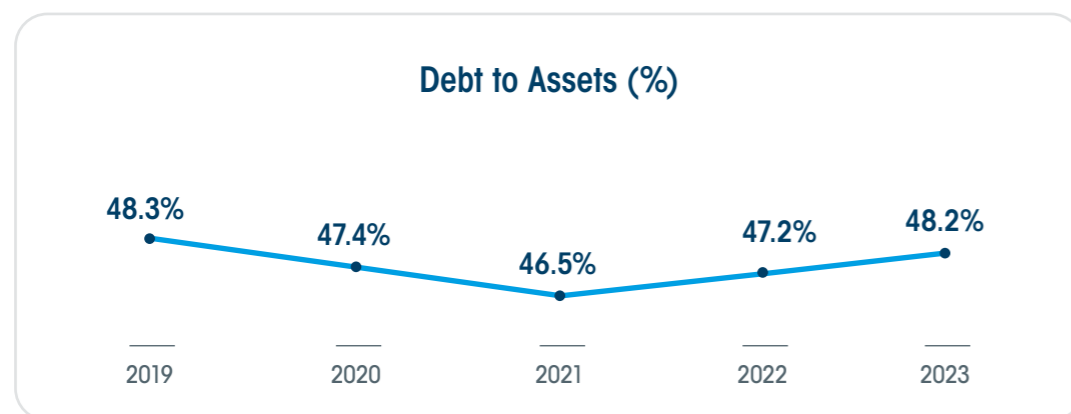
BNDES: **BRL 190.3 million**

KfW Bank: **BRL 72.1 million**

In addition to the amounts raised with financial institutions, Sanepar had its 13th debenture issue in April, raising BRL 400 million in the market. Funds will be allocated to complement the Company's investment plan, in Eligible Projects (as defined in the Debenture Deed), including the Company's regular management. The debentures also meet ESG criteria and are classified as Sustainable and Blue Bonds.

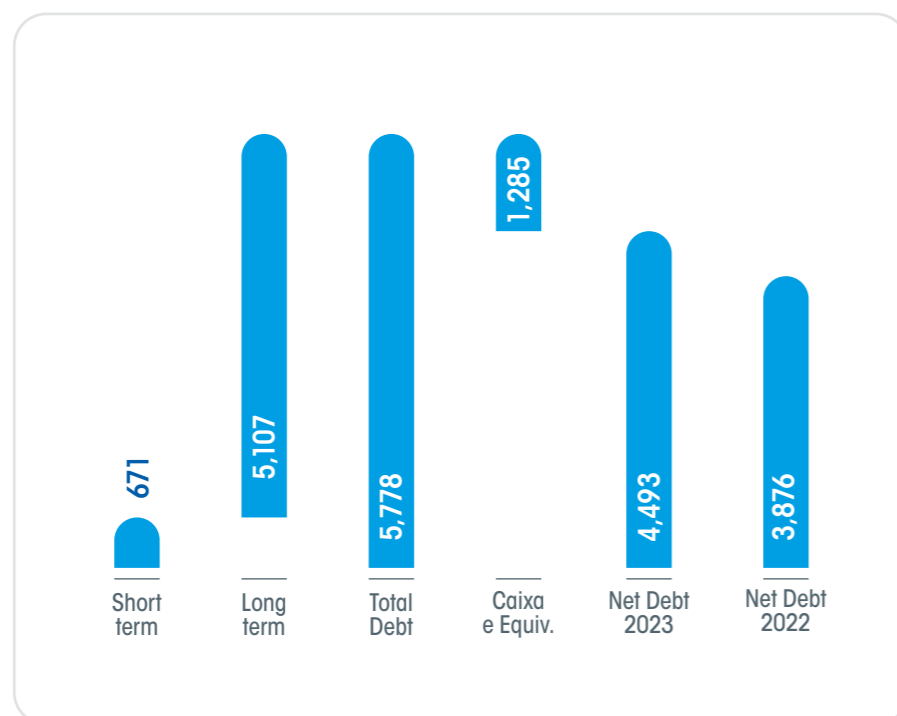
## Indebtedness

The Company ended the year with Assets amounting to BRL 18.8 billion, Shareholders' Equity of BRL 9.7 billion and total debt of BRL 9.1 billion. Net Debt to Assets ratio stood at 48.2% in 2023.



## Net Debt

Net Debt, which shows the Company's indebtedness level, totaled BRL 4.5 billion in 2023, while the Net Debt to EBITDA ratio, which measures the leverage ratio, went from 1.7 times in 2022 to 1.6 times in 2023.



## Investments and Financial Planning

The Company has adjusted its Multi-year Investment Plan (PPI, in Portuguese) to comply with Law 14,026, of July 15, 2020, complemented by Decree 11,598, of July 12, 2023. Sanepar's PPI is designed to guarantee quality water distribution and fund the investment obligations derived from the contract extensions signed on October 10, 2023, at the Meeting of the Water and Sewage Microregion Council of the State of Paraná. Prepared for five-year cycles, the Plan is quarterly monitored by the Board of Directors and is annually reviewed by all of Sanepar's management bodies.

As for the universalization targets set forth in the Legal Framework for Sanitation – see page . 16 –, Sanepar is well positioned when it comes to the distribution of treated water, since it already serves 100% of its urban population. Meanwhile, sewage collection is available to 80.2% of the population as there are still approximately 135 smaller cities that do not yet have sewage systems. Sanepar has been working to serve these locations, studying alternatives to ensure quality services without compromising the Company's economic sustainability.

Geared towards improving, maintaining and expanding its networks, the Company invested BRL 7.0 billion between 2019 and 2023. Up to 2028, the PPI foresees an investment of BRL 11.2 billion: BRL 7.4 billion in sewage systems, BRL 3.4 billion in Treated water distribution and BRL 0.4 billion in other services.



| General Management              | Achieved 2023 |                |                |
|---------------------------------|---------------|----------------|----------------|
|                                 | Water         | Sewage         | Total          |
| Metropolitan area and coastline | 247.4         | 303.3          | 550.7          |
| Southeast region                | 91.8          | 136.2          | 228.0          |
| Southwest region                | 123.1         | 256.3          | 379.4          |
| Northeast region                | 102.7         | 190.6          | 293.3          |
| Northwest region                | 176.4         | 188.9          | 365.3          |
| <b>TOTAL</b>                    | <b>741.4</b>  | <b>1,075.3</b> | <b>1,816.7</b> |

## Regulatory Background

Sanepar effectively entered the regulated environment in 2017, after its tariff system was altered by the 1st Periodic Tariff Review (RTP, in Portuguese). The Company, which until then applied the cost-based tariff, started to use the economic tariff model, called P0, and was subject to the efficiency regime. On April 12, 2017, a 25.63% tariff repositioning index was approved, deferred in a period of 8 (eight) years, with an average 8.53% repositioning applied in 2017 and a further 7 (seven) installments of 2.11%, plus the corresponding financial and economic restatements.

On October 21, 2020, at the 21st Extraordinary Meeting of AGEPAR's Board of Directors, Sanepar's 2nd RTP was approved to be applied in two phases, the first one in 2021 and the second in 2022.

On April 14, 2021, at Extraordinary Meeting No. 012/2021, AGEPAR's Board of Directors presented the outcomes of the 2nd RTP's first phase and decided to approve a 5.7701% tariff repositioning, with annual application of X Factor of 0.98% on the tariff's B portion.

On April 20, 2023, AGEPAR's Board of Directors approved the 8.2327% readjustment index, which included the tariff repositioning final calculation for the 2nd RTP, the annual tariff readjustments (RTA, in Portuguese) for 2022 and 2023, indexed to the national general inflation index (IPCA, in Portuguese), and the X Factor of 0.08%, applied to the total tariff resulting from the P0 (except for the financial installments), with the new tariff coming into effect on May 17, 2023.





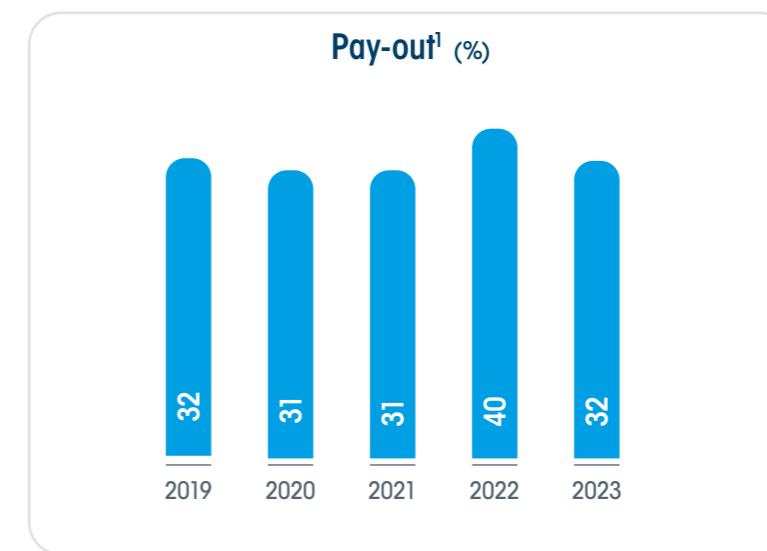
## Shareholder Compensation

Approved on May 30, 2017, in line with legal precepts, Sanepar's Dividend Policy sets forth the limits and criteria for shareholder compensation (proceeds) through the payment of dividends and/or interest on equity (IOE) that are attributed to the dividends corresponding to a share of the Company's net income.

The Bylaws, which were last amended on October 18, 2023, lay down that the portion related to the mandatory dividend cannot be less than 25% of the adjusted net income, in compliance with article 202 of Law 6,404/76.

Shareholder compensation is attributed based on the shareholding position on the last business day of June and December of each year. Therefore, trading after the credit is considered ex-dividend. Compensation awarded to preferred shares is 10% higher than that awarded to common shares.

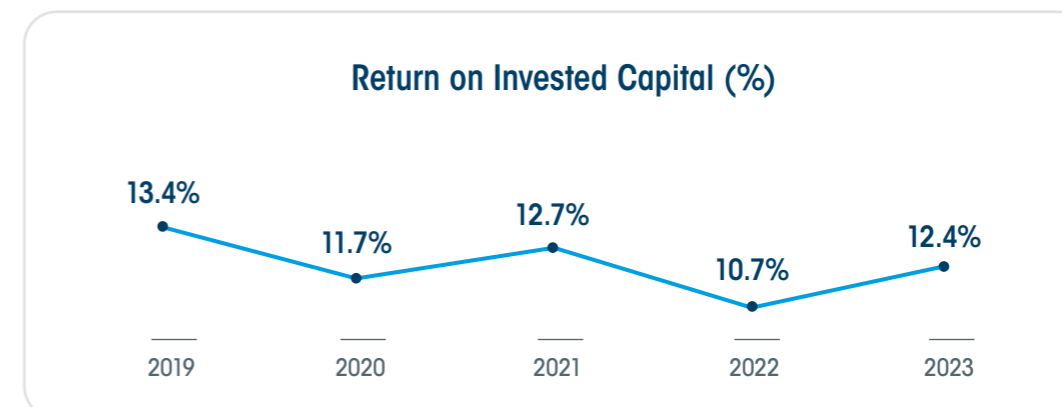
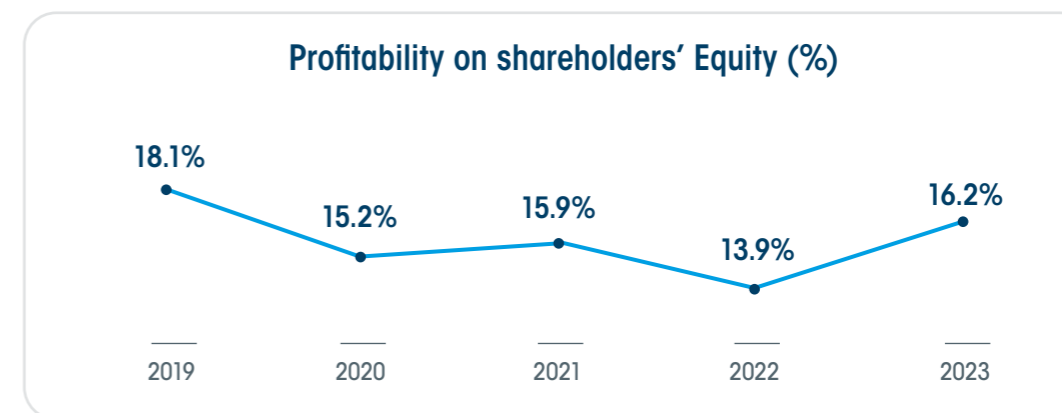
On June 27, 2023, by decision of the 59th Annual General Meeting (AGM), the Company paid BRL 432.6 million related to dividends for the 1st and 2nd half of 2022. For 2023, Management proposes the payment of BRL 452.4 million, corresponding to 31.7% of the Adjusted Net Income for the period. Payment will occur within 60 days after the accounts for the 2023 fiscal year are approved by the AGM.

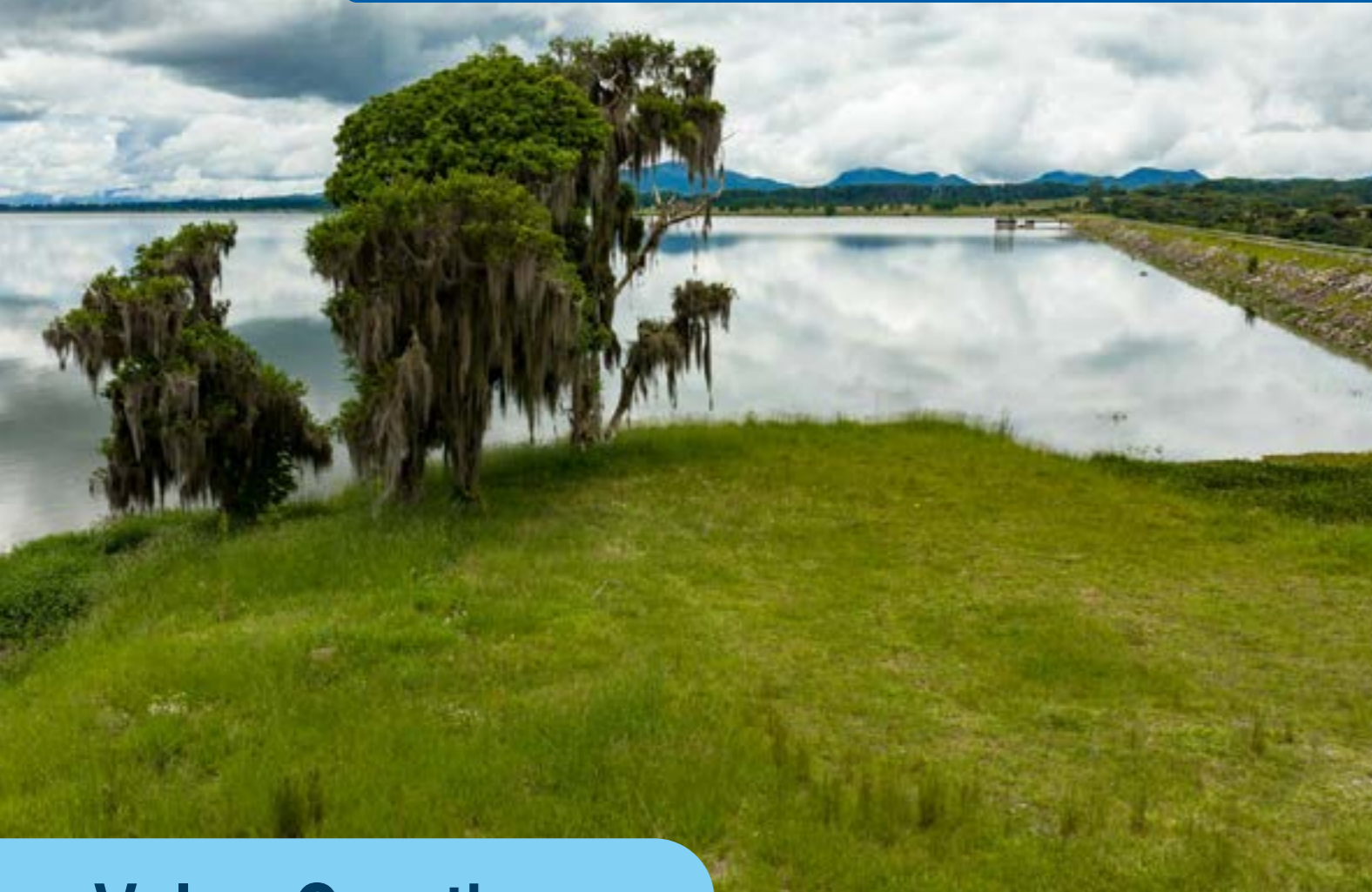


¹ Pay-out: percentage of profit distribution

## Profitability

Profitability increased 2.3 p.p. in relation to shareholders' equity, from 13.9% in 2022 to 16.2% in 2023. Return on invested capital moved up from 10.7% in 2022 to 12.4% in 2023.





# Value Creation

## Investors

As regards stakeholders, the Company works to create value through corporate governance, making its ESG practices transparent.

The Company conducted a perception study in 2023, which showed improved results compared to the 2022 study, as respondents stated they are highly satisfied with the performance of Sanepar's Investor Relations area. The results obtained fall within the quality parameters defined by the Net Promoter Score (NPS) methodology, highlighting the department's effectiveness in meeting the expectations and needs of investors and stakeholders.

In January 2023, Sanepar was the only company dedicated to water distribution and sewage collection to be included in B3's Corporate Sustainability Index (ISE, in Portuguese), which considers ESG criteria. The Company also achieved a significant milestone by being selected to compose the first portfolio of B3's recently launched Diversity Index, IDIVERSA. The index aims to make diversity a visible and measurable element in the market, allowing companies' performance to be compared and encouraging the adoption of best diversity practices. Being selected for this index shows the Company's commitment to the relentless pursuit of excellence and highlights its efforts to raise awareness of diversity at the workplace.

In March 2023, the Board of Directors approved the first version of the Company's Diversity, Equity and Inclusion Policy. This measure ensures respect, inclusion, equity and appreciation of human diversity in Sanepar's activities and processes.



**In March 2023, the Board of Directors approved the first version of the Company's Diversity, Equity and Inclusion Policy.**

Furthermore, in October 2023, the Company reviewed its Personal Data Protection and Privacy Policies to incorporate the principles of privacy and information security since the conception of its internal processes. In November, the Hiring of an Independent Auditor Policy was also reviewed to be in line with compliance standards, including chapters dedicated to accountability.



### SAPR3, SAPR4 AND SAPR11 Quotation

A more stable economic scenario, the Company's tariff repositioning as regards the 2nd RTP, coupled with its inclusion in the ISE and IDIVERSA indexes are elements that had a positive impact on investor perception, leading to an appreciation of the Company's shares throughout 2023.

The Company's market value went from BRL 5.4 billion in December 2022 to BRL 8.8 billion at the end of 2023. Common shares (SAPR3)

ended 2023 priced at BRL 5.61, appreciating by 61.7% compared to the closing of 2022. Preferred shares (SAPR4) ended the period priced at BRL 5.89, a 61.4% appreciation versus the previous year. The Units (SAPR11), formed by one common share and four preferred shares, ended 2023 priced at BRL 29.19, 61.6% above the price at the end of 2022. Financial volume of business with Sanepar's shares totaled BRL 8.7 billion in 2023.



### Society

In 2023, Sanepar generated BRL 4.6 billion in tangible values for society, including payments of taxes, financing, the hire of suppliers, salaries and benefits to employees as well as shareholder compensation.

Out of the value added and not distributed, it can be highlighted the Undistributed Net

Income of BRL 1.1 billion. This amount will be invested in public sanitation programs, which will contribute positively to expand service coverage to the population and raise quality of life and health indicators in the State of Paraná.





## Customer Relations

Complementary State Law 237/2021 created Paraná State's Microregions, and, accordingly, the municipalities and the State of Paraná began to share the responsibility for the public basic sanitation services, expressing their wishes and decisions through microregion councils. Initiatives are evaluated on a regional level, considering the universalization and other targets set out in the Legal Framework for Sanitation for each Municipality.

In July 2023, the Company signed its first Public-Private Partnership (PPP) for providing sewage services in 16 municipalities in the Center-Coast Microregion of the State of Paraná (MRAE-1). The PPP has a term of 24 years and 5 months, with estimated investment of BRL \$1.1 billion. The second PPP will cover the Center-East microregion and will serve 36 municipalities, with an average contract term of 24 years, and the third PPP will cover the West microregion, serving 76 municipalities, with the same contract term.

## Microregions

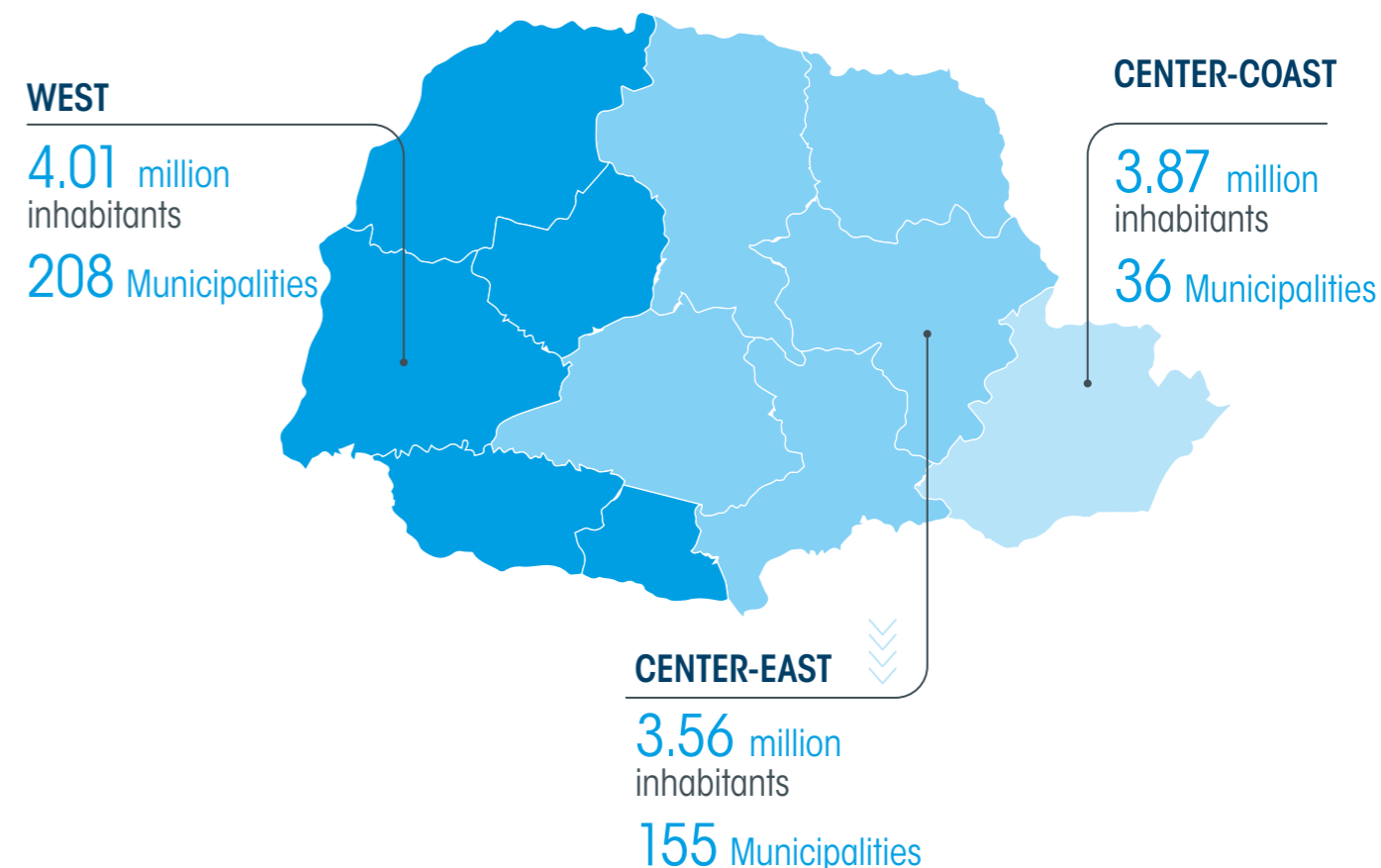
The responsibility of public basic sanitation services is now shared in councils, in which the municipalities have 60% of the votes and the State of Paraná the other 40%. Among the council's duties are the planning and the development of guidelines for water distribution, sanitary sewage and urban rainwater management services.

The microregions are divided as follows:

**Center-Coast Microregion:** with 3.87 million inhabitants, it comprises 36 municipalities, including Curitiba, São José dos Pinhais and Colombo.

**Center-East Microregion:** with 3.56 million inhabitants, it comprises 155 municipalities, including Londrina, Ponta Grossa and Guarapuava.

**West Microregion:** with 4.01 million inhabitants, it comprises 208 municipalities, including Maringá, Cascavel and Foz do Iguaçu.



Throughout 2023, the Company entered into 21 partnerships to start construction works in rural communities, with investments of almost BRL 14 million together with the municipalities. Up to the publication of this report, there were 91 works in progress, some of which are scheduled to be completed in 2024.

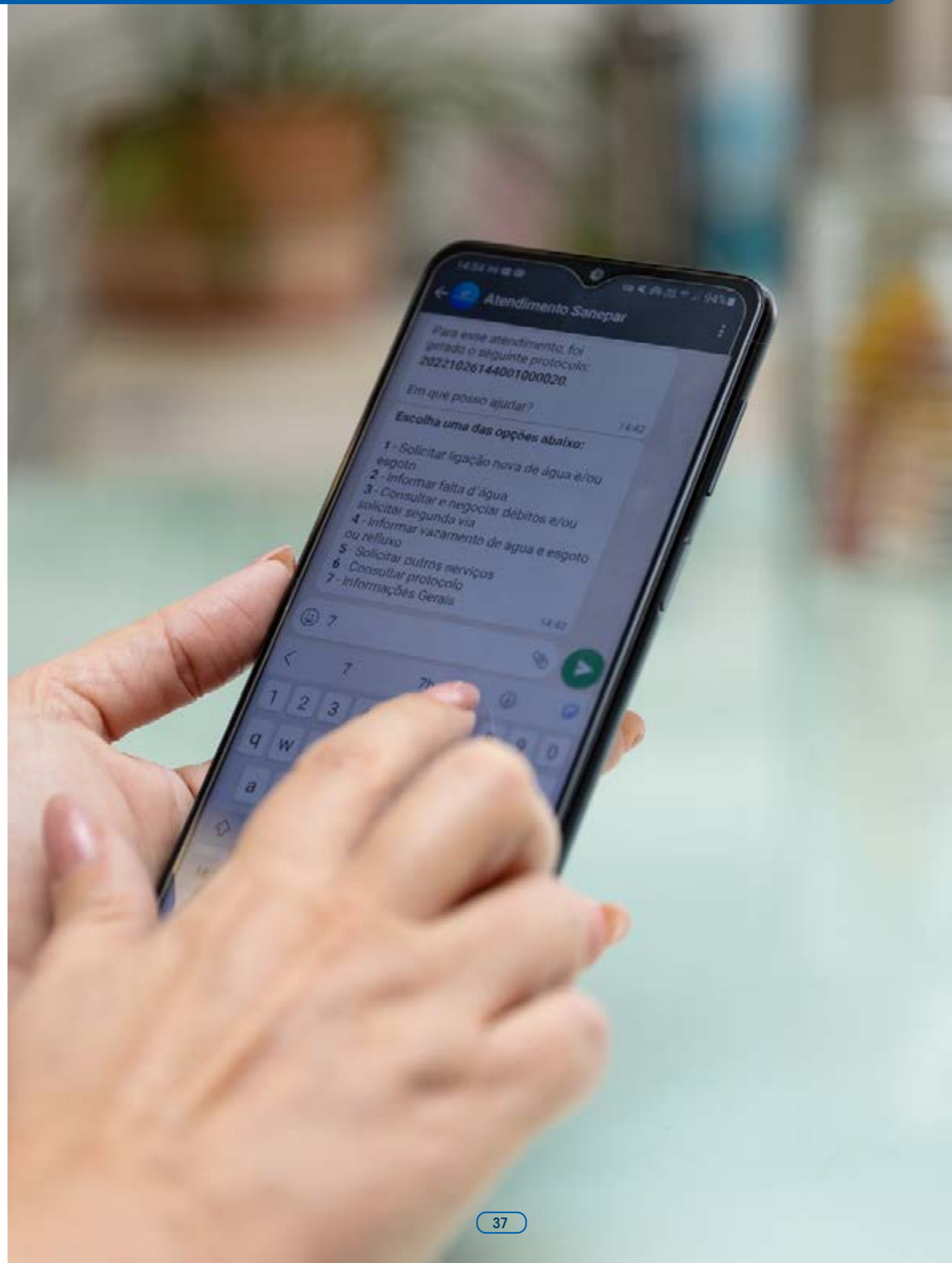
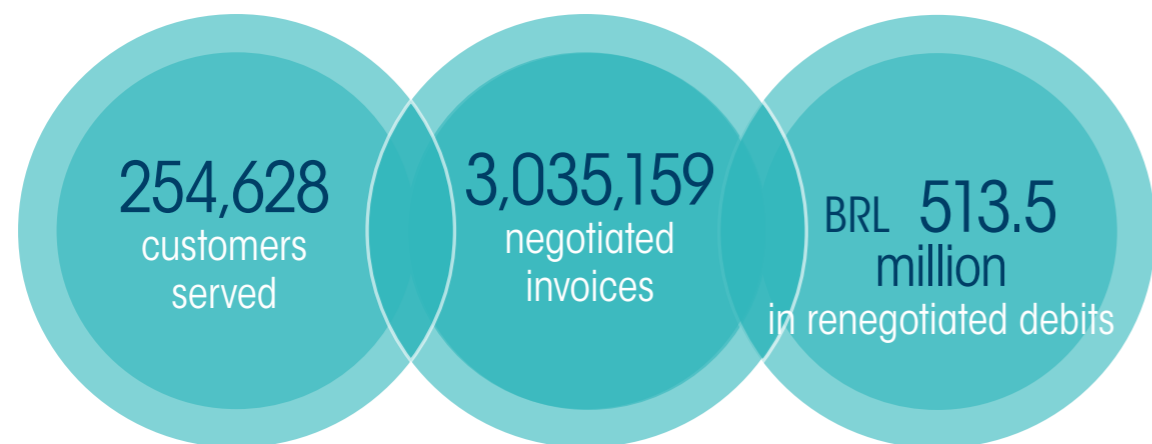
The 2024-2028 plan foresees serving 18 indigenous villages quilombola communities with water supply services in the municipalities of Vitorino, Guaíra, Terra Roxa, Tamarana and Santa Helena. Nova Laranjeiras, Clevelândia, Pontal do Paraná, Piraquara, Adrianópolis and São Miguel do Iguçu.

In order to achieve the universalization targets, Sanepar has increased investments in rural sanitation, in quilombola communities and indigenous villages, limiting disbursements to 0.15% of net revenue from water and sewage services in the previous year. In 2023, Sanepar's net income was BRL 6.3 billions - there fore, its disbursements for Rural sanitation programs can reach up to BRL 9,4 millions in 2024.

### Credit Recovery Program

During the year, Sanepar implemented the Credit Recovery Program for Active and Inactive Private Customers (RECLIP, in Portuguese), making it possible to negotiate overdue bills totaling approximately BRL 814 million. This initiative enables customers to better plan their budget and to reduce default, while, at the same time, prevents the suspension of supply. In the negotiations carried out in 2023, there was no obligation to make a down payment, nor to charge fines. Until July, customers with overdue debts could pay their liabilities in up to 60 installments, with an interest rate of 0.3% per month. In August and September, the Company offered the possibility of paying off debts in up to 48 installments plus interest rate of 0.5% per month. From October to December, the Program enabled payments in up to 36 installments plus interest of 0.7% per month.

#### RECLIP/2023 Results





## Purpose, Mission, Vision and Values

Sanepar is constantly seeking innovations that make its processes, techniques and materials used more efficient, in order to continue making the necessary investments to achieve the universalization targets with quality and preserving the Company's economic and financial balance. As part of Sanepar's culture, the Company actively encourages its employees to make suggestions and adopt innovative solutions in all its areas and processes.



### Purpose

Bring health to the population in a sustainable way.



### Mission

Ensure the provision of environmental sanitation in a sustainable and innovative way.



### Vision

Be a national and international benchmark for environmental sanitation.



### Values

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

**Innovation** - Search for new solutions, aiming at efficiency and a universalization of environmental sanitation.

**Competence** - Carry out professional duties supported by knowledge, skills and assertive attitudes.

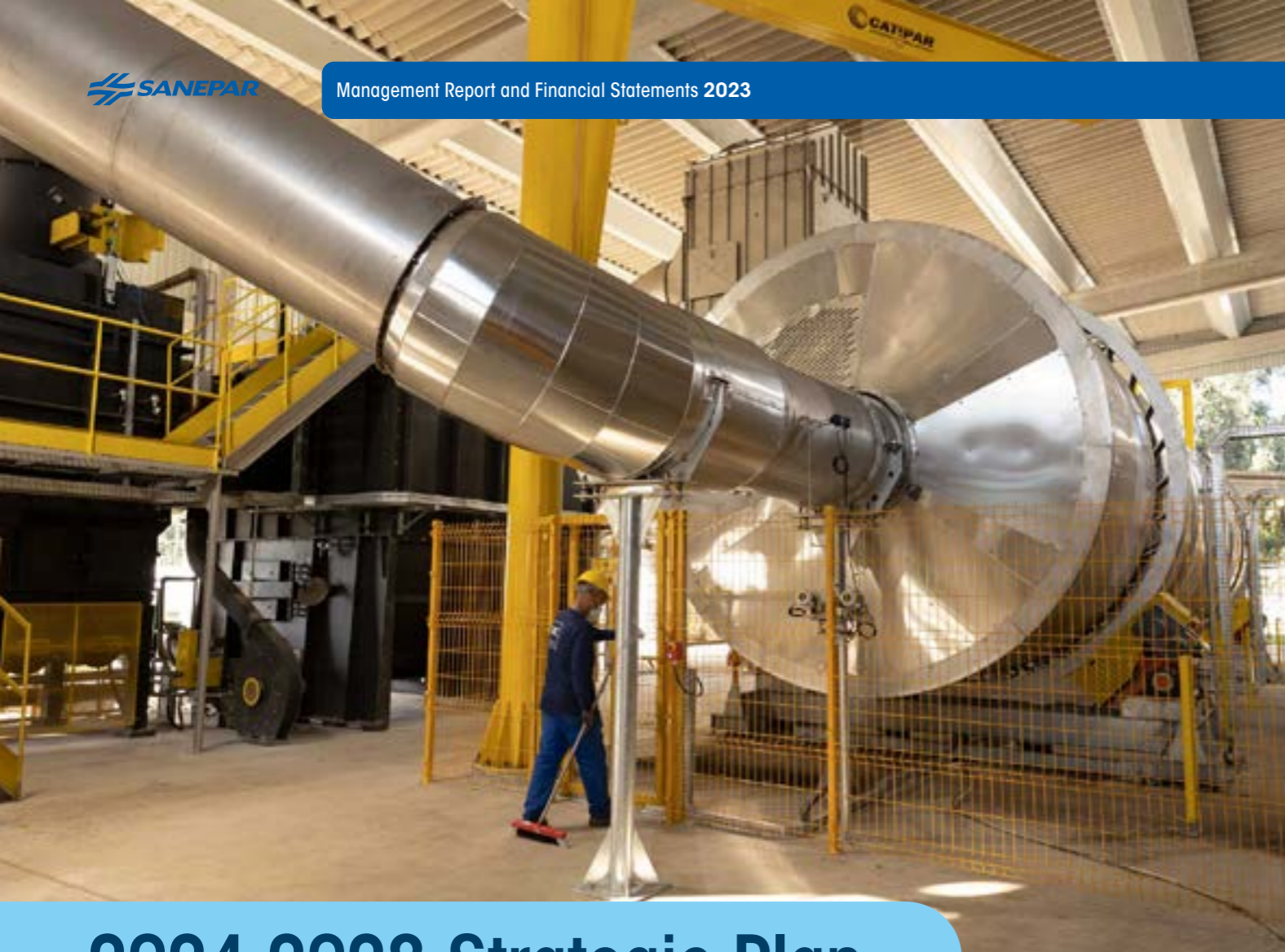
**Respect** - Act in a correctly manner, respecting diversity, society and the environment.

**Commitment** - Act in a dedicated and committed way with the Company's principles, values and vision.

**Professionalism** - Perform your duties with dedication, ethics and respect.

**Transparency** - Clearly and truthfully act and report.

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



## 2024-2028 Strategic Plan

Sanepar's main challenge for the coming years is to adapt to the impacts of new scenarios, especially extreme weather events, devoting all efforts to achieve the universalization targets set out in the Legal Framework for Sanitation. The Company seeks to meet the targets without losing sight of the quality of the services provided to the population and preserving its economic and financial balance.

In November 2023, the Company reassessed its investment plan to promote the adoption of innovation, especially open innovation. During the year, Sanepar completed its second call for proposals to accelerate startups, with projects focused on sustainable sewage systems, in partnership with Parque Tecnológico Itaipu (PTI, in Portuguese); the agricultural use of sewage sludge; business opportunities in biofertilizers; and thermal drying and combustion of sludge, among others.

### Multiannual Investment Plan - 2024 to 2028 (in BRL million)

|                                | 2023 <sup>1</sup> | 2024           | 2025           | 2026           | 2027           | 2028           | 2024 to 2028    |
|--------------------------------|-------------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| Regulatory Capex <sup>2</sup>  | 1.814,9           | 2.101,9        | 2.095,7        | 1.610,9        | 1.367,2        | 1.551,3        | 8.727,0         |
| Solid waste / Industrial water | 6,5               | 4,9            | 9,1            | 0,6            | 0,5            | 1,7            | 16,8            |
| Capitalization <sup>2</sup>    | 157,6             | 179,4          | 189,5          | 198,4          | 197,1          | 201,9          | 966,3           |
| Network donations              | 31,4              | 28,3           | 29,0           | 29,6           | 30,4           | 30,9           | 148,2           |
| Partnerships <sup>2</sup>      | -                 | 67,4           | 200,9          | 330,1          | 382,3          | 376,8          | 1.357,5         |
| <b>Total</b>                   | <b>2.011,4</b>    | <b>2.381,9</b> | <b>2.524,2</b> | <b>2.169,6</b> | <b>1.977,5</b> | <b>2.162,6</b> | <b>11.215,8</b> |

|              | 2023 <sup>1</sup> | 2024           | 2025           | 2026           | 2027           | 2028           | 2024 a 2028     |
|--------------|-------------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| Water        | 719,9             | 778,9          | 635,4          | 581,9          | 607,6          | 808,5          | 3.412,3         |
| Sewage       | 1.146,6           | 1.469,1        | 1.785,2        | 1.515,7        | 1.279,1        | 1.303,2        | 7.352,3         |
| Others       | 144,9             | 133,9          | 103,6          | 72,0           | 90,8           | 50,9           | 451,2           |
| <b>Total</b> | <b>2.011,4</b>    | <b>2.381,9</b> | <b>2.524,2</b> | <b>2.169,6</b> | <b>1.977,5</b> | <b>2.162,6</b> | <b>11.215,8</b> |

<sup>1</sup> Figures from the Multi-Year Investment Plan disclosed in the Material Fact of 12/07/2022.

<sup>2</sup> Components of the Company's water and sewage tariff base, according to the 2nd Periodic Tariff Review (RTP).

### Solid Values

Despite the challenging scenario, Sanepar's strategic goals and guiding principles remain unshakable:

**Sustainability** – ensure the economic and financial balance of the business; protect the environment; promote social responsibility.

**Customers and Granting Authority** – maintain and expand the market; increase customer satisfaction and loyalty; strengthen the Company's image.

**Processes** – ensure product and service quality; improve and innovate projects and processes; ensure regulatory and corporate governance practices.

**Learning and Growth** – strengthen the innovation culture; improve knowledge, skills and attitudes; develop the organizational environment.

## Corporate Governance

Sanepar reaffirms its commitment to corporate governance principles by incorporating transparency and integrity into its internal and external actions. Every year, the Company publishes its Integrated Strategic Risk Management, Corporate Internal Controls, and Compliance Work Plan, after the Board of Directors approves it. The document details the principles, guidelines, rules, responsibilities and concepts, in order to enable the identification, assessment, treatment, monitoring and communication of risks and internal controls in the Company's processes.

In order to promote greater adherence and alignment between its internal and external work, in March 2023, the Company approved the Integrity Program for Third Parties. The document determines that suppliers must act in accordance with Sanepar's values, especially in the prevention, detection, monitoring and response to harmful acts provided for in the legislation, mainly in the Anti-Corruption Act - Law no. 12.846/2013. The program comprises

the pillars of Ethical Environment, Due Diligence, Integrity Commitments and Monitoring.

The Integrity Program includes the Code of Conduct and Integrity, the Disciplinary Code, the Rules and Procedure of the Conduct Committee as well as internal rules. The Code of Conduct and Integrity is essential to ensuring acceptable standards of conduct. Employees and third parties can report misconduct to the Whistleblowing Channel, management or to other reporting channels. The Disciplinary Code sets out the measures that must be taken to address different situations: immediate management deals with educational and mild and moderate severity cases, while the Conduct Committee addresses serious and extremely serious situations. This process provides transparency and impartiality, reinforcing the culture of integrity set out in the Code.

In 2023, the Company held its annual "Integrity Week" organized to take place during the week of International Anti-Corruption Day, which falls

on December 9. During the event, Sanepar's Senior Management and governance agents – including the Board of Directors' Chairman and Directors, in addition to Company's CEO and Executive Officers – presented panels together with notorious Brazilian names. They discussed topics such as Ethics, Compliance and Innovation, Legal Aspects of Integrity, Diversity, Corporate and Operational Risks, International Anti-Corruption Day and the General Data Protection Act.

In 2023, Sanepar also made progress in mapping process risks. This initiative enabled the assessment of internal control systems and improved management across the board, including tactical and operational procedures. Processes were prioritized based on the materiality criteria elected by the executive offices and the guidelines of the Risk Management Committee. The initiatives were supported by

the Statutory Audit Committee and the Board of Directors.

In 2023, Sanepar reviewed the following documents: the Company's Bylaws; the Code of Conduct and Integrity; the Code of Conduct for Third Parties; the Information Security, Personal Data Protection and Privacy Policies and the Hiring of an Independent Auditor Policy; the Company's RILC - Internal Regulations for Bids, Contracts and Partnerships, the Information Protection Regulation and the Disciplinary Code; and the Internal Regulations of the Conduct Committee and the ESG Strategic Committee. A new Diversity, Equity and Inclusion policy was implemented.



### Looking Towards the Future

Sanepar has important elements necessary to consolidate its position under the Legal Framework for Sanitation: committed and highly qualified employees, internal controls mapped out and strictly adhered to, and solid integrity and ethics guidelines.

In mid-October 2023, the Innovation and New Business Executive Office was created, aimed at aligning the company's strategy with its vision of the future, enabling revenue increase, tariff reduction, risk mitigation as well as guaranteeing business perpetuity.



## Sustainability

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

In 2023, Sanepar acquired all CS Bioenergia S.A.'s shares and merged its shareholder structure, taking over its control and full management. Located adjacent to the Belém Sewage Treatment Plant (STP), this company engages in the use and proper disposal of solid, organic waste and the sludge produced at the STP, as well as the production of biogas and energy generation through biodigestion. CS Bioenergia S.A. began operating in June 2017, reaching operational stability in 2019, when it started transferring energy credits to Sanepar's consumer units.

In November 2023, the Company signed a two-year Memorandum of Understanding and Interinstitutional Cooperation with the Government of the State of Paraná and the Government of Alto Paraná, in Paraguay. Through the agreement, the parties express their intention to devote efforts to establish technical, scientific and business cooperation. The document also provides for

the sharing of data and information to support the planning and execution of integrated actions. The Memorandum has the following objectives: (i) sustainable development and social welfare in territories of mutual interest located in Paraguay and/or Brazil; (ii) water security based on environmental sanitation projects; (iii) diagnostics, research and innovation projects, strategies and inter-institutional arrangements, notably related to water and sewage.

### Other initiatives developed in 2023:

- Since January 2022, Sanepar develops works toward recuperation of degraded areas around the future Miringuava DAM. The already executed works cover initial area preparation (soil decompaction and correction, fertilizing and invasive species control), The planting of 147,849 seedlings of 32 native tree species, covering a recovered area of about 122 ha. Through out 2023 50,832 seedlings, were planted, covering an area of 34 ha. After the planting, the areas remain under monitoring and maintenance services, in order to ensure the development of seedlings or its replacement, in case of decay.
- Acquisition of 100 hectares by the largest remnants of Perobas in Paraná, geared towards preserving this ecosystem.
- In 2023 it was recycled for agricultural purposes 24,207 tons of sludge. Generated from 28 STP. The final product (biosolids) is distributed without cost to local farmers, benefiting 144 rural producers, in 57 municipalities of Paraná, promoting soil recovering in more than 2,845 ha, favoring various cultures, such as corn, coffee, wheat and others.
- For the second consecutive year, maintenance of zero non-compliances, attested to by different certification bodies in the Environmental Management system, with ISO 14001 certification, especially at the Cianorte Landfill.
- Obtaining environmental license for strategic works, including: the Waste Treatment Plant at the Padilha Sul STP; modernization of the Alegria STP in Medianeira; expansion of the Barra Nova STP in Apucarana; new water intake system in Umuarama; and innovative sewage treatment work using root zones in Saudade do Iguaçu.
- Social and environmental Management Plan for the community impacted by the expansion works of the Atuba Sul Waste Treatment Plant, focused on informing and guiding the community surrounding the construction works.

As a signatory of the United Nations Global Compact since 2019, the Company is committed to the Sustainable Development Goals (SDGs) and has been working to meet its targets and disseminate and promote the 2030 Agenda.

Sanepar considers the 17 SDGs to be equally important and intrinsically linked to each other. With that being said, to help the approach and enable proper internalization, the Company strategically decided to prioritize the following 5 goals:



### Sanepar's Actions that meet prioritized SDGs:



#### Good health and well-being

- Differentiated tariffs;
- Greenhouse gas inventory;
- Diversity, equity and inclusion committee;
- Sanitation services;
- Se Ligue na Rede (connect to the network project);
- Caixa d'Água Boa (good water tank project);
- Summer operation at the coast / Verão Maior Paraná;
- Rural sanitation;
- Distance learning.

### OBJETIVOS DE DESENVOLVIMENTO SUSTENTÁVEL



#### Clear Water and Sanitation

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• Differentiated tariffs;</li> <li>• SDG under discussion;</li> <li>• Revitalization of urban rivers;</li> <li>• Sanitation services;</li> <li>• Basin committees;</li> <li>• Environmental agenda;</li> <li>• Energy efficiency;</li> <li>• Environmental agenda;</li> <li>• Agricultural use of sewage sludge;</li> <li>• Loss problem analysis and solutions methodology (MASPP, in Portuguese);</li> </ul> | <ul style="list-style-type: none"> <li>• Research agreements;</li> <li>• Se Ligue na Rede (connect to the network project);</li> <li>• Environmental education in spring basins;</li> <li>• Caixa d'Água Boa (good water tank project);</li> <li>• Rural sanitation;</li> <li>• Training of plumbers from vulnerable neighborhoods;</li> <li>• Guided tours;</li> <li>• Fundo Azul Program;</li> <li>• Regulated environment.</li> </ul> |
|---|--|







### Gender equality

- Distance learning on gender;
- Code of conduct;
- Diversity, equity and inclusion committee;
- Se Ligue na Rede (connect to the network project);
- Compensation policy;
- Inova Award;
- Summer operation at the coast / Paraná Summer: Live Life.



### Responsible Consumption and Production

- Plan to Mitigate and Adapt to Climate Change
- Greenhouse Gas Inventory
- SDG under discussion;
- Revitalization of urban rivers;
- Sanitation services;
- Summer operation at the coast / Verão Maior Paraná;
- Training of plumbers from vulnerable neighborhoods;
- Environmental education in spring basins;
- Guided tours;
- Research agreements;
- Differentiated tariffs;
- Regulated environment;
- Agricultural use of sewage sludge;
- Energy efficiency;
- Basin committees;
- Fundo Azul Program;
- Environmental agenda.



### Climate action

- Research agreements;
- SDG under discussion;
- Environmental agenda;
- Green curtains;
- Fundo Azul Program
- Energy efficiency;
- Basin committees;
- Plan to Mitigate and Adapt to Climate Change;
- Greenhouse gas Inventory;
- Training of plumbers from vulnerable neighborhoods;
- Environmental education in spring basins;
- Loss problem analysis and solutions methodology (MASPP, in Portuguese);
- Paraná Bem Tratado Program, which seeks to reduce Greenhouse Gas emissions and improve treatment quality;
- Sanitation services.

Defining priorities together with representatives from all of the Company's executive offices will guide investments, initiatives and programs, establishing an optimal path to achieve the 2030 Agenda goals with responsibility, consistency, and creation of value for shareholders, employees and society as a whole.

By prioritizing SGDs, Sanepar shows its concern for the internal and surrounding environments, seeking to ensure good conditions so that the organization, its employees, business partners, nature, and society can develop and prosper together.

In 2023, Sanepar began to implement its Strategic Plan to Mitigate and Adapt to Climate Change. Approved in November 2022, the Plan proposes to promote actions to mitigate GHG emissions and develop adaptation and resilience strategies aimed at climate change.

Every year, Sanepar publishes its social and environmental information in the Sustainability Report. As of 2023, the document is prepared according to the Integrated Reporting Framework, as well as the Global Reporting Initiative (GRI 2021) standards.



## Human capital

In 2023, Sanepar's team overcame challenges with ingenuity and efficiency, achieving good results for another year.

The Company invested heavily in humane actions and programs related to safety, health and well-being to provide an increasingly healthy and safe work environment. Sanepar's efforts directly result in improved quality of life for employees and their families.

## Organizational Climate

In 2022, the Company conducted its most recent organizational climate survey, which occurs every two years. In this edition, Employees could choose between very satisfied, satisfied, indifferent, dissatisfied and very dissatisfied, to rate the topics covered. The survey was carried out in line with the Reference Guide for Performance Measurement (GRMD, in Portuguese) of the Brazilian Association of Sanitary and Environmental Engineering (ABES, in Portuguese).

The result revealed the highest satisfaction score in Sanepar's history: 84.6% of employees stated they were happy to work for the Company.

Sanepar strongly invests in employees capacitation, offering courses and development opportunities. Focusing in the well being, health and safety, the Company acts in various fronts, seeking to ensure fiscal, emotional and social integrity, to its employees, in a corporate environment free from any type of harassment.

## Human Resources Management Policy

Approved by the Board of Directors, Sanepar's Human Resources Management Policy mandates for the need to "providing a healthy and safe work environment, directly reflecting on the improvement of the quality of life of workers and their families." as a safety, health and well-being guideline. Therefore, the document contributes to the implementation of ESG practices, with continually evolving guidelines.

In 2023, Sanepar reiterated its ESG commitment by joining the Global Compact's "Living Wage" and "Mind in Focus" movements. The Company considers these efforts essential for recognizing and valuing differences and fostering an even fairer, safer, more respectful, inclusive and welcoming work environment.



The company's internal Social Service strongly invests in employees development through training and opportunities for qualification opportunities.

## Diversity, Equity and Inclusion

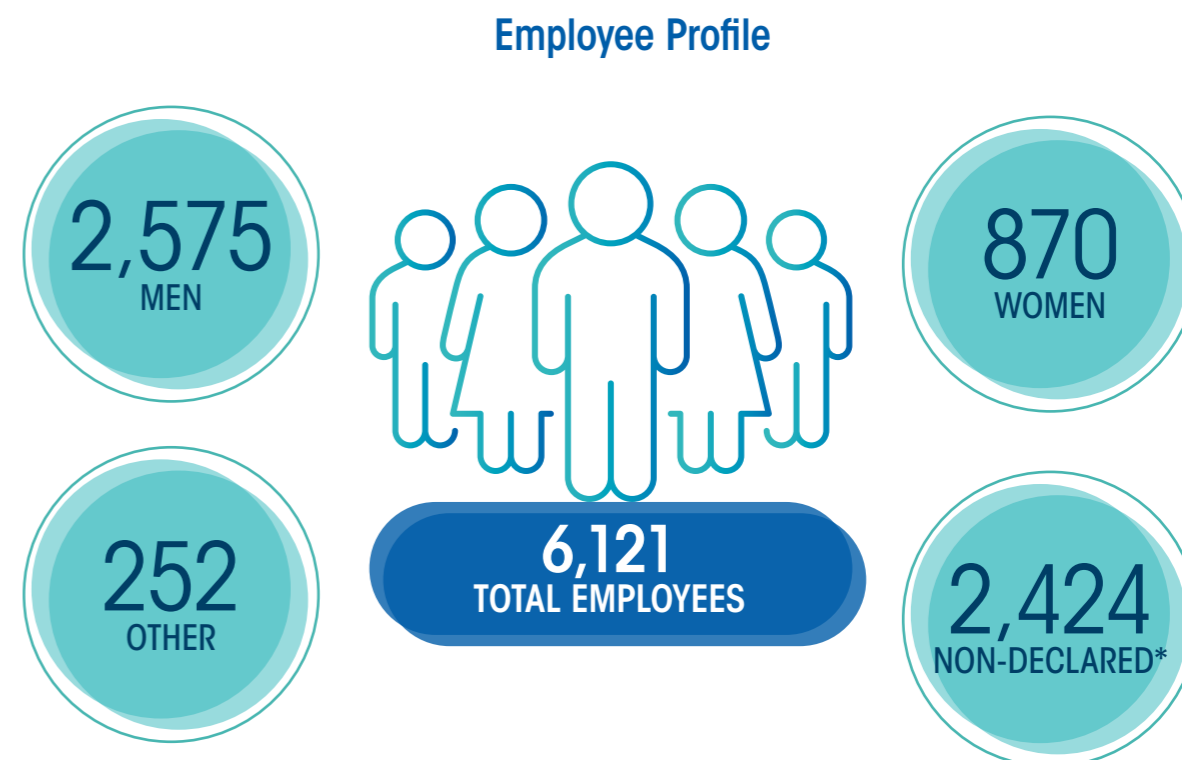
In March 2023, the Board of Directors approved Sanepar’s Diversity, Equity and Inclusion Policy, which lays down guidelines and commitments to ensure the Company operates with respect, inclusion, equity and appreciation of human diversity in the development of its activities, in all regions where it operates and in all its processes. The policy applies to all employees, interns, young apprentices, governance agents, customers, suppliers, partner institutions and other parties related to Sanepar.

In 2023, several internal social initiatives were carried out, including:

- Signing of Cooperation Agreements with Employee Associations and with Rotary International, through Sanepar Corporate Rotary Club, to organize social campaigns and corporate events;
- Launch of the Corporate Volunteering Program and creation of a specific Committee for the following campaigns: “Solidarity Winter”; Pink October, focused on women’s health; collection and distribution of food items and cleaning products for the victims of the floods in the União da Vitória region;
- Sponsorship of road running events across the state, as a way of encouraging practices to improve quality of life, physical and mental integrity, and work-life balance. Hundreds of employees and thousands of citizens participated in these initiatives;
- Digital implementation of the Spontaneous Registration of Intention to Transfer (CEIT, in Portuguese). The tool is designed to enable permanent employees to inform the Company of their wish to move and transfer;
- Through Collective Bargaining Agreements and the Human Resources Management Policy, Sanepar sets social and labor benefits and affirmative actions to a promote respect for all employees and mitigate labor liabilities;
- Launch of Sanepar’s 1st Diversity Census. A short and simple survey collects employees’ self-declared demographic data, contributing to actions and the definition of targets and indicators. The Census is in line with the ESG principles and Great Place to Work (GPTW) goals, humanizing and improving the work environment.

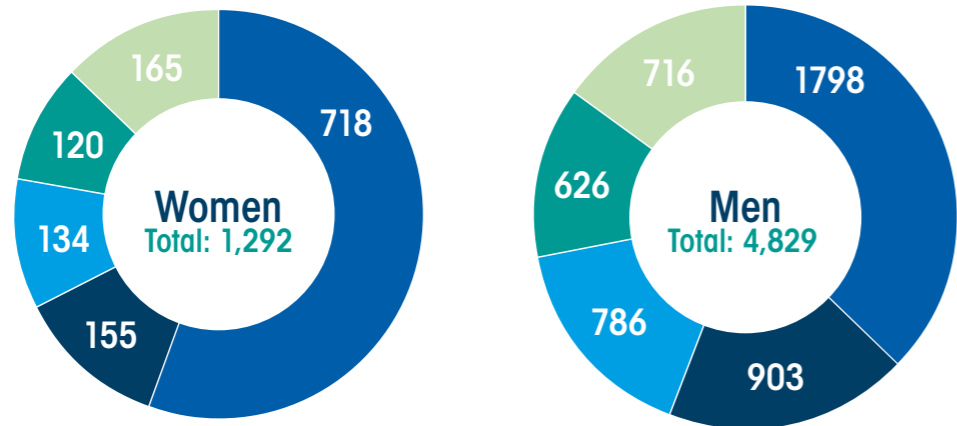


We present below Sanepar’s employee profile:

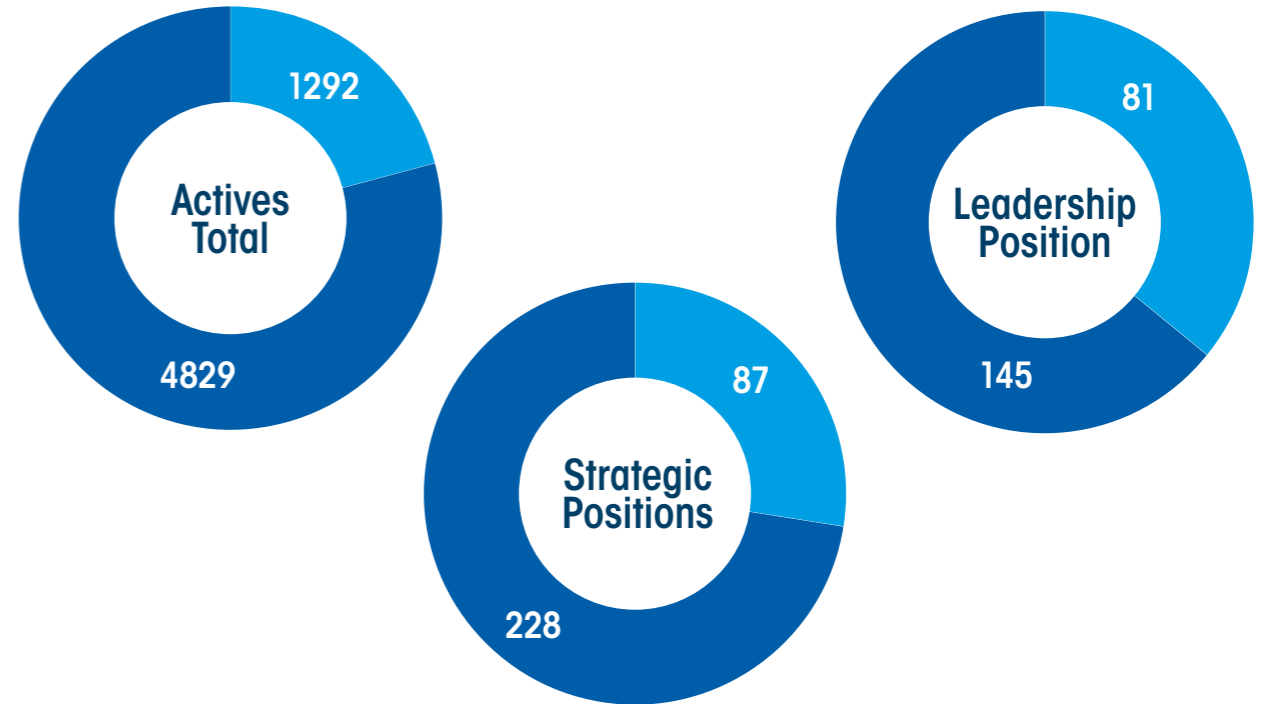


\* It refers to the number of employees that didn't respond to the 2023 Social Census.

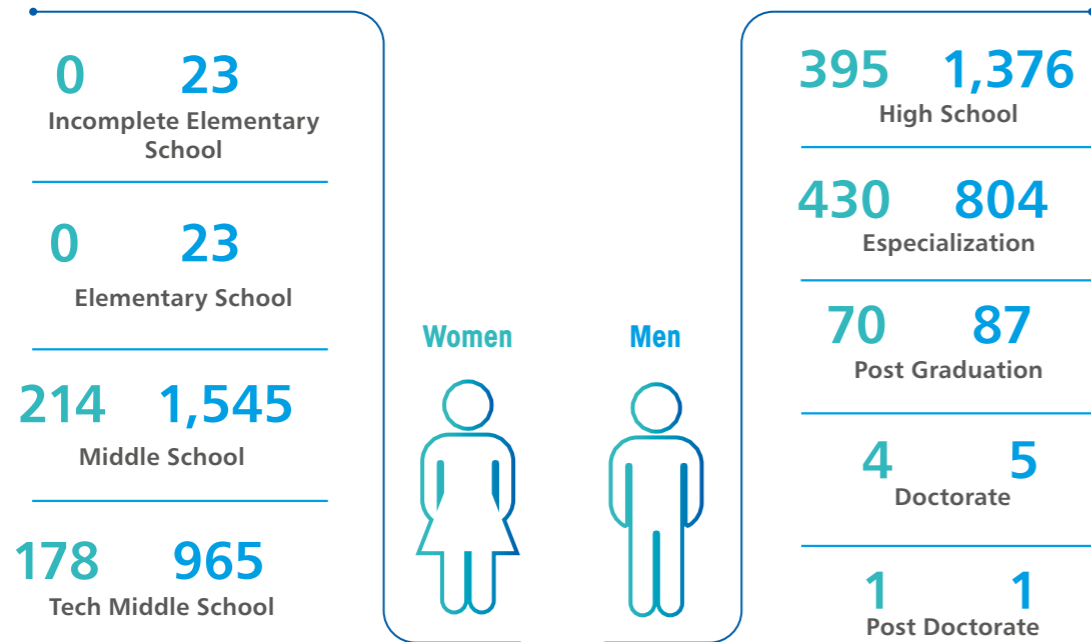
Geographic Distribution



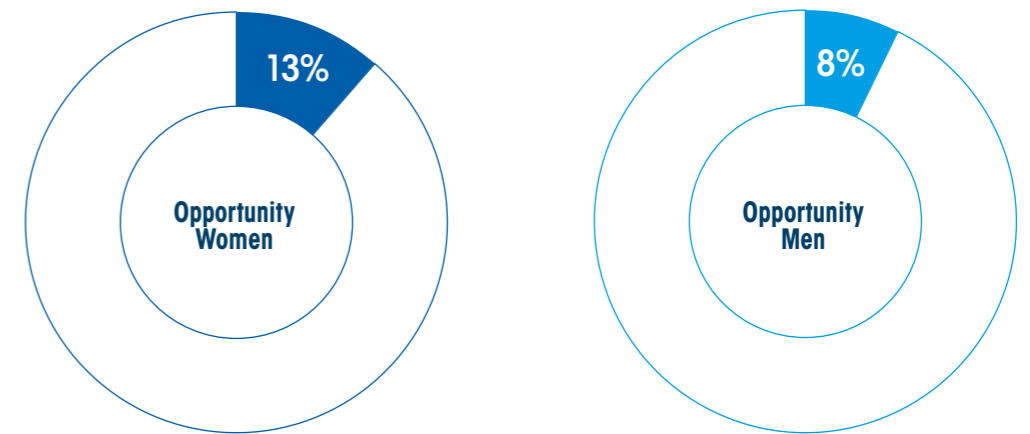
Leadership Position



Education chart



Opportunity Index - Women X Men



# PROGRAMA DE INTEGRIDADE DA SANEPAR



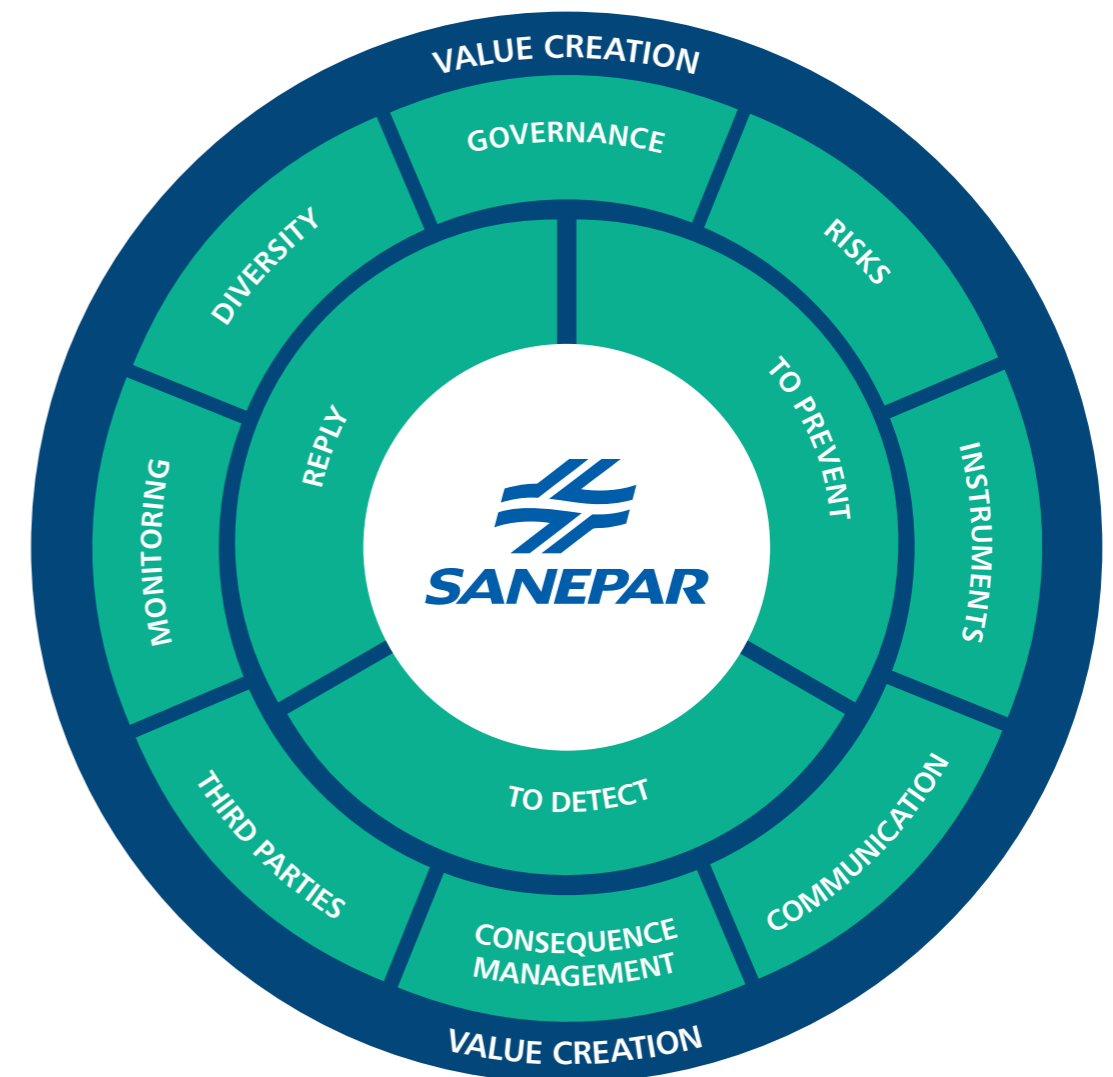
1ª REVISÃO

## Additional Information

### Governance, risks and compliance

In January and March 2023, the Company revised the Sanepar Integrity Program and the Integrity for Third Parties Program, which aim to foster and consolidate a culture of honesty, efficiency and sustainability, by constantly increasing transparency; acting in accordance with best practices; and preventing fraud, corruption and conflicts of interest. Thus, the Company strives to have a positive impact on the market, its business environment and the communities in which it operates.

The Integrity Program is grounded on eight pillars:



The Deputy Governance, Risks and Compliance Office, in partnership with the Communication and People Development departments, continued with the mandatory Governance, Integrity and Compliance training trails for employees in

the Distance Learning format. The trails aim to provide greater alignment with the Company's values and processes, bringing employees closer to the proposed goals.

As part of its integrity and consequence management, Sanepar continued to widely disseminate its Code of Conduct and the Disciplinary Code. The documents provide more tools and efficiency for the Conduct Committee as well as the leaderships. Every quarter, senior management and its Governance agents are informed of the outcomes of investigations and measures taken by the Compliance department, the Compliance Center, the Conduct Committee, and the Company's leaderships, in order to improve and monitor this process.

Sanepar maintains an independent Whistleblowing Channel for internal and external stakeholders, guaranteeing confidentiality of whistleblowers, those involved in investigating the reports and their content. The Company repudiates any discrimination or retaliation against whistleblowers who, in good faith, report wrongdoing or suspected wrongdoing, even in the case of unfounded reports.

## Transparency

Sanepar makes available a website with all its material information and has established a flow to request and obtain Company information. The Information Security Management System (ISMS) aims to ensure transparency in the corporate environment.

In October 2023, the Company revised its Personal Data Protection and Privacy Policy to include a provision for privacy since conception.

When sufficient evidence for complaints received are identified, Sanepar sets up internal procedures to investigate the facts, in accordance with the Disciplinary Code, which establishes the decision-making procedures, including disciplinary measures for breaches of the Code of Conduct and Integrity, and non-compliance with laws, rules, policies and other internal procedures. The Code also indicates the actions to be taken according to the level of magnitude of the reported conduct. The case can be submitted to the Conduct Committee or to the immediate leadership of those accused, for the appropriate measures to be taken. Throughout the entire process, the accused parties have the right to defense and the anonymity of the whistleblowers are respected.

The performance of Sanepar's governance bodies is assessed on a regular basis by an independent external company, according to legal provisions, allowing the process's continuous improvement.

The document aims to establish guidelines for collecting and processing the personal data of customers, employees, managers, suppliers, shareholders, business partners, other stakeholders and their respective related parties. The measures arise from a technical work that involved the Governance and Information of Technology (IT) departments.



## Services Provided by Independent Auditors

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

The Company maintains a contract with BDO RCS Auditores Independentes S.S. Ltda for rendering independent auditing services of the Financial Statements for the fiscal years since 2019, and for issuing special review reports on the interim financial statements of the 1st, 2nd and 3rd quarters of 2020 to 2023. BDO's auditors were also hired to certify the Sustainability indicators included in the 2023 Integrated Report, as recommended by the CVM; issue Assurance Report as

regards full compliance with economic and financial indicators set forth in article 5 of Decree no 11,598/2023; to audit initial balances in the acquisition of CS Bioenergia S.A.; and to prepare Assessment Report on Accounting Shareholders' Equity for purposes of the corporate merger of CS Bioenergia by Sanepar.

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



## Annual Social Balance

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

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

Data analysis illustrates in which points the Company has already made progress and in which matters it needs to improve, unveiling the challenges to be addressed in the coming years.

### Annual Social Balance Sheet- 2023

| 1) Calculation basis                       | 2023                   |              |              | 2022                   |              |              |
|--|------------------------|--------------|--------------|------------------------|--------------|--------------|
|  | Value (Thousand Reais) |              |              | Value (Thousand Reais) |              |              |
| Net Operating Revenue (NOR)                | 6,292,736              |              |              | 5,673,647              |              |              |
| Operating Profit (LO)                      | 2,024,321              |              |              | 1,545,547              |              |              |
| Gross Payroll (FPB)                        | 1,177,074              |              |              | 1,092,060              |              |              |
| 2) Internal Social Indicators              | Value (Thnd BRL)       | % over FPB   | % over ROL   | Value (Thnd BRL)       | % over FPB   | % over ROL   |
| Food                                       | 112,050                | 9.52         | 1.78         | 105,223                | 9.64         | 1.85         |
| Compulsory social charges                  | 250,087                | 21.25        | 3.97         | 231,870                | 21.23        | 4.09         |
| Private pension                            | 40,722                 | 3.46         | 0.65         | 37,913                 | 3.47         | 0.67         |
| Health                                     | 96,603                 | 8.21         | 1.54         | 85,955                 | 7.87         | 1.51         |
| Transportation vouchers                    | 1,040                  | 0.09         | 0.02         | 933                    | 0.09         | 0.02         |
| Safety and health at work                  | 16,681                 | 1.42         | 0.27         | 15,386                 | 1.41         | 0.27         |
| Education                                  | -                      | -            | -            | -                      | -            | -            |
| Training and professional development      | 5,298                  | 0.45         | 0.08         | 3,876                  | 0.35         | 0.07         |
| Day care or day care support               | 1,955                  | 0.17         | 0.03         | 2,055                  | 0.19         | 0.04         |
| Profit sharing or results                  | 115,007                | 9.77         | 1.83         | 88,093                 | 8.07         | 1.55         |
| Others                                     | 149,872                | 12.73        | 2.38         | 142,438                | 13.04        | 2.51         |
| <b>Total - Internal Social Indicators</b>  | <b>789,315</b>         | <b>67.07</b> | <b>12.55</b> | <b>713,742</b>         | <b>65.36</b> | <b>12.58</b> |
| 3) External Social Indicators              | Value (Thnd BRL)       | % over FPB   | % over ROL   | Value (Thnd BRL)       | % over FPB   | % over ROL   |
| Cultural, Artistic, Audiovisual and Sports | 13,209                 | 0.65         | 0.21         | 6,129                  | 0.4          | 0.11         |
| Children and Elderly Funds                 | 4,000                  | 0.2          | 0.06         | 3,500                  | 0.23         | 0.06         |
| Health and Oncology Assistance Programs    | 4,530                  | 0.22         | 0.07         | -                      | -            | -            |
| Leisure and fun                            | 1,540                  | 0.08         | 0.02         | 3,247                  | 0.21         | 0.06         |
| Others                                     | 36                     | -            | -            | 80                     | 0.01         | -            |
| <b>Total Contributions to Society</b>      | <b>23,315</b>          | <b>1.15</b>  | <b>0.36</b>  | <b>12,956</b>          | <b>0.85</b>  | <b>0.23</b>  |
| Taxes (excluding social charges)           | 1,061,036              | 52.41        | 16.86        | 870,570                | 56.33        | 15.34        |
| <b>Total - External Social Indicators</b>  | <b>1,084,351</b>       | <b>53.56</b> | <b>17.22</b> | <b>883,526</b>         | <b>57.18</b> | <b>15.57</b> |

| 4) Environmental Indicators                 | Value (Thnd BRL) | % over FPB    | % over ROL   | Value (Thnd BRL) | % over FPB    | % over ROL   |
|---|------------------|---------------|--------------|------------------|---------------|--------------|
| Related to the company's operation          | 2,031,962        | 100.38        | 32.29        | 1,796,243        | 116.22        | 31.66        |
| In External Programs and/or Projects        | 138,534          | 6.84          | 2.2          | 159,378          | 10.31         | 2.81         |
| <b>Total Investments in the Environment</b> | <b>2,170,496</b> | <b>107.22</b> | <b>34.49</b> | <b>1,955,621</b> | <b>126.53</b> | <b>34.47</b> |

| 5) Functional Body Indicators                                    | 2023  | 2022  |
|--|-------|-------|
| Number of employees at the end of the period                     | 6,121 | 6,199 |
| Number of admissions during the period                           | 0     | 1     |
| Number of interns  | 103   | 116   |
| Number of employees over 45 years old                            | 3,308 | 3,099 |
| Number of women working in the company                           | 1,292 | 1,316 |
| % of leadership positions held by women                          | 26.9% | 30.6% |
| Number of black people working in the company <sup>1</sup>       | 308   | 317   |
| Number of people with disabilities or special needs <sup>2</sup> | 95    | 98    |

#### 6) Relevant Information regarding the Exercise of Corporate Citizenship

|   |   |   |  |   |   |  |
|---|---|---|--|---|---|--|
| Relationship between the highest and lowest remuneration in the company                 | 16.9  |   | 21.4   |   |   |  |
| Total number of work accidents  | 137   |   | 109  |   |   |  |
| The social and environmental projects developed by the company were defined by:         | <input type="checkbox"/> direção                | <input checked="" type="checkbox"/> direção e gerências | <input type="checkbox"/> todos(as) empregados(as)        | <input type="checkbox"/> direção                | <input checked="" type="checkbox"/> direção e gerências | <input type="checkbox"/> todos(as) empregados(as)        |
| The safety and health standards in the work environment were defined by:                | <input type="checkbox"/> directors and managers | <input type="checkbox"/> all employees                  | <input checked="" type="checkbox"/> all + Cipa           | <input type="checkbox"/> directors and managers | <input type="checkbox"/> all employees                  | <input checked="" type="checkbox"/> all + Cipa           |
| Private pension includes:   | <input type="checkbox"/> directors and managers | <input type="checkbox"/> all employees                  | <input checked="" type="checkbox"/> all employees        | <input type="checkbox"/> directors and managers | <input type="checkbox"/> all employees                  | <input checked="" type="checkbox"/> all employees        |
| Profit sharing includes:  | <input type="checkbox"/> directors and managers | <input type="checkbox"/> all employees                  | <input checked="" type="checkbox"/> all employees        | <input type="checkbox"/> directors and managers | <input type="checkbox"/> all employees                  | <input checked="" type="checkbox"/> all employees        |
| Quanto à participação de empregados(as) em programas de trabalho voluntário, a empresa: | <input type="checkbox"/> não se envolve         | <input type="checkbox"/> apóia                          | <input checked="" type="checkbox"/> organiza e incentiva | <input type="checkbox"/> não se envolve         | <input type="checkbox"/> apóia                          | <input checked="" type="checkbox"/> organiza e incentiva |
| <b>Total added value to be distributed (in thousand R\$)</b>                            | <b>Em 2023: 4.619.790</b>                       |   | <b>Em 2022: 3.851.694</b>                                |   |   |  |
|   | In 2023: 4,619,790                              | In 2022: 3,851,694                                      | 26,5% governo  | 30,3% colaboradores(as)                         |   |  |
|   | Added Value Distribution (DVA):                 | 26.4% government  | 27.5% employees  | 26.5% government                                | 30.3% employees   | 18,7% retido   |

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

<sup>2</sup> Quota of Physically Disabled in Public Tender as of calendar year 2000.

# Financial Statements Fiscal Year 2023





# Companhia de Saneamento do Paraná - SANEPAR

## ACCOUNTING STATEMENTS

As of December 31, 2023, and 2022

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# Companhia de Saneamento do Paraná - SANEPAR

## STATEMENTS OF FINANCIAL POSITION

As of December 31, 2023, and 2022

(In thousands of Brazilian Reais)

### ASSETS

|   | <b>Note</b> | <b>2023</b>       | <b>2022</b>       |
|---|-------------|-------------------|-------------------|
| <b>Current</b>                              |             |                   |                   |
| Cash and Cash Equivalents                   | 5           | 1,285,158         | 1,207,932         |
| Trade Accounts Receivable                   | 6.a         | 1,260,202         | 1,086,163         |
| Inventories                                 |             | 69,305            | 76,943            |
| Recoverable Taxes and Contributions         | 7           | 14,644            | 38,334            |
| Restricted Deposits                         | 8           | 61,654            | 23,705            |
| Derivative Financial Instruments            | 4.1         | 62,838            | 16,053            |
| Other Accounts Receivable                   | 9           | 22,931            | 20,699            |
| <b>Total Current</b>                        |             | <b>2,776,732</b>  | <b>2,469,829</b>  |
| <b>Noncurrent</b>                           |             |                   |                   |
| Trade Accounts Receivable                   | 6.a         | 271,525           | 125,750           |
| Restricted Deposits                         | 8           | 90,059            | 75,214            |
| Court Deposits                              | 18.c        | 586,869           | 507,294           |
| Contractual Financial Assets                | 10          | 708,227           | 676,465           |
| Contract of Assets                          | 11          | 2,761,013         | 2,746,449         |
| Deferred Income Tax and Social Contribution | 16.c        | 828,516           | 686,874           |
| Other Accounts Receivable                   | 9           | 56,963            | 42,152            |
| Investments                                 | 12          | 2,282             | 1,988             |
| Fixed Assets                                | 13.a        | 378,052           | 370,524           |
| Intangible Assets                           | 13.b        | 10,343,667        | 8,954,657         |
| <b>Total Noncurrent</b>                     |             | <b>16,027,173</b> | <b>14,187,367</b> |
| <b>TOTAL OF ASSETS</b>                      |             | <b>18,803,905</b> | <b>16,657,196</b> |

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

# Companhia de Saneamento do Paraná - SANEPAR

## STATEMENTS OF FINANCIAL POSITION

As of December 31, 2023, and 2022

(In thousands of Brazilian Reais)

### LIABILITIES

|   | <u>Note</u> | <u>2023</u>              | <u>2022</u>              |
|---|-------------|--------------------------|--------------------------|
| <b>Current</b>                            |             |                          |                          |
| Loans, Financing, Debentures and Leases   | 14.a        | 671,117                  | 575,651                  |
| Contractors and Suppliers                 |             | 354,897                  | 297,045                  |
| Taxes and Contributions                   | 15          | 100,087                  | 102,767                  |
| Salaries and Social Charges               |             | 285,790                  | 245,965                  |
| Dividends and Interest on Equity Capital  | 20/22       | 308,821                  | 227,335                  |
| Unearned Revenue                          | 17          | 3,560                    | 3,560                    |
| Derivative Financial Instruments          | 4.1         | 62,287                   | 15,746                   |
| Collateral and Contractual Retentions     |             | 2,382                    | 2,217                    |
| Pension Plan and Health Insurance         | 19          | 73,635                   | 67,404                   |
| Other Accounts Payable                    | 21          | 107,517                  | 91,968                   |
| <b>Total Current</b>                      |             | <b><u>1,970,093</u></b>  | <b><u>1,629,658</u></b>  |
| <b>Noncurrent</b>                         |             |                          |                          |
| Loans, Financing, Debentures and Leases   | 14.a        | 5,106,543                | 4,507,593                |
| Contractors and Suppliers                 |             | -                        | 1,077                    |
| Unearned Revenue                          | 17          | 7,713                    | 11,273                   |
| Provisions                                | 18.a        | 858,613                  | 689,000                  |
| Pension Plan and Health Insurance         | 19          | 1,030,892                | 943,652                  |
| Other Accounts Payable                    | 21          | 85,851                   | 88,056                   |
| <b>Total Noncurrent</b>                   |             | <b><u>7,089,612</u></b>  | <b><u>6,240,651</u></b>  |
| <b>Total of Liabilities</b>               |             | <b><u>9,059,705</u></b>  | <b><u>7,870,309</u></b>  |
| <b>Equity</b>                             |             |                          |                          |
|   | 22          |                          |                          |
| Capital Stock                             |             | 5,996,137                | 3,996,137                |
| Revaluation Surplus                       |             | 50,164                   | 54,426                   |
| Asset and Liability Valuation Adjustments |             | 4,205                    | 4,322                    |
| Income Reserves                           |             | 3,507,386                | 4,515,837                |
| Other Comprehensive Income                |             | 186,308                  | 216,165                  |
| <b>Total of Equity</b>                    |             | <b><u>9,744,200</u></b>  | <b><u>8,786,887</u></b>  |
| <b>TOTAL OF LIABILITIES AND EQUITY</b>    |             | <b><u>18,803,905</u></b> | <b><u>16,657,196</u></b> |

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

# Companhia de Saneamento do Paraná - SANEPAR

## STATEMENTS OF INCOME

For the years ended December 31, 2023, and 2022  
(In thousands of Brazilian Reais, except earnings per share)

|   | <b>Note</b> | <b>2023</b>        | <b>2022</b>        |
|---|-------------|--------------------|--------------------|
| <b>Net Operating Revenue</b>                            | 23          | <b>6,292,736</b>   | <b>5,673,647</b>   |
| <b>Costs of Services Rendered</b>                       | 24          | <b>(2,514,893)</b> | <b>(2,383,355)</b> |
| <b>Gross Profit</b>                                     |             | <b>3,777,843</b>   | <b>3,290,292</b>   |
| <b>Operating Expenses</b>                               |             |                    |                    |
| Selling   | 25          | (256,362)          | (469,608)          |
| Administrative  | 25          | (805,647)          | (692,613)          |
| Other Operating Revenues (Expenses)                     | 25          | (30,656)           | (102,055)          |
| Equity in Earnings (Losses) of Controlled Companies     | 12          | (5,263)            | (3,300)            |
| Civil, Labor, Tax and Environmental Provisions          | 18.a        | (169,385)          | (73,375)           |
| Provision for Pension Plan and Health Insurance         | 19          | (48,233)           | (72,703)           |
| Profit Sharing Program                                  | 26          | (115,007)          | (88,093)           |
|   |             | <b>(1,430,553)</b> | <b>(1,501,747)</b> |
| <b>Financial Income (Expenses)</b>                      |             |                    |                    |
| Financial Income  | 27          | 295,702            | 264,891            |
| Financial Expenses                                      | 27          | (618,671)          | (507,889)          |
|   |             | <b>(322,969)</b>   | <b>(242,998)</b>   |
| <b>Income Before Income Tax and Social Contribution</b> |             | <b>2,024,321</b>   | <b>1,545,547</b>   |
| <b>Income Tax and Social Contribution</b>               | 16.a        | <b>(520,958)</b>   | <b>(394,009)</b>   |
| Current   |             | (647,219)          | (476,820)          |
| Deferred  |             | 126,261            | 82,811             |
| <b>NET INCOME FOR THE YEAR</b>                          |             | <b>1,503,363</b>   | <b>1,151,538</b>   |
| Net Income Attributable to Common Shares                |             | 469,801            | 359,856            |
| Net Income Attributable to Preferred Shares             |             | 1,033,562          | 791,682            |
| <b>Basic and Diluted Earnings per Share</b>             | 22.g        |                    |                    |
| Common  |             | 0.93263            | 0.71437            |
| Preferred   |             | 1.02590            | 0.78581            |

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

# Companhia de Saneamento do Paraná - SANEPAR

## STATEMENTS OF COMPREHENSIVE INCOME For the years ended December 31, 2023, and 2022 (In thousands of Brazilian Reais)

|   | <u>2023</u>             | <u>2022</u>             |
|---|-------------------------|-------------------------|
| <b>Net Income for the Year</b>                                    | <b>1,503,363</b>        | <b>1,151,538</b>        |
| <b>Items that will not be reclassified to income</b>              | <b>(29,857)</b>         | <b>146,364</b>          |
| Actuarial Gains and Losses on Pension Plan and Health Insurance   | (45,238)                | 221,764                 |
| Taxes on Actuarial Gains and Losses                               | 15,381                  | (75,400)                |
| <b>Items that will be reclassified to income</b>                  | <b>(4,379)</b>          | <b>(4,712)</b>          |
| Realization of the Revaluation Surplus                            | (6,458)                 | (6,933)                 |
| Taxes on Realization of the Revaluation Surplus                   | 2,196                   | 2,357                   |
| Deemed Cost Realization   | (177)                   | (207)                   |
| Taxes on Deemed Cost Realization                                  | 60                      | 71                      |
| <b>Total of comprehensive income for the year, net from taxes</b> | <b><u>1,469,127</u></b> | <b><u>1,293,190</u></b> |

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

# Companhia de Saneamento do Paraná - SANEPAR

## STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2023, and 2022 (In thousands of Brazilian Reais)

|   | Income Reserve   |                  |                |                |                              |                   | Total          |                            |
|---|------------------|------------------|----------------|----------------|------------------------------|-------------------|----------------|----------------------------|
|   | Capital Stock    | Investment Plan  | Legal          | Tax Incentives | Additional Proposed Dividend | Retained Earnings |                | Other Comprehensive Income |
| <b>Balance as of January 01, 2022</b>             | <b>3,996,137</b> | <b>3,512,875</b> | <b>108,638</b> | <b>11,551</b>  | <b>63,880</b>                | <b>-</b>          | <b>133,261</b> | <b>7,826,342</b>           |
| Net income for the year                           | -                | -                | -              | -              | -                            | 1,151,538         | -              | 1,151,538                  |
| Realization of Revaluation Surplus                | -                | -                | -              | -              | -                            | 6,933             | (6,933)        | -                          |
| Realization of Taxes on Revaluation Surplus       | -                | -                | -              | -              | -                            | (2,357)           | 2,357          | -                          |
| Realization of Deemed Cost                        | -                | -                | -              | -              | -                            | 207               | (207)          | -                          |
| Realization of Taxes on Deemed Cost               | -                | -                | -              | -              | -                            | (71)              | 71             | -                          |
| Actuarial Gains and Losses                        | -                | -                | -              | -              | -                            | -                 | 221,764        | 221,764                    |
| Provision for Taxes on Actuarial Gains and Losses | -                | -                | -              | -              | -                            | -                 | (75,400)       | (75,400)                   |
| Total Comprehensive Income for the Year           | -                | -                | -              | -              | -                            | 1,156,250         | 141,652        | 1,297,902                  |
| Additional Dividends from 2021                    | -                | -                | -              | -              | (63,880)                     | -                 | -              | (63,880)                   |
| Proposed Destination for A.G.O.:                  |                  |                  |                |                |                              |                   |                |                            |
| Recognition of Legal Reserve                      | -                | -                | 57,574         | -              | -                            | (57,574)          | -              | -                          |
| Tax Incentives                                    | -                | -                | -              | 55             | -                            | (55)              | -              | -                          |
| Interest on Equity Capital                        | -                | -                | -              | -              | -                            | (432,623)         | -              | (432,623)                  |
| Additional Proposed Dividends                     | -                | -                | -              | -              | 159,146                      | -                 | -              | 159,146                    |
| Retained Earnings                                 | -                | 665,998          | -              | -              | -                            | (665,998)         | -              | -                          |
| <b>Balance as of December 31, 2022</b>            | <b>3,996,137</b> | <b>4,178,873</b> | <b>166,212</b> | <b>11,606</b>  | <b>159,146</b>               | <b>-</b>          | <b>274,913</b> | <b>8,786,887</b>           |
| Capital Increase                                  | 2,000,000        | (1,833,788)      | (166,212)      | -              | -                            | -                 | -              | -                          |
| Total Capital Transactions with Partners          | 2,000,000        | (1,833,788)      | (166,212)      | -              | -                            | -                 | -              | -                          |
| Net income for the year                           | -                | -                | -              | -              | -                            | 1,503,363         | -              | 1,503,363                  |
| Realization of Revaluation Surplus                | -                | -                | -              | -              | -                            | 6,458             | (6,458)        | -                          |
| Realization of Taxes on Revaluation Surplus       | -                | -                | -              | -              | -                            | (2,196)           | 2,196          | -                          |
| Realization of Deemed Cost                        | -                | -                | -              | -              | -                            | 177               | (177)          | -                          |
| Realization of Taxes on Deemed Cost               | -                | -                | -              | -              | -                            | (60)              | 60             | -                          |
| Actuarial Gains and Losses                        | -                | -                | -              | -              | -                            | -                 | (45,238)       | (45,238)                   |
| Provision for Taxes on Actuarial Gains and Losses | -                | -                | -              | -              | -                            | -                 | 15,381         | 15,381                     |
| Total Comprehensive Income for the Year           | -                | -                | -              | -              | -                            | 1,507,742         | (34,236)       | 1,473,506                  |
| Additional Dividends from 2022                    | -                | -                | -              | -              | (159,146)                    | -                 | -              | (159,146)                  |
| Proposed Destination for A.G.O.:                  |                  |                  |                |                |                              |                   |                |                            |
| Recognition of Legal Reserve                      | -                | -                | 75,168         | -              | -                            | (75,168)          | -              | -                          |
| Tax Incentives                                    | -                | -                | -              | 10             | -                            | (10)              | -              | -                          |
| Interest on Equity Capital                        | -                | -                | -              | -              | -                            | (452,373)         | -              | (452,373)                  |
| Additional Proposed Dividends                     | -                | -                | -              | -              | 95,326                       | -                 | -              | 95,326                     |
| Retained Earnings                                 | -                | 980,191          | -              | -              | -                            | (980,191)         | -              | -                          |
| <b>Balance as of December 31, 2023</b>            | <b>5,996,137</b> | <b>3,325,276</b> | <b>75,168</b>  | <b>11,616</b>  | <b>95,326</b>                | <b>-</b>          | <b>240,677</b> | <b>9,744,200</b>           |

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

# Companhia de Saneamento do Paraná - SANEPAR

## STATEMENTS OF CASH FLOWS

For the years ended December 31, 2023, and 2022  
(In thousands of Brazilian Reais)

|   | <b>2023</b>        | <b>2022</b>        |
|---|--------------------|--------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                        |                    |                    |
| <b>Net Income for the Year</b>                                    | <b>1,503,363</b>   | <b>1,151,538</b>   |
| Adjustments to Reconcile Income to Cash From Operating Activities |                    |                    |
| Depreciation and Amortization                                     | 480,108            | 433,420            |
| Cost of Fixed and Intangible Assets Write-Offs                    | 12,525             | 16,378             |
| Impairment of Assets  | (9,807)            | 2,464              |
| Present Value of Financial Assets Adjustment                      | 55,857             | (14,456)           |
| Allowance for Losses on Doubtful Accounts                         | (69,698)           | 192,257            |
| Deferred Income Tax and Social Contribution, net                  | (126,261)          | (82,812)           |
| Provisions  | 169,385            | 73,375             |
| Pension Plan and Health Insurance                                 | 48,233             | 72,703             |
| Interest on Financing   | 421,586            | 358,225            |
| Monetary Variations on Financing                                  | 101,073            | 99,905             |
| Interest and Leasing Monetary Update                              | 45,982             | 66,837             |
| Net Exchange Rate Variation                                       | (277)              | (1,093)            |
| Derivative Financial Instruments Variation                        | 2,611              | 3,387              |
| Equity in Earnings (Losses) of Controlled Companies               | 5,263              | 3,300              |
| Appropriation of Costs of Funds Raised from Third Parties         | 5,942              | 5,442              |
| Adjustment to Fair Value - Investments                            | (292)              | 41                 |
|   | <b>1,142,230</b>   | <b>1,229,373</b>   |
| <b>Changes in Assets and Liabilities</b>                          |                    |                    |
| Trade Accounts Receivable   | (250,116)          | (381,141)          |
| Recoverable Taxes and Contributions                               | 23,690             | (26,914)           |
| Inventories   | 7,638              | (19,263)           |
| Court Deposits  | (79,575)           | (98,701)           |
| Other Accounts Receivables  | (17,141)           | 2,461              |
| Contractos and Suppliers  | 56,775             | 25,896             |
| Taxes and Contributions   | 551,644            | 443,238            |
| Salaries and Social Charges                                       | 39,825             | 31,525             |
| Collaterals and Contractual Retentions                            | 165                | 7                  |
| Unearned Revenue  | (3,560)            | 14,133             |
| Income Tax and Social Contribution Paid                           | (603,487)          | (469,301)          |
| Other Accounts Payable  | 10,813             | 88,403             |
|   | <b>(263,329)</b>   | <b>(389,657)</b>   |
| <b>Net Cash Generated by Operating Activities</b>                 | <b>2,382,264</b>   | <b>1,991,254</b>   |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                        |                    |                    |
| Investments in Fixed and Intangible Assets                        | (1,926,103)        | (1,744,142)        |
| Investments   | 11,389             | (5,180)            |
| <b>Net Cash Applied in Investing Activities</b>                   | <b>(1,914,714)</b> | <b>(1,749,322)</b> |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                        |                    |                    |
| Financing Obtained  | 1,025,541          | 1,073,339          |
| Amortization of Financing   | (452,427)          | (328,486)          |
| Payment of Interest on Financing                                  | (412,885)          | (326,645)          |
| Leasing Payments  | (109,755)          | (87,578)           |
| Cost of Funds Raised from Third Parties                           | (2,462)            | (12,848)           |
| Restricted Deposits   | (52,794)           | (25,562)           |
| Payment of Dividends and Interest on Equity Capital               | (385,542)          | (309,347)          |
| <b>Net Cash Applied in Financing Activities</b>                   | <b>(390,324)</b>   | <b>(17,127)</b>    |
| <b>VARIATION IN CASH AND CASH EQUIVALENTS AMOUNT</b>              | <b>77,226</b>      | <b>224,805</b>     |
| Beginning Balance of Cash and Cash Equivalents                    | 1,207,932          | 983,127            |
| <b>Ending Balance of Cash and Cash Equivalents</b>                | <b>1,285,158</b>   | <b>1,207,932</b>   |

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

# Companhia de Saneamento do Paraná - SANEPAR

## STATEMENTS OF VALUE ADDED

For the years ended on December 31, 2023, and 2022  
(In thousands of Brazilian Reais)

|   | <b>2023</b>        | <b>2022</b>        |
|---|--------------------|--------------------|
| <b>Revenues</b>                                     |                    |                    |
| Sales of Services Rendered                          | 6,783,006          | 6,110,008          |
| Other results                                       | (30,656)           | (102,055)          |
| Losses in the Realization and Recovery of Assets    | 69,698             | (192,257)          |
|   | <b>6,822,048</b>   | <b>5,815,696</b>   |
| <b>Inputs Acquired from Third Parties</b>           |                    |                    |
| Consumed Chemical Products                          | (216,613)          | (200,851)          |
| Consumables   | (112,994)          | (99,258)           |
| Electricity   | (510,131)          | (532,543)          |
| Other Costs of Products and Services                | (692,361)          | (645,589)          |
| Third-Party Services                                | (355,706)          | (285,161)          |
| Other Operating Expenses                            | (124,784)          | (28,771)           |
|   | <b>(2,012,589)</b> | <b>(1,792,173)</b> |
| <b>Gross Added Value</b>                            | <b>4,809,459</b>   | <b>4,023,523</b>   |
| Depreciation and Amortization                       | (480,108)          | (433,420)          |
| <b>Added Value, Net</b>                             | <b>4,329,351</b>   | <b>3,590,103</b>   |
| <b>Added Value Received in Transfer</b>             |                    |                    |
| Equity in Earnings (Losses) of Controlled Companies | (5,263)            | (3,300)            |
| Financial Income                                    | 295,702            | 264,891            |
| <b>Total Added Value to be Distributed</b>          | <b>4,619,790</b>   | <b>3,851,694</b>   |
| <b>Added Value Distribution</b>                     |                    |                    |
| <b>Employees and Manament</b>                       |                    |                    |
| Payroll and Social Charges                          | 1,009,609          | 943,928            |
| Remuneration of Directors and Governance Agents     | 10,082             | 9,871              |
| Profit Sharing Program                              | 115,007            | 88,093             |
| Pension Plan and Health Insurance                   | 137,325            | 123,868            |
|   | <b>1,272,023</b>   | <b>1,165,760</b>   |
| <b>Government</b>                                   |                    |                    |
| Federal Taxes                                       | 1,211,840          | 1,016,045          |
| State Taxes   | 495                | 418                |
| Municipal Taxes                                     | 5,055              | 4,248              |
|   | <b>1,217,390</b>   | <b>1,020,711</b>   |
| <b>Financing Agents</b>                             |                    |                    |
| Rents   | 8,343              | 5,796              |
| Interest and Monetary Adjustment                    | 618,671            | 507,889            |
|   | <b>627,014</b>     | <b>513,685</b>     |
| <b>Shareholders</b>                                 |                    |                    |
| Interest on Equity Capital                          | <b>452,373</b>     | <b>432,623</b>     |
| <b>Net Income for the Year Not Distributed</b>      | <b>1,050,990</b>   | <b>718,915</b>     |
| <b>Total</b>  | <b>4,619,790</b>   | <b>3,851,694</b>   |

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



# Companhia de Saneamento do Paraná – SANEPAR

## NOTES TO THE FINANCIAL STATEMENTS

Base date December 31, 2023

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

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### 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 346 municipal concessions, provides water treatment and distribution services and sewage collection and treatment. As established by the 6th/2023 and the 7th/2023 Extraordinary General Assemblies of the Water and Sewage Microregions of the State of Paraná (MRAE-1, MRAE-2, and MRAE-3), the concession terms of 343 municipalities were standardized with due date in 06/05/2048, except for the municipalities of: (i) Porto União, due on 03/31/2048; (ii) Maringá, due on 08/27/2040, which is under legal discussion; and (iii) Andirá, which matures on 12/05/2032.

# Companhia de Saneamento do Paraná – SANEPAR

## NOTES TO THE FINANCIAL STATEMENTS

Base date December 31, 2023

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

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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 pending analysis of the Appeal 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 since 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.

In 4Q23, as authorized by the Board of Directors, the Company completed the process of acquiring the entirety (100%) of the capital of the Special Purpose Company, called “CS Bioenergia S.A.”, in which it held a 40% shareholding, and by resolution by the Company's Shareholders' Meeting promoted on December 15, 2023, its corporate incorporation, as indicated in Explanatory Note 12.

### Climate events

Historically, climate events have been shown to have an impact on the activities of the sanitation sector. Excessive rains, droughts, strong windstorms, cyclones, and tornadoes affect company operations, causing interruptions in the water supply and loss of equipment. Even though periods of drought and floods are part of the planet's natural cycles, there is no denying that the effects of climate change are increasingly evident.

Recently, the State of Paraná, during the 2020/2023 cycle, was the scene of two extreme and opposite events: the drought between 2020 and 2021, which for many experts can be considered the biggest event that has occurred in more than 100 years; and extreme rains in the transition between October and November 2023 in the Iguaçu river basin, with rainfall equivalent to 60% of the forecast for the year in just three weeks.

Reviewing Sanepar's value chain, water sustainability permeates the entire business cycle, and considering the strategic objectives, the risk of 'not preparing the Company to adapt planning, design, projects and operations to climate change' was identified. To manage this risk, in 2022 Sanepar's Strategic Plan for Mitigation and Adaptation to Climate Change was approved. Some actions highlighted in the roadmap of this plan are planned and aligned with the Water Sustainability Plan that aims to mitigate the Risk of Water Unavailability.

# Companhia de Saneamento do Paraná – SANEPAR

## NOTES TO THE FINANCIAL STATEMENTS

Base date December 31, 2023

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

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In the planning phase, which has already begun, it is proposed to analyze and internalize existing studies, in addition to carrying out complementary studies to measure the risk and insert it into the Company's financial planning. To then consolidate the proposed strategic plan and begin activating it. The governance of this plan is carried out by the ASG Strategic Committee, which works on other Strategic Plans such as "Improvement of suppliers" linked to SDGs 3, 5, 6, 12, and 13, prioritized by the Company.

## 2. PRESENTATION OF THE FINANCIAL STATEMENTS

### 2.1. Statement of Compliance

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

The financial statements were prepared considering all the company's relevant and material accounting information, which correspond to that used in the Administration's management.

The Financial Information was authorized for disclosure by the Company's Management on February 08, 2024.

### 2.2. Going Concern

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

### New Legal Framework for Sanitation

On July 15, 2020, Federal Law No. 14,026/2020 was published, which updated the legal framework for basic sanitation and adapted other rules to contemplate the updates proposed in the new legal text, 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.

# Companhia de Saneamento do Paraná – SANEPAR

## NOTES TO THE FINANCIAL STATEMENTS

Base date December 31, 2023

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

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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.

Federal Decrees Nos. 11,598 and 11,599, dated 7/12/2023, 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. 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.

# Companhia de Saneamento do Paraná – SANEPAR

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At the 7th Extraordinary General Assembly of the Water and Sewage Microregions of the State of Paraná, held on 11/30/2023, the update and improvement of the Regional Basic Sanitation Plan for the Microregions and the attribution of direct provision of water and sewage services were approved. sewage from 25 municipalities to the Paraná Sanitation Company - SANEPAR, with a view to universalizing services and standardizing deadlines.

Under the terms of the federal decrees in force, SANEPAR contracted a new economic-financial capacity study, which was resubmitted to the State Regulatory Agency in November/2023, in order to declare the regularity of its entire service provision area. On December 11, 2023, Agepar in its Extraordinary Meeting No. 031/2023, deliberated on Sanepar's request for proof of economic-financial capacity, in compliance with Law No. 14,026/2020 and Federal Decree No. 11,598/2023, and decided to certify, in the first and second stages, Sanepar's Economic-Financial Capacity to meet legal targets in the 345 municipalities served by the Company and recommend, as a suggestion for improvement, changes to points indicated in the process.

### 2.3. Measurement and Presentation Basis

The Financial Statements were prepared considering the historical cost, except for the recognized revaluations, as a value basis, the financial assets measured at fair value and certain classes of current and noncurrent assets and liabilities, as presented in the Explanatory Note 3 on accounting practices.

### 2.4. Functional and Reporting Currency

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

## 3. MAIN ACCOUNT PRACTICES

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

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

- a) **Risk Management and Financial Instruments** – Note 4
- b) **Cash and Cash Equivalents** – Note 5
- c) **Trade Accounts Receivable** – Note 6
- d) **Allowance for Losses on Doubtful Accounts** – Note 6
- e) **Contractual Financial Assets** – Note 10
- f) **Contract Assets** – Note 11

# Companhia de Saneamento do Paraná – SANEPAR

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- g) **Capitalization of Interest and Financial Charges** – Note 11
- h) **Investments** – Note 12
- i) **Fixed and Intangible Assets** – Note 13
- j) **Lease:** The leased assets are shown in Note 13 and the corresponding debt in Note 14.
- k) **Evaluation of the Recoverable Value of Assets (Impairment test)** – Note 13
- l) **Loans, Financing, Debentures and Lease** – Note 14
- m) **Income Tax and Social Contribution** – Note 16
- n) **Provisions and Contingent Liabilities** – Note 18
- o) **Pension Plan and Health Insurance** – Note 19
- p) **Related-Party Transactions** – Note 20
- q) **Shareholders' Compensation** – Note 22.f
- r) **Revenues** – Note 23
- s) **Inventories:** Inventories are mainly composed of maintenance and repair materials, recorded at their average acquisition cost, in Current Assets. The amounts accounted for do not exceed its replacement or realization costs.
- t) **Current and Noncurrent Liabilities:** All liabilities are recorded at known or estimated amounts and, when applicable, adjusted on a *pro-rata die* basis, until the closing date of the financial statements, based on the indexes and agreed-upon charges, with no need of adjustment to present value.
- u) **Licenses:** The Company records the infrastructure used for the operation of public services of basic sanitation as follows:

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

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

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

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

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

### Impairment of financial assets

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

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

# Companhia de Saneamento do Paraná – SANEPAR

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### Impairment loss of non-financial assets

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

### Provisions for tax, civil, labor, and environmental risks

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

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

### Allowance for losses on doubtful accounts

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

### Taxes

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



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

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

CVM Resolution No. 197, from December 26, 2023, approved the Technical Pronouncements Review Document No. 24, issued by the Accounting Pronouncements Committee. This regulation deals with changes to International Tax Reform - Pillar Two rules and model published by the Organization for Economic Co-operation and Development (OECD). The Company's management understands that there will be no impact on its Financial Statements.

### Pension plan and health insurance

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

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

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 Financial Statements. Additionally, the IASB issued/revised some IFRS standards, which are to be adopted for the year 2024 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.

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 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.

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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 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 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, concession contracts and program contracts last until 2048, with the exception of concession contracts for Andirá, which lasts until 2032, and Maringá, which lasts until 2040. These contracts foresee meeting targets for the expansion and maintenance of water and sewage systems, related to the rate of service of the water supply and sewage collection networks. In some situations, the municipality may terminate the contract before its final term or not authorize its renewal upon compensation at the fair value of the balances of investments not yet depreciated/amortized. The process of readjustment and review of the tariff is approved by the Paraná's Regulatory Agency - AGEPAR.

**Credit Risk:** the Company is exposed to the credit risk of the counterpart in its financial transactions (cash and cash equivalents, bank deposits, and financial institutions) and accounts receivable (credit to customers and balances with related parties). The maximum exposure is equivalent to the accounting value as of December 31, 2023, and is stated in Notes 6, 9, and 20. The risks related to customers are mitigated by their composition, that includes a pulverized base that covers the entire population of the State of Paraná. Considering the type of business, Management does not carry out a credit analysis on the customer's ability to pay, adopting the practice of cutting off the supply in the event of default upon prior written notice delivered to the user, at least thirty days in advance of the scheduled date for the cut, except for the duration of State Law No. 20.187 of 2020 resulting from the coronavirus pandemic. The level of losses on the realization of accounts receivable is considered normal for the sanitation sector.

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

**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.

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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, 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\$23,987 and R\$47,974 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         | 45,636          | (45,636)        | 91,272           | (91,272)        |
| <b>Assets</b>                                   |            | <b>45,636</b>   | <b>(45,636)</b> | <b>91,272</b>    | <b>(91,272)</b> |
| Caixa Econômica Federal                         | TR         | (5,659)         | 5,659           | (11,318)         | 11,318          |
| BNDES   | TJLP       | (1)             | 1               | (2)              | 2               |
| BNDES-PAC2                                      | TJLP       | (4,179)         | 4,179           | (8,358)          | 8,358           |
| BNDES-AVANÇAR                                   | IPCA       | (620)           | 620             | (1,240)          | 1,240           |
| Debentures - 2nd Issuance - 1st and 3rd Series  | TJLP       | (643)           | 643             | (1,286)          | 1,286           |
| Debentures - 2nd Issuance - 2nd Series          | IPCA       | (474)           | 474             | (948)            | 948             |
| Debentures - 4th Issuance - 1st Series          | TJLP       | (1,756)         | 1,756           | (3,512)          | 3,512           |
| Debentures - 4th Issuance - 2nd Series          | IPCA       | (779)           | 779             | (1,558)          | 1,558           |
| Debentures - 7th Issuance - 1st to 4th Series   | IPCA       | (2,074)         | 2,074           | (4,148)          | 4,148           |
| Debentures - 8th Issuance - 2nd Series          | DI         | (2,586)         | 2,586           | (5,172)          | 5,172           |
| Debentures - 9th Issuance - 1st and 2nd Series  | DI         | (11,837)        | 11,837          | (23,674)         | 23,674          |
| Debentures - 10th Issuance - Single Series      | IPCA       | (4,863)         | 4,863           | (9,726)          | 9,726           |
| Debentures - 11th Issuance - 1st Series         | DI         | (4,272)         | 4,272           | (8,544)          | 8,544           |
| Debentures - 11th Issuance - 2nd and 3rd Series | IPCA       | (4,876)         | 4,876           | (9,752)          | 9,752           |
| Debentures - 12th Issuance - 1st Series         | DI         | (9,768)         | 9,768           | (19,536)         | 19,536          |
| Debentures - 12th Issuance - 2nd Series         | IPCA       | (3,654)         | 3,654           | (7,308)          | 7,308           |
| Debentures - 13th Issuance - Single Series      | DI         | (8,459)         | 8,459           | (16,918)         | 16,918          |
| Financial Leasing                               | IPC - FIPE | (2,809)         | 2,809           | (5,618)          | 5,618           |
| Leases - Right of Use                           | DI         | (314)           | 314             | (628)            | 628             |
| <b>Liabilities</b>                              |            | <b>(69,623)</b> | <b>69,623</b>   | <b>(139,246)</b> | <b>139,246</b>  |
| <b>Effects on Income Before Tax</b>             |            | <b>(23,987)</b> | <b>23,987</b>   | <b>(47,974)</b>  | <b>47,974</b>   |

The index considered for the 12-month period ended on December 31, 2023, were TR of 1.76% and the TJLP of 7.05% obtained from BACEN - Banco Central do Brasil, the IPCA at the rate of 4.62% obtained from IBGE – Instituto Brazilian Geography and Statistics, the DI at the rate of 13.04% obtained from B3 – Brasil, Bolsa e Balcão and the IPC at the rate of 3.15% obtained from Fipe.

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**Exchange Rate Sensitivity Analysis:** we present below the impacts that would be generated by changes in the risk variables related to derivative financial instruments intended to hedge the foreign currency loan. According to data from the Central Bank of Brazil - BACEN, obtained from the Market Expectations System, the probable scenario for the next quarter is an increase of 1.8714% in the dollar rate. This scenario uses the average exchange rate projected for March 2024, in relation to the PTAX rate informed for 12/31/2023.

Considering the notional amount of €11,705 thousands (R\$62,639 thousands), the value of the Euro quotation as R\$5.3516 for December 31, 2023 (Ptax – Banco Central) and considering the premise of maintaining the proportional value of U\$1.1054 for each euro, according to a dollar PTAX of R\$4.8413, we present below the exchange rate variation for 25% e 50% for appreciation and depreciation concerning the exposure:

| Effects on Results                          | Probable | +25%     | -25%   | +50%     | -50%   |
|---|----------|----------|--------|----------|--------|
| Euro's Variation Risk (increase of 1.8714%) | (1,172)  | (15,660) | 15,660 | (31,320) | 31,320 |

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

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On December 31, 2023, the Company has swap contracts (Euro + Interest x CDI) as shown below:

| Financial Instruments - Swap Contracts |                 |                      |                           |                    |                                  |                                      |  |
|--|-----------------|----------------------|---------------------------|--------------------|----------------------------------|--------------------------------------|--|
| Operation                              | Agent           | Operation Start Date | Maturity of the Operation | Notional Value EUR | Fair Value of the Asset Position | Fair Value of the Liability Position | Gain (Loss) with Derivative Instruments - Swap |
| 1                                      | Banco Santander | 06/12/2023           | 06/25/2024                | 2,381              | 12,806                           | 12,523                               | 283  |
| 2                                      | Banco Bradesco  | 06/12/2023           | 12/24/2024                | 314                | 1,689                            | 1,651                                | 38   |
| 3                                      | Banco Bradesco  | 11/28/2023           | 12/24/2024                | 2,067              | 11,118                           | 11,037                               | 81   |
| 4                                      | Banco Bradesco  | 11/28/2023           | 06/25/2025                | 2,381              | 12,807                           | 12,713                               | 94   |
| 5                                      | Banco Itaú      | 11/28/2023           | 12/24/2025                | 2,381              | 12,744                           | 12,715                               | 29   |
| 6                                      | Banco Itaú      | 11/28/2023           | 06/25/2026                | 2,181              | 11,674                           | 11,648                               | 26   |
| <b>TOTAL</b>                           |                 |                      |                           | <b>11,705</b>      | <b>62,838</b>                    | <b>62,287</b>                        | <b>551</b>                                     |

## 4.2. Capital risk management

The purpose of the capital management of the Company is to guarantee a strong credit rating to financial institutions and an optimal capital ratio in order to support business and maximize values to the shareholders. The Company manages its capital structure by means of adjustments and adequacy to current economic conditions. With this objective, the company can make payments of dividends, enter new loans and financing, issue promissory notes and contract operations with derivatives. For the year ended on December 31, 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                             | 2023        | 2022        |
|---|-------------|-------------|
| Loans, Financing, Debentures and Leases | 5,777,660   | 5,083,244   |
| Cash and Cash Equivalents               | (1,285,158) | (1,207,932) |
| Net Debt *                              | 4,492,502   | 3,875,312   |
| Equity                                  | 9,744,200   | 8,786,887   |
| Net Debt/Equity Ratio *                 | 0.46        | 0.44        |

\* Information not audited by independent auditors

## 4.3. Financial Instruments

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

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| Description                               | 2023             | 2022             |
|---|------------------|------------------|
| <b>Assets</b>                             |                  |                  |
| <b>Fair value measured through income</b> |                  |                  |
| Financial Investments                     | 1,248,392        | 1,169,170        |
| Derivative Financial Instruments          | 62,838           | 16,053           |
| Restricted Deposits                       | 151,713          | 98,919           |
| <b>Amortized cost</b>                     |                  |                  |
| Cash and Banks                            | 36,766           | 38,762           |
| Trade Accounts Receivable, net            | 1,531,727        | 1,211,913        |
| Contractual Financial Assets              | 708,227          | 676,465          |
| Other Accounts Receivable                 | 79,894           | 62,851           |
| <b>Total</b>                              | <b>3,819,557</b> | <b>3,274,133</b> |
| <b>Liabilities</b>                        |                  |                  |
| <b>Fair value measured through income</b> |                  |                  |
| Derivative Financial Instruments          | 62,287           | 15,746           |
| <b>Amortized cost</b>                     |                  |                  |
| Loans, Financing, Debentures and Leases   | 5,777,660        | 5,083,244        |
| Contractors and Suppliers                 | 354,897          | 298,122          |
| Other Accounts Payable                    | 193,368          | 180,024          |
| <b>Total</b>                              | <b>6,388,212</b> | <b>5,577,136</b> |

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

## 5. CASH AND CASH EQUIVALENTS

### Accounting practice:

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

These have the following composition:

| Description                               | 2023             | 2022             |
|---|------------------|------------------|
| Unrestricted Bank Deposits                | 3,780            | 5,803            |
| Restricted Bank Deposits                  | 32,986           | 32,959           |
|   | 36,766           | 38,762           |
| Financial Investments                     | 1,248,392        | 1,169,170        |
| <b>Total of Cash and Cash Equivalents</b> | <b>1,285,158</b> | <b>1,207,932</b> |

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Financial investments are close to fair value, classified in level 2 of the fair value hierarchy and have short-term characteristics, and have short-term characteristics, high liquidity, and low risk of changes in value. They are made up of a fixed income fund, invested in an exclusive Investment Fund (CNPJ 03.737.212/0001-44 – Caixa SANEPAR I Fixed Income Exclusive Investment Fund) whose portfolio is composed mostly of federal government bonds and by CDB along with Caixa (CNPJ 00.360.305/0001-04), with an average yield of 100.06% of CDI (99.65% in 2022).

## 6. TRADE ACCOUNTS RECEIVABLE

### Accounting practice:

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

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

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

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

# Companhia de Saneamento do Paraná – SANEPAR

## NOTES TO THE FINANCIAL STATEMENTS

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

| Description                                       | 2023                    | 2022                    |
|---|-------------------------|-------------------------|
| Falling Due Accounts Receivable                   | 384,665                 | 334,328                 |
| Accounts Receivable from Installment Payments (1) | 534,953                 | 248,679                 |
| Adjustment to Present Value                       | (64,136)                | (32,060)                |
| Accounts to be Billed (Unbilled Consumption)      | 287,657                 | 256,713                 |
|   | <u>1,143,139</u>        | <u>807,660</u>          |
| Overdue Accounts Receivable                       |                         |                         |
| From 1 to 30 days                                 | 207,840                 | 175,395                 |
| From 31 to 60 days                                | 77,791                  | 82,055                  |
| From 61 to 90 days                                | 41,500                  | 54,852                  |
| From 91 to 180 days                               | 77,435                  | 116,384                 |
| Over 180 days                                     | 496,348                 | 557,711                 |
| Allowance for losses on doubtful accounts         | (512,326)               | (582,144)               |
|   | <u>388,588</u>          | <u>404,253</u>          |
| <b>Total of Trade Accounts Receivable, net</b>    | <b><u>1,531,727</u></b> | <b><u>1,211,913</u></b> |
| <b>Current</b>                                    | <b>1,260,202</b>        | <b>1,086,163</b>        |
| <b>Noncurrent</b>                                 | <b>271,525</b>          | <b>125,750</b>          |

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

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 | 2023                    | 2022                    |
|---------------------------------------|---------------------------|---------------------------------|-----------------------------|-------------------------|-------------------------|
| Municipal Administration              | 106,901                   | (53,177)                        | (69)                        | 53,655                  | 30,251                  |
| Private                               | 1,985,704                 | (459,149)                       | (64,067)                    | 1,462,488               | 1,168,766               |
| Federal Entity                        | 2,184                     | -                               | -                           | 2,184                   | 1,396                   |
| State Entity                          | 13,400                    | -                               | -                           | 13,400                  | 11,500                  |
| <b>Balance at the End of the Year</b> | <b><u>2,108,189</u></b>   | <b><u>(512,326)</u></b>         | <b><u>(64,136)</u></b>      | <b><u>1,531,727</u></b> | <b><u>1,211,913</u></b> |

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

| Description                            | 2023                    | 2022                    |
|--|-------------------------|-------------------------|
| Balances at the Beginning of the Year  | (582,144)               | (390,748)               |
| Amounts Recorded as Expenses           | 69,698                  | (192,257)               |
| Write-Offs, Net from Recoveries        | 120                     | 861                     |
| <b>Balances at the End of the Year</b> | <b><u>(512,326)</u></b> | <b><u>(582,144)</u></b> |



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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. In August and September 2023, the Company made it possible for private customers to pay debts in up to 48 installments. From October to December, the Program provided the possibility of paying in up to 36 installments.

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

| Description              | 2023             | 2022             |
|--------------------------|------------------|------------------|
| Private Customers        | (459,149)        | (529,830)        |
| Municipal Administration | (53,177)         | (52,314)         |
| <b>Total</b>             | <b>(512,326)</b> | <b>(582,144)</b> |

### 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                            | 2023            | 2022            |
|--|-----------------|-----------------|
| Balances at the Beginning of the Year  | (32,060)        | (17,211)        |
| Adjustment to Present Value            | (32,076)        | (14,849)        |
| <b>Balances at the End of the Year</b> | <b>(64,136)</b> | <b>(32,060)</b> |

## 7. RECOVERABLE TAXES AND CONTRIBUTIONS

These have the following composition:

| Description                     | 2023          | 2022          |
|---------------------------------|---------------|---------------|
| Recoverable Income Tax          | 14,644        | 31,399        |
| Recoverable Social Contribution | -             | 6,935         |
| <b>Total</b>                    | <b>14,644</b> | <b>38,334</b> |
| <b>Current</b>                  | <b>14,644</b> | <b>38,334</b> |

# Companhia de Saneamento do Paraná – SANEPAR

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### 8. RESTRICTED DEPOSITS

Restricted deposits breakdown as follows:

| Description                         | 2023           | 2022          |
|-------------------------------------|----------------|---------------|
| National Health Foundation - FUNASA | 1,911          | 3,198         |
| Reserves Kept CAIXA (1)             | 90,059         | 75,214        |
| Other Agreements (2)                | 59,743         | 20,507        |
| <b>Total</b>                        | <b>151,713</b> | <b>98,919</b> |
| <b>Current</b>                      | <b>61,654</b>  | <b>23,705</b> |
| <b>Noncurrent</b>                   | <b>90,059</b>  | <b>75,214</b> |

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

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

### 9. OTHER ACCOUNTS RECEIVABLE

The composition is as follows:

| Description  | 2023          | 2022          |
|--|---------------|---------------|
| Advances to Employees  | 16,599        | 15,501        |
| Reimbursable Payments  | 382           | 965           |
| Guarantee Deposits   | 1,932         | 1,768         |
| Municipal Fund for Sanitation and Environment Administration (1) | 58,968        | 43,254        |
| Prepaid Expenses   | 111           | 302           |
| Securities and Other Credits                                     | 1,902         | 1,061         |
| <b>Total</b>   | <b>79,894</b> | <b>62,851</b> |
| <b>Current</b>   | <b>22,931</b> | <b>20,699</b> |
| <b>Noncurrent</b>  | <b>56,963</b> | <b>42,152</b> |

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

### 10. CONTRACTUAL FINANCIAL ASSETS

#### Accounting practice:

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

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

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Changes in Financial Assets are as follows:

| Description                 | 2022           | Additions         | NPV Revenue   | NPV Expenses    | 2023           |
|-----------------------------|----------------|-------------------|---------------|-----------------|----------------|
| Unamortized Investment      | 1,763,518      | 159,848           | -             | -               | 1,923,366      |
| Adjustment to Present Value | (1,087,053)    | (72,229)          | 30,829        | (86,686)        | (1,215,139)    |
| <b>Total</b>                | <b>676,465</b> | <b>(a) 87,619</b> | <b>30,829</b> | <b>(86,686)</b> | <b>708,227</b> |

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

The equivalent discount rate applied to calculate the present value adjustment was 4.17% (*spread* between the IPCA index projected for the year and the WACC rate) and took into account the terms of the Program Contracts.

## 11. CONTRACT ASSETS

### Accounting practice:

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

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

It has the following movement:

| Description                       | 2022             | Additions        | Interest Capitalisation | Write-Offs and Losses | Transfers to Intangible Assets | Requisition for Construction | 2023             |
|-----------------------------------|------------------|------------------|-------------------------|-----------------------|--------------------------------|------------------------------|------------------|
| Projects and Work in Progress     | 2,614,277        | 1,750,440        | 49,752                  | (1,734)               | (1,745,220)                    | -                            | 2,667,515        |
| Inventories for Construction Work | 132,172          | 49,606           | -                       | -                     | -                              | (88,280)                     | 93,498           |
| <b>Total</b>                      | <b>2,746,449</b> | <b>1,800,046</b> | <b>49,752</b>           | <b>(1,734)</b>        | <b>(1,745,220)</b>             | <b>(88,280)</b>              | <b>2,761,013</b> |

During 2023 the amount of R\$1,800,046 (R\$1,644,137 in 2022) was recorded as projects and works in progress, arising from: (i) expansion of the Water Supply System, mainly in the municipalities of São José dos Pinhais, Londrina, Laranjeiras do Sul, Telêmaco Borba and Campo Mourão; (ii) Sewage Collection and Treatment mainly in the municipalities of Curitiba, Pato Branco, Araongas, Capitão Leônidas Marques e Ibaiti. Amounts referring to completed works for the expansion of the Water Supply and Sewage Collection and Treatment System were transferred to Intangible Assets, mainly in the municipalities of Curitiba, Umuarama, Londrina, Guarapuava, and Cafelândia.

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During 2023 interest and other financial charges were capitalized on the funds and loans that financed the Company's projects and works, for R\$49,752 (R\$41,731 in 2022). The average rate used to determine the amount of capitalized borrowing costs concerning total costs was 9.4%.

## 12. INVESTMENTS

### Accounting practice:

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

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

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

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

Business Combination: *The Company's investment resulting from the application of CPC 15 (R1) – Business Combination is accounted for using the acquisition method. The cost of an acquisition is measured by the sum of the consideration transferred, which is evaluated based on the fair value on the acquisition date. Expenses directly attributable to the acquisition are recorded as expenses when incurred.*

The Company has the following investments:

| Description                                       | 2023         | 2022         |
|---|--------------|--------------|
| Investment in Joint Ventures - CS Bioenergia S.A. | -            | 16,655       |
| Impairment Test                                   | -            | (16,655)     |
| Other Investments                                 | 2,282        | 1,988        |
| <b>Total</b>                                      | <b>2,282</b> | <b>1,988</b> |

### Investment in Joint Venture – CS Bioenergia S. A.

Until October 01, 2023, the Company owned 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, in 2019 it reached its operational stability and started the process of transferring electricity credits to Sanepar's consumer units. The financial contribution made by the Company in the 40% stake in the project comprised, on October 1, 2023, the amount of R\$36,104 recorded in its Share Capital and R\$6,141 as an Advance for Future Capital Increase - AFAC.

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### Acquisition of the entire Capital Stock of CS Bioenergia S.A. (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 now held 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.

On October 2, 2023 (acquisition date), all suspensive conditions to the "Purchase and Sale and Share Agreement" were met, and on this date, the Company assumed control and complete management of the operation of CS Bioenergia S.A.

The Purchase Price Allocation ('PPA') Report of the Acquisition Cost of all the shares of the Company CS Bioenergia S.A., placed on October 2, 2023, was issued by FIPECAFI – Fundação Instituto de Pesquisas Contábeis, Atuariais e Financeiras, in accordance with CPC 15 – Business Combination, in an operation framed as a staged acquisition.

The acquisition price of 60% of the company's stake in CS Bioenergia was R\$26,611. This amount is made up of a portion of R\$8,700 paid on September 12, 2023, a portion of R\$8,700 paid on October 2, 2023, and an assumption of the Advance for Future Capital Increase – AFAC installment, pending of realization by the partner seller in the amount of R\$9,211.

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Acquired Assets and Liabilities are summarized below:

| Statements of Financial Position - As of 10/02/2023 | Book Value      | Added Value  | Fair Value      |
|---|-----------------|--------------|-----------------|
| Cash and Cash Equivalents                           | 3,353           | -            | 3,353           |
| Trade Accounts Receivable                           | 1,793           | -            | 1,793           |
| Inventories   | 1,108           | -            | 1,108           |
| Advances and Prepaid Expenses                       | 72              | -            | 72              |
| Recoverable Taxes                                   | 97              | -            | 97              |
| Other Assets - AFAC Cattalini                       | 9,211           | -            | 9,211           |
| Fixed Assets  | 37,476          | 4,514        | 41,990          |
| Intangible  | 1               | -            | 1               |
| <b>Assets</b>                                       | <b>53,111</b>   | <b>4,514</b> | <b>57,625</b>   |
| Trade Accounts Payable                              | (861)           | -            | (861)           |
| Salaries and Social Charges                         | (446)           | -            | (446)           |
| Taxes and Contributions                             | (814)           | -            | (814)           |
| Accounts Payable                                    | (3,159)         | -            | (3,159)         |
| Installments  | (598)           | -            | (598)           |
| Loans   | (7,046)         | -            | (7,046)         |
| Provisions  | (50)            | (178)        | (228)           |
| <b>Liabilities</b>                                  | <b>(12,974)</b> | <b>(178)</b> | <b>(13,152)</b> |
| <b>NET ASSETS</b>                                   | <b>40,137</b>   | <b>4,336</b> | <b>44,473</b>   |

In the acquisition process, an advantageous purchase was determined between Equity and the consideration transferred after the fair value assessment on October 2, 2023 (acquisition date), as shown below:

| Acquisition Cost Allocation in stages  | 10/02/2023    |
|--|---------------|
| Previously acquired interest (40%)   | 16.055        |
| Acquisition of 60% of Accounting Stock Capital   | 24.082        |
| Added Value - PPA Report (60%)   | 4.336         |
| <b>Fair Value of Net Assets</b>  | <b>44.473</b> |
| Fiar Value of Previously Acquired Interest (40%)   | 17.862        |
| <b>Acquisition Cost - Stage 1</b>  | <b>17.862</b> |
| Amount paid when signing the Share Purchase and Sale contract (60%)                          | 8.700         |
| Amount paid at closing of the transaction (60%)  | 8.700         |
| Amount paid for debt assumption - AFAC Cattalini (60%)                                       | 9.211         |
| <b>Acquisition Cost - Stage 2</b>  | <b>26.611</b> |
| <b>Business Acquisition Cost</b>   | <b>44.473</b> |
| (+) Acquired Book Value equivalent to 60% of the Capital Stock                               | 24.082        |
| (+/-) Added Value  | 4.336         |
| (-) Amount paid for the acquisition of 60% of the Capital Stock                              | 26.611        |
| <b>(=) Advantageous Purchase originated from the acquisition of 60% of the Capital Stock</b> | <b>1.807</b>  |

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As of October 2, 2023 (acquisition date), the Company obtained full control over the Net Assets of the company CS Bioenergia S.A. and its operations, assuming the operational and financial management of the investee.

The Company's interest in CS Bioenergia S.A. was accounted for applying the equity method in the investee's Financial Statements until December 15, 2023, the date of its incorporation, which are summarized below:

| Statement of Financial Position – CS Bioenergia S.A. | As of<br>12/15/2023 | 2022          |
|--|---------------------|---------------|
| Current Assets                                       | 1,385               | 4,500         |
| Noncurrent Assets                                    | 38,009              | 53,906        |
| • Fixed Assets                                       | 36,139              | 43,928        |
| • Other  | 1,870               | 9,978         |
| <b>Total Assets</b>                                  | <b>39,394</b>       | <b>58,406</b> |
| Current Liabilities                                  | 9                   | 8,538         |
| • Loans, Financing and Leases                        | -                   | 4,446         |
| • Trade Accounts Payable                             | 3                   | -             |
| • Other  | 6                   | 4,092         |
| Noncurrent Liabilities                               | 50                  | 8,232         |
| • Loans, Financing and Leases                        | -                   | 6,870         |
| • Provision for contingencies                        | 50                  | -             |
| • Other  | -                   | 1,362         |
| Equity   | 39,335              | 41,636        |
| <b>Total Liabilities and Equity</b>                  | <b>39,394</b>       | <b>58,406</b> |

| Statement of Income (Loss) – CS Bioenergia S.A. | 01/01/2023<br>to<br>12/15/2023 | 2022           |
|---|--------------------------------|----------------|
| Gross Revenue                                   | 17,812                         | 16,741         |
| (-) Cost of Services                            | (20,800)                       | (19,287)       |
| Gross Profit (Loss)                             | (2,988)                        | (2,546)        |
| (-) Operating Expenses                          | (4,660)                        | (4,093)        |
| Loss before Net Financial Result and Taxes      | (7,648)                        | (6,639)        |
| (-) Net Financial Result                        | 45                             | (1,611)        |
| Loss Before Taxes                               | (7,603)                        | (8,250)        |
| Income Taxes (IRPJ and CSLL)                    | -                              | -              |
| <b>Loss for the period</b>                      | <b>(7,603)</b>                 | <b>(8,250)</b> |

### Incorporation of CS Bioenergia S.A.

On December 15, 2023, at its 125th Extraordinary Meeting, the General Assembly of Shareholders approved the Protocol and Justification for the incorporation of the company CS Bioenergia S.A., resulting, among other advantages, in operational simplification and better management of costs incident on the operation processes related to sewage treatment at ETE Belém.

The incorporation didn't result in an increase in the Company's Capital Stock, considering that Sanepar held the entire shareholding of CS Bioenergia.

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The Assets and Liabilities subject to the incorporation are described in the Net Equity Valuation Report (base date October 1, 2023) carried out by an independent external company, which amounted to R\$53,129. The equity changes that occurred in the financial statements of CS Bioenergia S.A. in the period between the date of the survey of the Net Assets and the date of approval of the incorporation by the Company's AGE was appropriated by CS Bioenergia S.A. to the Company's Statements against the investment account (100% Equity Method).

Below we present the accumulated balances on 12/15/2023 transferred from CS Bioenergia S.A. and incorporated into the Company's Balance Sheet:

| <b>Balance Sheet - As of 12/15/2023</b> | <b>Incorporated Amount</b> |
|---|----------------------------|
| Cash and Cash Equivalents               | 1,838                      |
| Trade Accounts Payable                  | 59                         |
| Inventories                             | 1,073                      |
| Advance to suppliers                    | 6                          |
| Recoverable Taxes                       | 247                        |
| Other Assets                            | 32                         |
| Fixed Assets                            | 36,139                     |
| <b>Assets</b>                           | <b>39,394</b>              |
| Trade Accounts Payable                  | 3                          |
| Salaries and Social Charges             | 4                          |
| Taxes and Contribution                  | 2                          |
| Provision                               | 50                         |
| <b>Liabilities</b>                      | <b>59</b>                  |
| <b>NET ASSETS</b>                       | <b>39,335</b>              |

### Impairment of Investments on CS Bioenergia S.A.

As stated in 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 until December 15, 2023, when occurred its incorporation by the Company.

With the incorporation of CS Bioenergia S.A. by the Company on 12/15/2023, its operational processes, attached to ETE Belém, were considered part of the Cash Generation Unit – UGC of Sanepar's Sewage segment. In this sense and as a result of a new Asset Recoverability Test carried out by the Company at the end of the 2023 Financial Year, the balance of the Impairment Test that had been constituted for the Investment in CS Bioenergia S.A. was reversed in the amount of R\$16,655.



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Investment changes during the year is as follows:

| Description   | 2023     | 2022     |
|---|----------|----------|
| Balance at the beginning of the year                      | -        | -        |
| Financial Contributions                                   | 3,861    | 5,181    |
| Equity Income Result (40%) <sup>1</sup>                   | (949)    | (3,300)  |
| Equity Income Result (100%) <sup>2</sup>                  | (4,314)  | -        |
| Cost of Acquisition of 60% - PPA                          | 24,082   | -        |
| Added Value in the acquisition of 60% of the Shareholding | 4,336    | -        |
| Impairment Test - (Constitution) /Reversal                | 16,655   | (1,881)  |
| Business Incorporation                                    | (43,671) | -        |
| <b>Balance at the end of the year</b>                     | <b>-</b> | <b>-</b> |

<sup>1</sup> Until 10/01/2023

<sup>2</sup> From 10/02/2023

### 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 12/31/2023, are equivalent to R\$2,282.

## 13. FIXED AND INTANGIBLE ASSETS

### Accounting practice:

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

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

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

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

### a) Fixed assets

These have the following composition:

| By Account                   |                |                          | 2023           | 2022           |
|------------------------------|----------------|--------------------------|----------------|----------------|
| Description                  | Cost           | Accumulated Depreciation | Net Amount     |                |
| Goods for Administrative Use | 390,510        | (172,339)                | 218,171        | 217,456        |
| Other Fixed Assets           | 1,548          | (1,092)                  | 456            | 2,045          |
| Lease of Right of Use        | 236,919        | (77,494)                 | 159,425        | 151,023        |
| <b>Total</b>                 | <b>628,977</b> | <b>(250,925)</b>         | <b>378,052</b> | <b>370,524</b> |

| By Nature                             |                          |                |                          | 2023           | 2022           |
|---------------------------------------|--------------------------|----------------|--------------------------|----------------|----------------|
| Description                           | Yearly Depreciation Rate | Cost           | Accumulated Depreciation | Net Amount     |                |
| Plots of Land                         | -                        | 2,945          | -                        | 2,945          | 2,922          |
| Civil Construction                    | *1.84%                   | 121,632        | (26,001)                 | 95,631         | 94,720         |
| Improvements                          | *2%                      | 3,535          | (942)                    | 2,593          | 1,862          |
| Facilities                            | *5.83%                   | 12,236         | (4,769)                  | 7,467          | 5,648          |
| Equipments                            | *6.23%                   | 104,313        | (44,857)                 | 59,456         | 59,653         |
| Furniture and Fixtures                | *7.14%                   | 52,788         | (25,511)                 | 27,277         | 27,822         |
| IT Equipment                          | *19.82%                  | 41,039         | (28,865)                 | 12,174         | 12,796         |
| Vehicles                              | *13.05%                  | 28,641         | (21,227)                 | 7,414          | 8,765          |
| Machinery, Tractors and Similar       | *19.35%                  | 23,152         | (20,479)                 | 2,673          | 3,130          |
| Tools                                 | *6.67%                   | 1,657          | (780)                    | 877            | 928            |
| Patrimonial Assets to be Incorporated | -                        | 120            | -                        | 120            | 1,255          |
| Lease of Right of Use                 | *24.98%                  | 236,919        | (77,494)                 | 159,425        | 151,023        |
| <b>Total</b>                          |                          | <b>628,977</b> | <b>(250,925)</b>         | <b>378,052</b> | <b>370,524</b> |

\* Weighted Average Rate

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### b) Intangible Assets

These have the following composition:

| By Account                        |                   |                          | 2023              | 2022             |
|-----------------------------------|-------------------|--------------------------|-------------------|------------------|
| Description                       | Cost              | Accumulated Amortization | Net Amount        |                  |
| Water Mains                       | 6,783,678         | (2,182,805)              | 4,600,873         | 3,954,648        |
| Sewage Mains                      | 7,185,134         | (1,839,064)              | 5,346,070         | 4,610,250        |
| Solid Waste                       | 5,758             | (5,758)                  | -                 | -                |
| Right of Use and System Operation | 125,114           | (79,333)                 | 45,781            | 47,657           |
| Other Intangible Assets           | 297,334           | (120,034)                | 177,300           | 164,613          |
| Lease of Right of Use             | 200,153           | (26,510)                 | 173,643           | 177,489          |
| <b>Total</b>                      | <b>14,597,171</b> | <b>(4,253,504)</b>       | <b>10,343,667</b> | <b>8,954,657</b> |

| By Nature                                      |                          |                   |                          | 2023              | 2022             |
|--|--------------------------|-------------------|--------------------------|-------------------|------------------|
| Description                                    | Yearly Amortization Rate | Cost              | Accumulated Amortization | Net Amount        |                  |
| Plots of Land                                  | -                        | 328,767           | -                        | 328,767           | 279,477          |
| Wells  | *3.10%                   | 188,548           | (45,770)                 | 142,778           | 130,420          |
| Dams   | *2.67%                   | 152,796           | (69,924)                 | 82,872            | 81,782           |
| Civil Construction Improvements                | *2.59%                   | 3,593,251         | (816,141)                | 2,777,110         | 2,173,857        |
| Piping   | *2.67%                   | 59,217            | (8,055)                  | 51,162            | 41,860           |
| Piping   | *2.64%                   | 6,975,091         | (1,954,244)              | 5,020,847         | 4,502,262        |
| Building Connections                           | *3.33%                   | 1,042,132         | (346,232)                | 695,900           | 638,225          |
| Facilities                                     | *5.83%                   | 253,741           | (117,093)                | 136,648           | 131,207          |
| Hydrometers                                    | *10%                     | 332,123           | (135,758)                | 196,365           | 176,530          |
| Macro-meters                                   | *10%                     | 8,824             | (5,671)                  | 3,153             | 2,110            |
| Equipments                                     | *6.23%                   | 1,007,640         | (409,192)                | 598,448           | 481,661          |
| Furniture and Fixture                          | *7.14%                   | 7,614             | (4,060)                  | 3,554             | 3,255            |
| IT Equipment                                   | *19.82%                  | 94,661            | (87,478)                 | 7,183             | 7,261            |
| Computer Programs                              | *20%                     | 132,419           | (75,643)                 | 56,776            | 54,348           |
| Vehicles                                       | *13.05%                  | 22,856            | (17,146)                 | 5,710             | 7,849            |
| Machinery, Tractors and Similar                | *19.35%                  | 28,872            | (26,026)                 | 2,846             | 2,180            |
| Tools  | *6.67%                   | 378               | (266)                    | 112               | 113              |
| Rights of Use and Transmission Lines           | *6.25%                   | 4,796             | (749)                    | 4,047             | 4,060            |
| Environmental Protection and Preservation      | *20%                     | 35,541            | (28,213)                 | 7,328             | 8,822            |
| Concession of the Municipality of Curitiba (1) | *1.5%                    | 125,000           | (79,219)                 | 45,781            | 47,656           |
| Concession of the Municipality of Cianorte (2) | *5%                      | 114               | (114)                    | -                 | -                |
| Patrimonial Assets to be Incorporated          | -                        | 2,637             | -                        | 2,637             | 2,233            |
| Lease of Right of Use                          | *36.71%                  | 200,153           | (26,510)                 | 173,643           | 177,489          |
| <b>Total</b>                                   |                          | <b>14,597,171</b> | <b>(4,253,504)</b>       | <b>10,343,667</b> | <b>8,954,657</b> |

\* Weighted Average Rate

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

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### Leases:

The Company has lease agreements, with the following characteristics:

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

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

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

As of December 31, 2023, the book value for each category of assets under a Lease commitment recorded in Intangible and Fixed Assets is shown below:

| By Account                  |                          |                |                          | 2023           | 2022           |
|-----------------------------|--------------------------|----------------|--------------------------|----------------|----------------|
| Description                 | Yearly Amortization Rate | Cost           | Accumulated Amortization | Net Amount     |                |
| Civil Construction          | 1.67%                    | 37,434         | (4,078)                  | 33,356         | 33,983         |
| Piping                      | 2.00%                    | 147,315        | (17,972)                 | 129,343        | 132,289        |
| Building Connections        | 3.33%                    | 8,226          | (1,704)                  | 6,522          | 6,797          |
| Facilities                  | 6.67%                    | 309            | (134)                    | 175            | 195            |
| Equipments                  | 6.00%                    | 6,014          | (2,366)                  | 3,648          | 4,002          |
| <b>Lease - Coastal</b>      |                          | <b>199,298</b> | <b>(26,254)</b>          | <b>173,044</b> | <b>177,266</b> |
| Car Rental                  | 52.28%                   | 112,191        | (41,006)                 | 71,185         | 87,600         |
| Civil Construction          | 21.02%                   | 42,864         | (10,485)                 | 32,379         | 32,991         |
| Equipments                  | 56.44%                   | 1,314          | (752)                    | 562            | 764            |
| IT Equipments               | 29.42%                   | 81,405         | (25,507)                 | 55,898         | 29,891         |
| <b>Lease - Right of Use</b> |                          | <b>237,774</b> | <b>(77,750)</b>          | <b>160,024</b> | <b>151,246</b> |
| <b>Total</b>                |                          | <b>437,072</b> | <b>(104,004)</b>         | <b>333,068</b> | <b>328,512</b> |
| <b>Fixed Assets</b>         |                          | <b>236,919</b> | <b>(77,494)</b>          | <b>159,425</b> | <b>151,023</b> |
| <b>Intangible Assets</b>    |                          | <b>200,153</b> | <b>(26,510)</b>          | <b>173,643</b> | <b>177,489</b> |

The Company recorded in its Income Statement the amount of R\$8,343 relating to low value and short-term lease contracts (less than 12 months).

Assets resulting from leasing contracts present the following changes:

| Assets             | 2022           | Additions     | Amortization    | 2023           |
|--------------------|----------------|---------------|-----------------|----------------|
| Lease - Coastal    | 177,266        | -             | (4,222)         | 173,044        |
| Vehicles           | 87,600         | 21,182        | (37,597)        | 71,185         |
| Civil Construction | 32,991         | 7,981         | (8,593)         | 32,379         |
| Equipments         | 764            | 498           | (700)           | 562            |
| IT Equipments      | 29,891         | 42,437        | (16,430)        | 55,898         |
| <b>Amount</b>      | <b>328,512</b> | <b>72,098</b> | <b>(67,542)</b> | <b>333,068</b> |

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### c) Changes in fixed and intangible assets during 2023:

| Description                                | 2022             | Additions      | Depreciation and Amortization | Write-Offs and Losses | Transfers from Work in Progress | Transfers           | 2023              |
|--|------------------|----------------|-------------------------------|-----------------------|---------------------------------|---------------------|-------------------|
| <b>Fixed Assets</b>                        |                  |                |                               |                       |                                 |                     |                   |
| Plots of Land                              | 2,922            | 23             | -                             | -                     | -                               | -                   | 2,945             |
| Civil Construction                         | 94,720           | -              | (2,379)                       | (4)                   | 3,230                           | 64                  | 95,631            |
| Improvements                               | 1,862            | 425            | (63)                          | -                     | 348                             | 21                  | 2,593             |
| Facilities                                 | 5,648            | -              | (623)                         | (1)                   | 2,443                           | -                   | 7,467             |
| Equipments                                 | 59,653           | 7,467          | (5,814)                       | (260)                 | 402                             | (1,992)             | 59,456            |
| Furniture and Fixture                      | 27,822           | 2,421          | (3,206)                       | (1,497)               | 1,737                           | -                   | 27,277            |
| IT Equipments                              | 12,796           | 2,845          | (3,482)                       | (107)                 | 122                             | -                   | 12,174            |
| Vehicles                                   | 8,765            | 876            | (2,227)                       | -                     | -                               | -                   | 7,414             |
| Machinery, Tractors and Similar            | 3,130            | 96             | (553)                         | -                     | -                               | -                   | 2,673             |
| Tools                                      | 928              | 42             | (93)                          | -                     | -                               | -                   | 877               |
| Patrimonial Assets to be Incorporated      | 1,255            | (1,135)        | -                             | -                     | -                               | -                   | 120               |
| Lease of Right of Use                      | 151,023          | 71,390         | (62,988)                      | -                     | -                               | -                   | 159,425           |
| <b>Total Fixed Assets</b>                  | <b>370,524</b>   | <b>84,450</b>  | <b>(81,428)</b>               | <b>(1,869)</b>        | <b>8,282</b>                    | <b>(1,907)</b>      | <b>378,052</b>    |
| <b>Intangible Assets</b>                   |                  |                |                               |                       |                                 |                     |                   |
| Plots of Land                              | 279,477          | 10,242         | -                             | (150)                 | 39,198                          | -                   | 328,767           |
| Wells                                      | 130,420          | 101            | (2,191)                       | (446)                 | 14,943                          | (49)                | 142,778           |
| Dams                                       | 81,782           | 40             | (3,295)                       | (45)                  | 4,816                           | (426)               | 82,872            |
| Civil Construction                         | 2,173,857        | 28,353         | (81,200)                      | (5,080)               | 729,084                         | (67,904)            | 2,777,110         |
| Improvements                               | 41,860           | 790            | (1,419)                       | -                     | 10,506                          | (575)               | 51,162            |
| Piping                                     | 4,502,262        | 27,411         | (164,233)                     | (2,168)               | 680,249                         | (22,674)            | 5,020,847         |
| Building Connections                       | 638,225          | 41             | (31,978)                      | (241)                 | 85,962                          | 3,891               | 695,900           |
| Facilities                                 | 131,207          | 1,672          | (14,586)                      | (170)                 | 18,525                          | -                   | 136,648           |
| Hydrometers                                | 176,530          | 10             | (29,306)                      | (1,997)               | 51,128                          | -                   | 196,365           |
| Macro-meters                               | 2,110            | 51             | (423)                         | (7)                   | 1,422                           | -                   | 3,153             |
| Equipments                                 | 481,661          | 59,903         | (38,010)                      | (5,250)               | 98,152                          | 1,992               | 598,448           |
| Furniture and Fixture                      | 3,255            | 566            | (353)                         | (102)                 | 188                             | -                   | 3,554             |
| IT Equipments                              | 7,261            | 147            | (1,728)                       | (63)                  | 1,566                           | -                   | 7,183             |
| Computer Programs                          | 54,348           | 20,378         | (18,372)                      | (50)                  | 472                             | -                   | 56,776            |
| Vehicles                                   | 7,849            | -              | (2,139)                       | -                     | -                               | -                   | 5,710             |
| Machinery, Tractors and Similar            | 2,180            | 1,404          | (738)                         | -                     | -                               | -                   | 2,846             |
| Tools                                      | 113              | 12             | (13)                          | -                     | -                               | -                   | 112               |
| Right of Use and Transmission Lines        | 4,060            | -              | (289)                         | -                     | 276                             | -                   | 4,047             |
| Environmental Protection and Preservation  | 8,822            | -              | (1,978)                       | -                     | 451                             | 33                  | 7,328             |
| Concession of the Municipality of Curitiba | 47,656           | -              | (1,875)                       | -                     | -                               | -                   | 45,781            |
| Patrimonial Assets to be Incorporated      | 2,233            | 708            | (4,554)                       | -                     | -                               | -                   | (1,613)           |
| Lease of Right of Use                      | 177,489          | -              | -                             | -                     | -                               | -                   | 177,489           |
| <b>Total Intangible Assets</b>             | <b>8,954,657</b> | <b>152,233</b> | <b>(398,680)</b>              | <b>(15,769)</b>       | <b>1,736,938</b>                | <b>(85,712)</b>     | <b>10,343,667</b> |
| <b>Grand Total</b>                         | <b>9,325,181</b> | <b>236,683</b> | <b>(480,108)</b>              | <b>(17,638)</b>       | <b>(a) 1,745,220</b>            | <b>(b) (87,619)</b> | <b>10,721,719</b> |

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

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

### d) Impairment test

As of December 31, 2023, even though there are no indicators of impairment on property, plant, and equipment, and intangible assets with defined useful lives, the Company carried out a technical study to determine the recoverable value of its assets, identifying them as generating units of the water, industrial water, sewage, and, separately, solid waste business segments.

#### d.1) Cash generating unit– Water and Sewage Segments

- For the determination of the recoverable value of the assets, or cash-generating units of the Company, the value in use method was adopted, that is, the value generated by the use of these assets;

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

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

### **d.2) Cash Generating Unit – Solid Waste Segment**

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

- Solid waste segment contracts were treated separately, that is, each as a cash-generating unit;
- The economic results of all cash-generating units in this operation show a history of losses;
- There is no concrete fact that shows a change in the trend in the negative economic results of these contracts.

Considering that the solid waste cash-generating units presented negative results, and also, that there is no prospect of improvement for the segment, the technical study concluded that the fixed and intangible assets that are in operation of R\$10,289 are not recoverable, therefore, an additional provision for R\$2,381. As of December 31, 2023, revenue and net loss from the solid waste segment were R\$13,774 and R\$9,429, respectively.

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### d.3) Cash Generating Unit – Industrial Water Segment

The cash generating unit for Industrial Water operation has the following characteristics:

- The Industrial Water supply contract in the municipality of Araucária is considered a cash-generating unit due to the fact that there is specific accounting for this segment and the assets allocated there provide services exclusively for this segment;
- In 2023, the contract with Araucária Gas Power Plant – UEGA was terminated, which is the largest customer, representing around 60% of cash-generating unit's revenue;
- There were negotiations during the year 2023, but so far there is no sign from the customer to resume the supply of water for industrial purposes, thus causing losses to the cash-generating unit;
- So far there are no negotiations to transfer the volume made available by UEGA to another potential client;
- Considering the aforementioned assumptions, the projected economic results and cash flows of this operation demonstrate that the cash-generating unit will continue to generate insufficient results to meet the recoverability of the allocated assets;
- At this moment there is no concrete fact that shows a change in the trend in the negative economic results of this contract.

Considering that the industrial water cash-generating unit presented a negative result, and also that there is no prospect of improvement for the segment, the technical study concluded that the fixed and intangible assets that are in operation in the amount of R\$7,667 are not recoverable, therefore, a provision in the amount of R\$7,667 was recorded. As of December 31, 2023, revenue and net loss from the industrial water segment were R\$3,157 and R\$7,502, respectively.

## 14. LOANS, FINANCING, DEBENTURES AND LEASES

### Accounting practice:

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

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

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

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

| Description                              | Yearly Interest Rate  | Index    | 2023           |                  |                  | 2022           |                  |                  |
|--|-----------------------|----------|----------------|------------------|------------------|----------------|------------------|------------------|
|  |                       |          | Current        | Noncurrent       | Total            | Current        | Noncurrent       | Total            |
| <b>In Brazilian Reais:</b>               |                       |          |                |                  |                  |                |                  |                  |
| 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%        | -        | 190            | -                | 190              | 2,097          | 190              | 2,287            |
| Debentures 2nd Issuance - 1st Series     | TJLP + 1.92%          | -        | 9,357          | -                | 9,357            | 12,383         | 9,232            | 21,615           |
| Debentures 2nd Issuance - 2nd Series     | 9.19%                 | IPCA     | 24,663         | -                | 24,663           | 24,196         | 22,992           | 47,188           |
| Debentures 2nd Issuance - 3rd Series     | TJLP + 1.92%          | -        | 12,475         | -                | 12,475           | 16,510         | 12,310           | 28,820           |
| Debentures 9th Issuance - 1st Series     | 106.05% of DI         | -        | 200,353        | -                | 200,353          | 1,476          | 199,137          | 200,613          |
| Banco Itaú - PSI                         | 3.00% to 6.00%        | -        | 1,423          | 26               | 1,449            | 3,067          | 1,445            | 4,512            |
| Debentures 12th Issuance - 1st Series    | DI + 1.08%            | -        | 17,088         | 297,648          | 314,736          | 18,571         | 296,519          | 315,090          |
| Debentures 9th Issuance - 2nd Series     | 107.25% of DI         | -        | 915            | 150,826          | 151,741          | 1,137          | 150,810          | 151,947          |
| Debentures 11th Issuance - 1st Series    | DI + 1.65%            | -        | 4,302          | 129,241          | 133,543          | 4,899          | 128,590          | 133,489          |
| Debentures 4th Issuance - 1st Series     | TJLP + 1.67%          | -        | 24,571         | 62,725           | 87,296           | 24,406         | 86,143           | 110,549          |
| Debentures 4th Issuance - 2nd Series     | 7.44%                 | IPCA     | 16,960         | 43,368           | 60,328           | 16,301         | 57,507           | 73,808           |
| Debentures 10th Issuance - Single Series | 4.66%                 | IPCA     | 4,373          | 438,727          | 443,100          | 4,276          | 417,946          | 422,222          |
| Debentures 13th Issuance - Single Series | DI + 1.90%            | -        | 10,531         | 398,519          | 409,050          | -              | -                | -                |
| Debentures 11th Issuance - 2nd Series    | 4.25%                 | IPCA     | 2,286          | 246,524          | 248,810          | 2,237          | 234,893          | 237,130          |
| BNDES - PAC2                             | TJLP + 1.67% to 2.05% | -        | 67,346         | 183,161          | 250,507          | 62,214         | 232,093          | 294,307          |
| Arrendamento Litoral                     | 11.14%                | IPC-FIPE | 15,560         | 301,179          | 316,739          | 13,899         | 303,313          | 317,212          |
| Arrendamento Direito Uso                 | 11.32%                | -        | 89,345         | 102,092          | 191,437          | 81,667         | 100,972          | 182,639          |
| Debentures 11th Issuance - 3rd Series    | 4.49%                 | IPCA     | 2,005          | 190,985          | 192,990          | 1,965          | 182,057          | 184,022          |
| Debentures 12th Issuance - 2nd Series    | 5.89%                 | IPCA     | 8,074          | 325,159          | 333,233          | 7,837          | 309,978          | 317,815          |
| Debentures 7th Issuance - 1st Series *   | 5.20%                 | IPCA     | 2,795          | 36,955           | 39,750           | 2,854          | 39,611           | 42,465           |
| Debentures 7th Issuance - 2nd Series *   | 4.79%                 | IPCA     | 5,367          | 71,138           | 76,505           | 4,648          | 64,714           | 69,362           |
| Debentures 7th Issuance - 3rd Series     | 6.97%                 | IPCA     | 1,529          | 20,453           | 21,982           | 1,477          | 20,953           | 22,430           |
| Debentures 7th Issuance - 4th Series     | 6.57%                 | IPCA     | 2,817          | 37,780           | 40,597           | 2,379          | 33,851           | 36,230           |
| BNDES - AVANÇAR                          | 3.59% to 5.60%        | IPCA     | 8,835          | 229,568          | 238,403          | 1,360          | 77,418           | 78,778           |
| Caixa Econômica Federal                  | 6.62% to 12.00%       | TR       | 112,543        | 1,803,873        | 1,916,416        | 92,235         | 1,524,919        | 1,617,154        |
| <b>Total in Brazilian Reais</b>          |                       |          | <b>645,703</b> | <b>5,069,947</b> | <b>5,715,650</b> | <b>560,299</b> | <b>4,507,593</b> | <b>5,067,892</b> |
| <b>In Foreign Currency:</b>              |                       |          |                |                  |                  |                |                  |                  |
| KfW Bank                                 | 1.35%                 | EURO     | 25,414         | 36,596           | 62,010           | 15,352         | -                | 15,352           |
| <b>Total in Foreign Currency</b>         |                       |          | <b>25,414</b>  | <b>36,596</b>    | <b>62,010</b>    | <b>15,352</b>  | <b>-</b>         | <b>15,352</b>    |
| <b>Balance at the end of the year</b>    |                       |          | <b>671,117</b> | <b>5,106,543</b> | <b>5,777,660</b> | <b>575,651</b> | <b>4,507,593</b> | <b>5,083,244</b> |
| Loans and Financing                      |                       |          | 215,751        | 2,253,224        | 2,468,975        | 176,970        | 1,836,065        | 2,013,035        |
| Debentures                               |                       |          | 350,461        | 2,450,048        | 2,800,509        | 303,115        | 2,267,243        | 2,570,358        |
| Leases                                   |                       |          | 104,905        | 403,271          | 508,176          | 95,566         | 404,285          | 499,851          |

\* IPCA as a variable component of TLP



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### 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. In 2023 €13,584 thousand were released, with the total amount released being €18,848 thousand.

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

The Company promotes the execution of the contractually planned activities and Banco KfW disburses the amounts according to the works execution 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 contracted derivative financial instruments for hedging with Banco Bradesco S/A, Banco Santander Brasil S/A, and Itaú Unibanco S/A, which were signed on 11/06/2017, 12/07/2017, and 22 /01/2018 respectively, to mitigate the exchange risk, assuming a variation of the CDI as a counterpart, as described in Note 4.1. On December 31, 2023, there were 6 swap operations being carried out, amounting the notional value of €11,705 to protect the interest rate and exchange variation, without a speculative nature, converting the financial charges to 77.45% of CDI (weighted average), which represents a percentage of 10.10% for a rate of 13.04 % of 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

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(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 December 31, 2023, it was 11.32%. 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          | 2022           | Additions     | Restatement   | Financial Charges | Payments         | 2023           |
|----------------------|----------------|---------------|---------------|-------------------|------------------|----------------|
| Lease - Coastal      | 317,212        | -             | 11,235        | 33,490            | (45,198)         | 316,739        |
| Lease - Right of Use | 182,639        | 72,098        | -             | 1,257             | (64,557)         | 191,437        |
| <b>Total</b>         | <b>499,851</b> | <b>72,098</b> | <b>11,235</b> | <b>34,747</b>     | <b>(109,755)</b> | <b>508,176</b> |
| <b>Current</b>       | <b>95,566</b>  |               |               |                   |                  | <b>104,905</b> |
| <b>Noncurrent</b>    | <b>404,285</b> |               |               |                   |                  | <b>403,271</b> |

As of December 31, 2023, the present value of the minimum future financial obligations related to the Leases is shown below:

| Description                               | Minimum Future Payments | Financial Charges | 2023                             | 2022                             |
|---|-------------------------|-------------------|----------------------------------|----------------------------------|
|   |                         |                   | Present Value of Future Payments | Present Value of Future Payments |
| <b>Lease - Coastal</b>                    |                         |                   |                                  |                                  |
| Less than a year                          | 45,819                  | (30,259)          | 15,560                           | 13,899                           |
| More than a year and less than five years | 189,004                 | (118,885)         | 70,119                           | 59,638                           |
| More than five years                      | 338,218                 | (107,158)         | 231,060                          | 243,675                          |
| <b>Subtotal</b>                           | <b>573,041</b>          | <b>(256,302)</b>  | <b>316,739</b>                   | <b>317,212</b>                   |
| <b>Lease - Right of Use</b>               |                         |                   |                                  |                                  |
| Less than a year                          | 104,711                 | (15,366)          | 89,345                           | 81,668                           |
| More than a year and less than five years | 116,793                 | (14,701)          | 102,092                          | 100,971                          |
| <b>Subtotal</b>                           | <b>221,504</b>          | <b>(30,067)</b>   | <b>191,437</b>                   | <b>182,639</b>                   |
| <b>Total</b>                              | <b>794,545</b>          | <b>(286,369)</b>  | <b>508,176</b>                   | <b>499,851</b>                   |

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

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| Description     | 2023           |
|-----------------|----------------|
| Lease - Coastal | 386,913        |
| Vehicles        | 80,220         |
| Mobile Goods    | 63,433         |
| Real Estate     | 36,290         |
| <b>Total</b>    | <b>566,856</b> |

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   | 2024           | 2025           | 2026          | 2027          | 2028          | 2029          | 2030 to 2036   | Total          |
|---------------|----------------|----------------|---------------|---------------|---------------|---------------|----------------|----------------|
| Lease-Coastal | 47.032         | 48.790         | 50.522        | 52.307        | 54.154        | 56.066        | 402.354        | <b>711.225</b> |
| Vehicles      | 43.907         | 39.298         | 8.294         | -             | -             | -             | -              | <b>91.499</b>  |
| Mobile Goods  | 21.720         | 21.712         | 17.934        | 15.146        | 779           | -             | -              | <b>77.291</b>  |
| Real Estate   | 7.209          | 8.495          | 9.960         | 11.684        | 13.715        | -             | -              | <b>51.063</b>  |
| <b>Total</b>  | <b>119.868</b> | <b>118.295</b> | <b>86.710</b> | <b>79.137</b> | <b>68.648</b> | <b>56.066</b> | <b>402.354</b> | <b>931.078</b> |

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                       | 2023             | 2022             |
|-----------------------------|------------------|------------------|
| TR                          | 1,916,416        | 1,617,154        |
| TJLP                        | 359,635          | 455,936          |
| IPCA                        | 1,720,361        | 1,531,450        |
| DI                          | 1,209,423        | 956,702          |
| IPC-FIPE                    | 316,739          | 317,212          |
| EURO                        | 62,010           | 15,352           |
| With No Moneatry Adjustment | 193,076          | 189,438          |
| <b>Total</b>                | <b>5,777,660</b> | <b>5,083,244</b> |

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

| Description                                | Period of Issuance | Final Maturity | Hired Amount | Number of Debentures | Payments     |  |
|--|--------------------|----------------|--------------|----------------------|--------------|--|
|  |                    |                |              |                      | Amortization | Interest                                     |
| Debentures 9th Issuance - 1st Series       | 2019               | 2024           | 199,150      | 19,915               | 2024         | Six-Monthly                                  |
| Banco do Brasil - PSI - 4 Contracts        | 2013 to 2014       | 2024           | 13,825       | -                    | Monthly      | Quarterly during grace period and monthly at |
| Debentures 2nd Issuance - 1st e 3rd Series | 2011               | 2024           | 261,304      | 7,000                | Monthly      | Quarterly during grace period and monthly at |
| Debentures 2nd Issuance - 2nd Series       | 2011               | 2024           | 118,547      | 3,000                | Annual       | Yearly                                       |
| Banco Itaú - PSI - 9 Contracts             | 2013 to 2014       | 2025           | 17,911       | -                    | Monthly      | Quarterly during grace period and monthly at |
| Debentures 9th Issuance - 2nd Series       | 2019               | 2026           | 150,850      | 15,085               | 2026         | Six-Monthly                                  |
| Debentures 11th Issuance - 1st Series      | 2021               | 2026           | 130,000      | 130,000              | 2025/2026    | Six-Monthly                                  |
| Lease - Right of Use                       | 2019 to 2024       | 2024 to 2028   | 266,568      | -                    | Monthly      | Monthly                                      |
| Debentures 4th Issuance - 1st Series       | 2014               | 2027           | 223,716      | 7,000                | Monthly      | Quarterly during grace period and monthly at |
| Debentures 4th Issuance - 2nd Series       | 2014               | 2027           | 95,590       | 3,000                | Monthly      | Quarterly during grace period and monthly at |
| Debentures 10th Issuance - Single Series   | 2020               | 2027           | 350,000      | 35,000               | 2027         | Six-Monthly                                  |
| Debentures 12th Issuance - 1st Series      | 2022               | 2027           | 300,000      | 300,000              | 2026/2027    | 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 |
| 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                                  |
| KfW Bank (Euro)                            | 2017               | 2032           | 50,000       | -                    | Six-Monthly  | Six-Monthly                                  |
| Debentures 12th Issuance - 2nd Series      | 2022               | 2032           | 300,000      | 300,000              | 2032         | Six-Monthly                                  |
| Lease - Coastal                            | 2013               | 2036           | 460,592      | -                    | Monthly      | Monthly                                      |
| Debentures 7th Issuance - 1st Series       | 2018               | 2038           | 47,279       | 19,733               | Monthly      | Quarterly during grace period and monthly at |
| Debentures 7th Issuance - 2nd Series       | 2018               | 2038           | 120,437      | 50,267               | Monthly      | Quarterly during grace period and monthly at |
| Debentures 7th Issuance - 3rd Series       | 2018               | 2038           | 20,263       | 8,457                | Monthly      | Quarterly during grace period and monthly at |
| Debentures 7th Issuance - 4th Series       | 2018               | 2038           | 51,616       | 21,543               | Monthly      | Quarterly during grace period and monthly at |
| BNDES - AVANÇAR - 2 Contracts              | 2020 to 2021       | 2041           | 566,434      | -                    | Monthly      | Quarterly during grace period and monthly at |
| Caixa Econômica Federal - 289 Contracts    | 2007 to 2022       | 2046           | 3,286,347    | -                    | Monthly      | Monthly                                      |

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### c) The amortization timeline is as follows:

| Description                         | 2024           | 2025           | 2026           | 2027           | 2028           | 2029           | 2030           | 2031           |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Debentures 2nd Issuance             | 46,495         | -              | -              | -              | -              | -              | -              | -              |
| Debentures 4th Issuance             | 41,531         | 41,074         | 41,074         | 23,945         | -              | -              | -              | -              |
| Debentures 7th Issuance             | 12,508         | 11,952         | 11,952         | 11,952         | 11,952         | 11,952         | 11,952         | 11,952         |
| Debentures 9th Issuance             | 201,268        | -              | 150,826        | -              | -              | -              | -              | -              |
| Debentures 10th Issuance            | 4,373          | -              | -              | 438,727        | -              | -              | -              | -              |
| Debentures 11th Issuance            | 8,593          | 64,620         | 64,620         | -              | -              | 246,524        | -              | 190,986        |
| Debentures 12th Issuance            | 25,162         | -              | 148,824        | 148,824        | -              | -              | -              | -              |
| Debentures 13th Issuance            | 10,531         | -              | -              | -              | 398,519        | -              | -              | -              |
| <b>Debentures Subtotal</b>          | <b>350,461</b> | <b>117,646</b> | <b>417,296</b> | <b>623,448</b> | <b>410,471</b> | <b>258,476</b> | <b>11,952</b>  | <b>202,938</b> |
| BNDES - PAC2                        | 67,346         | 66,517         | 54,554         | 31,270         | 26,589         | 4,231          | -              | -              |
| BNDES - AVANÇAR                     | 8,835          | 7,491          | 14,031         | 14,122         | 14,122         | 14,122         | 14,122         | 14,122         |
| Banco do Brasil - PSI               | 190            | -              | -              | -              | -              | -              | -              | -              |
| Banco Itaú - PSI                    | 1,423          | 26             | -              | -              | -              | -              | -              | -              |
| Caixa Econômica Federal             | 112,543        | 113,856        | 123,807        | 131,921        | 138,903        | 140,146        | 137,231        | 131,764        |
| KfW Bank                            | 25,414         | 25,110         | 11,486         | -              | -              | -              | -              | -              |
| <b>Loans and Financing Subtotal</b> | <b>215,751</b> | <b>213,000</b> | <b>203,878</b> | <b>177,313</b> | <b>179,614</b> | <b>158,499</b> | <b>151,353</b> | <b>145,886</b> |
| Lease - Coastal                     | 15,560         | 14,722         | 16,274         | 18,009         | 19,951         | 22,124         | 24,558         | 27,288         |
| Lease - Right of Use                | 89,345         | 55,329         | 26,646         | 16,570         | 3,547          | -              | -              | -              |
| <b>Lease Subtotal</b>               | <b>104,905</b> | <b>70,051</b>  | <b>42,920</b>  | <b>34,579</b>  | <b>23,498</b>  | <b>22,124</b>  | <b>24,558</b>  | <b>27,288</b>  |
| <b>Total</b>                        | <b>671,117</b> | <b>400,697</b> | <b>664,094</b> | <b>835,340</b> | <b>613,583</b> | <b>439,099</b> | <b>187,863</b> | <b>376,112</b> |

| Description                         | 2032           | 2033           | 2034           | 2035           | 2036           | 2037           | 2038 a 2046    | Total            |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| Debentures 2nd Issuance             | -              | -              | -              | -              | -              | -              | -              | 46,495           |
| Debentures 4th Issuance             | -              | -              | -              | -              | -              | -              | -              | 147,624          |
| Debentures 7th Issuance             | 11,950         | 11,952         | 11,952         | 11,952         | 11,952         | 11,952         | 10,952         | 178,834          |
| Debentures 9th Issuance             | -              | -              | -              | -              | -              | -              | -              | 352,094          |
| Debentures 10th Issuance            | -              | -              | -              | -              | -              | -              | -              | 443,100          |
| Debentures 11th Issuance            | -              | -              | -              | -              | -              | -              | -              | 575,343          |
| Debentures 12th Issuance            | 325,159        | -              | -              | -              | -              | -              | -              | 647,969          |
| Debentures 13th Issuance            | -              | -              | -              | -              | -              | -              | -              | 409,050          |
| <b>Debentures Subtotal</b>          | <b>337,109</b> | <b>11,952</b>  | <b>11,952</b>  | <b>11,952</b>  | <b>11,952</b>  | <b>11,952</b>  | <b>10,952</b>  | <b>2,800,509</b> |
| BNDES - PAC2                        | -              | -              | -              | -              | -              | -              | -              | 250,507          |
| BNDES - AVANÇAR                     | 14,115         | 14,122         | 14,122         | 14,122         | 14,122         | 14,122         | 52,711         | 238,403          |
| Banco do Brasil - PSI               | -              | -              | -              | -              | -              | -              | -              | 190              |
| Banco Itaú - PSI                    | -              | -              | -              | -              | -              | -              | -              | 1,449            |
| Caixa Econômica Federal             | 98,723         | 98,477         | 92,446         | 96,435         | 100,561        | 93,900         | 305,703        | 1,916,416        |
| KfW Bank                            | -              | -              | -              | -              | -              | -              | -              | 62,010           |
| <b>Loans and Financing Subtotal</b> | <b>112,838</b> | <b>112,599</b> | <b>106,568</b> | <b>110,557</b> | <b>114,683</b> | <b>108,022</b> | <b>358,414</b> | <b>2,468,975</b> |
| Lease - Coastal                     | 30,351         | 33,788         | 37,650         | 38,803         | 17,661         | -              | -              | 316,739          |
| Lease - Right of Use                | -              | -              | -              | -              | -              | -              | -              | 191,437          |
| <b>Lease Subtotal</b>               | <b>30,351</b>  | <b>33,788</b>  | <b>37,650</b>  | <b>38,803</b>  | <b>17,661</b>  | <b>-</b>       | <b>-</b>       | <b>508,176</b>   |
| <b>Total</b>                        | <b>480,298</b> | <b>158,339</b> | <b>156,170</b> | <b>161,312</b> | <b>144,296</b> | <b>119,974</b> | <b>369,366</b> | <b>5,777,660</b> |

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

| Description                                  | 2023           |                  | 2022           |                  |
|--|----------------|------------------|----------------|------------------|
|  | Current        | Noncurrent       | Current        | Noncurrent       |
| <b>Balances at the Beginning of the Year</b> | <b>575,651</b> | <b>4,507,593</b> | <b>407,680</b> | <b>3,712,885</b> |
| Releases                                     | 24,038         | 1,001,503        | 17,576         | 1,055,763        |
| Interest and Fines on Financing              | 421,586        | -                | 358,225        | -                |
| Monetary Variation on Financing              | -              | 101,073          | -              | 99,905           |
| Transfers                                    | 518,114        | (518,114)        | 385,747        | (385,747)        |
| Amortization                                 | (975,067)      | -                | (742,709)      | -                |
| Costs of Funds Raised with Third Parties     | 227            | 3,253            | (1,324)        | (6,082)          |
| Exchange Rate Variation                      | (277)          | -                | (1,093)        | -                |
| Interest and Monetary Variation on Leases    | 34,747         | 11,235           | 35,968         | 30,869           |
| Leases                                       | 72,098         | -                | 115,581        | -                |
| <b>Balances at the End of the Year</b>       | <b>671,117</b> | <b>5,106,543</b> | <b>575,651</b> | <b>4,507,593</b> |

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

During 2023, the Company obtained and amortized funds from third parties, as stated below:

| Index                    | Releases         | Amortization     |
|--------------------------|------------------|------------------|
| Debentures 2nd Issuance  | -                | (59,976)         |
| Debentures 4th Issuance  | -                | (53,143)         |
| Debentures 7th Issuance  | 17,306           | (26,943)         |
| Debentures 8th Issuance  | -                | (165,906)        |
| Debentures 9th Issuance  | -                | (47,815)         |
| Debentures 10th Issuance | -                | (19,888)         |
| Debentures 11th Issuance | -                | (37,957)         |
| Debentures 12th Issuance | -                | (61,361)         |
| Debentures 13th Issuance | 400,000          | (27,713)         |
| BNDES                    | -                | (648)            |
| BNDES - PAC2             | 17,091           | (84,283)         |
| BNDES - AVANÇAR2         | 155,954          | (7,887)          |
| Banco do Brasil - PSI    | -                | (2,145)          |
| Banco Itaú - PSI         | -                | (3,218)          |
| Caixa Econômica Federal  | 363,093          | (240,823)        |
| KfW Bank                 | 72,097           | (25,606)         |
| <b>Subtotal</b>          | <b>1,025,541</b> | <b>(865,312)</b> |
| Leases (1)               | 72,098           | (109,755)        |
| <b>Total</b>             | <b>1,097,639</b> | <b>(975,067)</b> |

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

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

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

#### (i) Covenants in BNDES contracts and the 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).

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For 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.

In relation to the contracts of item (iii) from Caixa Econômica Federal, related to the 3rd phase of Normative Instruction 14, in accordance with Clause Sixteen of the aforementioned contracts, and Normative Instructions 22 and 29, pursuant to Third-Second Clause of said agreements, the Company shall maintain throughout the term and until the final maturity the indexes stated above.

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

As of December 31, 2023, the Company complies with the restrictive clauses stipulated when issuing debentures, financing from BNDES, Caixa Econômica Federal and KfW Bank.

## 15. TAXES AND CONTRIBUTIONS

The composition is as follows:

| Description                                | 2023           | 2022           |
|--|----------------|----------------|
| Social Contribution Payable                | 1,132          | -              |
| COFINS (tax on sales) payable              | 37,551         | 34,025         |
| PASEP (tax on sales) payable               | 8,107          | 7,354          |
| Taxes and Contributions Withheld at Source | 53,297         | 61,388         |
| <b>Total of Taxes and Contributions</b>    | <b>100,087</b> | <b>102,767</b> |
| <b>Current</b>                             | <b>100,087</b> | <b>102,767</b> |

## 16. INCOME TAX AND SOCIAL CONTRIBUTION

### Accounting practice:

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

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

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



# Companhia de Saneamento do Paraná – SANEPAR

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

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

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

| Description   | 2023             |                     | 2022             |                     |
|---|------------------|---------------------|------------------|---------------------|
|   | Income Tax       | Social Contribution | Income Tax       | Social Contribution |
| Income Before Income Tax and Social Contribution    | 2,024,321        | 2,024,321           | 1,545,547        | 1,545,547           |
| Income Tax and Social Contribution - Current Rate   | (506,080)        | (182,189)           | (386,387)        | (139,099)           |
| Deductibility Benefit of Interest on Equity         | 113,093          | 40,714              | 108,156          | 38,936              |
| Worker's Meal Program - PAT (1)                     | 18,875           | -                   | 13,912           | -                   |
| Corporate Citizen Incentive (2)                     | 665              | -                   | 551              | -                   |
| Equity in Earnings (Losses) of Controlled Companies | (1,316)          | (474)               | (825)            | (297)               |
| Term of Commitment - IBAMA                          | -                | -                   | (21,908)         | (7,886)             |
| Added Value - CS Bioenergia Acquisition             | (1,071)          | (386)               | -                | -                   |
| Other   | (1,986)          | (803)               | 671              | 167                 |
| <b>Total of Expenses</b>                            | <b>(377,820)</b> | <b>(143,138)</b>    | <b>(285,830)</b> | <b>(108,179)</b>    |
| <b>Total of Income Tax and Social Contribution</b>  | <b>(520,958)</b> |                     | <b>(394,009)</b> |                     |
| <b>Effective Rate</b>                               | <b>25.7%</b>     |                     | <b>25.5%</b>     |                     |

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

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

### b) Current and deferred income and social contribution taxes

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

| Description                                 | 2023             | 2022             |
|---|------------------|------------------|
| Income Tax                                  | (470,994)        | (347,056)        |
| Social Contribution                         | (176,225)        | (129,765)        |
| Realization of Deferred Income Tax          | 93,174           | 61,226           |
| Realization of Deferred Social Contribution | 33,087           | 21,586           |
| <b>Total</b>                                | <b>(520,958)</b> | <b>(394,009)</b> |

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

# Companhia de Saneamento do Paraná – SANEPAR

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### c) Deferred income and social contribution taxes

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

| Description   | Estimated Realization Term | 2023              |                |                     |                  | 2022             |
|---|----------------------------|-------------------|----------------|---------------------|------------------|------------------|
|   |                            | Calculation Basis | Income Tax     | Social Contribution | Total            | Total            |
| <b>ASSETS</b>   |                            |                   |                |                     |                  |                  |
| Impairment of Assets - Industrial Water                             | 46 years                   | 7666              | 1916           | 690                 | 2,606            | -                |
| NPV on Financial Contractual Assets                                 | 25 years                   | 1,215,139         | 303,785        | 109,362             | 413,147          | 369,598          |
| Impairment of Assets - Solid Waste                                  | 17 years                   | 12,171            | 3,043          | 1,095               | 4,138            | 3,614            |
| Pension Plan and Health Insurance                                   | 15 years                   | 1,104,527         | 276,132        | 99,407              | 375,539          | 343,759          |
| Lease - Coastal (Assets)  | 13 years                   | 316,739           | 79,185         | 28,506              | 107,691          | 107,852          |
| Impairment of Assets  | 10 years                   | 4,163             | 1,040          | 375                 | 1,415            | 1,416            |
| Civil, Labor, Tax and Environmental Provisions                      | 5 years                    | 858,385           | 214,596        | 77,255              | 291,851          | 234,260          |
| Provision for Contingent Liabilities - CS Bioenergia Acquisition    | 5 years                    | 228               | 57             | 21                  | 78               | -                |
| Lease - Right of Use (Assets)                                       | 5 years                    | 191,437           | 47,859         | 17,229              | 65,088           | 62,098           |
| NPV of Trade Accounts Receivable                                    | 5 years                    | 64,136            | 16,034         | 5,772               | 21,806           | 10,900           |
| FVA - Investments Appraised at Fair Value                           | 5 years                    | 240               | 60             | 22                  | 82               | 181              |
| Impairment of Assets - CS Bioenergia                                | 5 years                    | -                 | -              | -                   | -                | 5,663            |
| Provision for Losses on Credits                                     | 3 years                    | 52,409            | 13,102         | 4,717               | 17,819           | 17,329           |
| Provision for Expected Losses on Trade Accounts Receivable - CPC 48 | 3 years                    | 15,198            | 3,800          | 1,368               | 5,168            | 8,388            |
| PAI - Encourage Retirement Program                                  | 2 years                    | 296               | 74             | 27                  | 101              | 53               |
| Net Realizable Value of Inventories                                 | 2 years                    | 259               | 65             | 23                  | 88               | 88               |
| Provision for PPR   | 1 year                     | 115,007           | 28,752         | 10,351              | 39,103           | 29,951           |
| <b>Total</b>  |                            |                   | <b>989,500</b> | <b>356,220</b>      | <b>1,345,720</b> | <b>1,195,150</b> |
| <b>LIABILITIES</b>  |                            |                   |                |                     |                  |                  |
| Added Value - CS Bioenergia Acquisition                             | 50 years                   | 4,514             | 1,129          | 406                 | 1,535            | -                |
| NPV on Financial Contractual Assets                                 | 25 years                   | 1,015,909         | 253,977        | 91,432              | 345,409          | 336,045          |
| Revaluation Surplus   | 24 years                   | 76,006            | 19,001         | 6,841               | 25,842           | 28,038           |
| Donation from Public Agencies                                       | 20 years                   | 11,616            | 2,904          | 1,045               | 3,949            | 3,946            |
| Deferred IRPJ on Construction and Improvements                      | 19 years                   | 100,239           | 25,060         | -                   | 25,060           | 26,327           |
| Lease - Coastal (Liabilities)                                       | 13 years                   | 173,044           | 43,261         | 15,574              | 58,835           | 60,271           |
| Atribution of Deemed Cost to Fixed Assets                           | 11 years                   | 6,371             | 1,593          | 573                 | 2,166            | 2,225            |
| Lease - Right of Use (Liabilities)                                  | 5 years                    | 160,024           | 40,006         | 14,402              | 54,408           | 51,424           |
| <b>Total</b>  |                            |                   | <b>386,931</b> | <b>130,273</b>      | <b>517,204</b>   | <b>508,276</b>   |
| <b>Total Amount, Net</b>  |                            |                   | <b>602,569</b> | <b>225,947</b>      | <b>828,516</b>   | <b>686,874</b>   |

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

The estimated future realization of deferred tax assets and deferred tax liabilities as of December 31, 2023, is as follows:

| Realization Period | Deferred Tax Assets |                     |                  | Deferred Tax Liabilities |                     |                |
|--------------------|---------------------|---------------------|------------------|--------------------------|---------------------|----------------|
|                    | Income Tax          | Social Contribution | Total            | Income Tax               | Social Contribution | Total          |
| 2024               | 121,576             | 43,767              | 165,343          | 23,979                   | 8,158               | 32,137         |
| 2025               | 109,588             | 39,452              | 149,040          | 23,979                   | 8,158               | 32,137         |
| 2026               | 92,686              | 33,367              | 126,053          | 23,979                   | 8,158               | 32,137         |
| 2027               | 92,686              | 33,367              | 126,053          | 23,979                   | 8,158               | 32,137         |
| 2028               | 92,686              | 33,367              | 126,053          | 23,979                   | 8,158               | 32,137         |
| 2029 to 2031       | 110,894             | 39,922              | 150,816          | 47,935                   | 15,832              | 63,767         |
| 2032 to 2034       | 111,935             | 40,297              | 152,232          | 47,935                   | 15,832              | 63,767         |
| 2035 to 2037       | 104,803             | 37,729              | 142,532          | 44,173                   | 14,478              | 58,651         |
| 2038 to 2040       | 55,613              | 20,021              | 75,634           | 37,517                   | 12,082              | 49,599         |
| 2041 to 2043       | 36,824              | 13,256              | 50,080           | 36,198                   | 12,082              | 48,280         |
| 2044 to 2046       | 36,824              | 13,256              | 50,080           | 33,125                   | 11,925              | 45,050         |
| 2047 to 2049       | 22,552              | 8,119               | 30,671           | 19,609                   | 7,060               | 26,669         |
| 2050 to 2052       | 125                 | 45                  | 170              | 68                       | 24                  | 92             |
| 2053 to 2055       | 125                 | 45                  | 170              | 68                       | 24                  | 92             |
| 2056 to 2058       | 125                 | 45                  | 170              | 68                       | 24                  | 92             |
| 2059 to 2061       | 125                 | 45                  | 170              | 68                       | 24                  | 92             |
| 2062 to 2064       | 125                 | 45                  | 170              | 68                       | 24                  | 92             |
| 2065 to 2067       | 125                 | 45                  | 170              | 68                       | 24                  | 92             |
| 2068 to 2070       | 83                  | 30                  | 113              | 68                       | 24                  | 92             |
| 2071 to 2073       | -                   | -                   | -                | 68                       | 24                  | 92             |
| <b>Total</b>       | <b>989,500</b>      | <b>356,220</b>      | <b>1,345,720</b> | <b>386,931</b>           | <b>130,273</b>      | <b>517,204</b> |

## 17. UNEARNED REVENUE

The Company signed the assignment agreement for the exploration of financial services with Caixa Econômica Federal for 60 (sixty) months, effective as of March 2022, in the amount of R\$17,800. The revenue corresponding to this agreement is recognized monthly, for the term of the agreement following the accrual basis. The amount registered in income during the year of 2023 was R\$3,560 (R\$3,667 in 2022). The balance on December 31, 2023, is R\$11,273 (R\$14,833 in 12/31/2022), of which R\$3,560 (R\$3,560 in 12/31/2022) is recorded in current liabilities and R\$7,713 in noncurrent liabilities (R\$11,273 in 12/31/2022).

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### 18. PROVISIONS, CONTINGENT LIABILITIES AND COURT DEPOSITS

#### Accounting practice:

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

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

#### a) Provisions

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

| Nature                     | 2022           | Additions      | Reversals       | Payments         | 2023           |
|----------------------------|----------------|----------------|-----------------|------------------|----------------|
| Labor Claims (i)           | 399,669        | 240,002        | (7,122)         | (86,941)         | 545,608        |
| Civil Claims (ii)          | 263,351        | 58,129         | (5,667)         | (38,308)         | 277,505        |
| Environmental Claims (iii) | 15,406         | 36,773         | (22,178)        | (5,157)          | 24,844         |
| Tax Claims (iv)            | 10,574         | 82             | -               | -                | 10,656         |
| <b>Total</b>               | <b>689,000</b> | <b>334,986</b> | <b>(34,967)</b> | <b>(130,406)</b> | <b>858,613</b> |

#### Main events during the year:

Complement of labor provisions in the amount of R\$38,557, 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\$105,264 referring to labor claims whose object is a result of reinstatement of retirees salary parity; and R\$96,181 referring to the restatement of amounts provisioned for labor claims due to court decisions and new claims filed in the year. On the other hand, there was a reduction in labor provisions (Reversals and Payments) in the amount of R\$94,063, due to the shelving and definitive write-off of legal claims.

Record of civil provision in the amount of R\$19,304, referring to the economic-financial rebalancing of the bankrupt estate of the company Gea Engenharia e Empreendimentos Ltda, offset by the withdrawal of amounts related to the legal action of the DM/LFM/SEF consortium in the amount of R\$12,883 relating to the sentence-final judgment regarding economic-financial rebalancing.

Provision as probable loss of environmental actions related to infraction notices from 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 precautionary action of the early production of evidence to determine environmental damage in the amount of R\$13,000 in the Municipality of Campo Magro provisioned in 2Q23 which was reversed in 3Q23, due to the conclusion of a legal agreement.

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### b) Contingent Liabilities

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

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

| Nature                     | Contingent Liabilities |                |
|----------------------------|------------------------|----------------|
|                            | 2023                   | 2022           |
| Labor Claims (i)           | 102,777                | 98,239         |
| Civil Claims (ii)          | 1,296,227              | 488,163        |
| Environmental Claims (iii) | 233,062                | 134,732        |
| Tax Claims (iv)            | 25,597                 | 28,568         |
| <b>Total</b>               | <b>1,657,663</b>       | <b>749,702</b> |

### 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 v) 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 claims 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 Contingent Liabilities to R\$684,344, related to a Public Civil Action, the object of which refers to the lack of water in the municipality of Maringá in January 2016, pending in the 2nd Public Treasury Court of Maringá, in which the Public Ministry of the State of Paraná and the Company are parties, due to 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 investigation and similar cases in which the company has already achieved legal success.

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### **(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 in relation to queries connected to collection of IPTU (Urban Property and Territorial Tax), municipal fees, and ISSQN (Tax over Services of Any Nature) due to divergent interpretations of the law. The main IPTU claims with which the Company is involved include the municipalities of Curitiba, Londrina, and Pinhais. Municipal fees concern Paranavaí, and the main ISSQN actions relate to inquiries from the municipalities of Paranavaí, Maringá, Campina da Lagoa, and Pinhais

### **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. Finally, it should be noted that the process is concluded with the judge, aiming to comply with the request for the issuance of a court order.

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### 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 |                |
|----------------------------|----------------|----------------|
|                            | 2023           | 2022           |
| Labor Claims (i)           | 416,285        | 363,510        |
| Civil Claims (ii)          | 130,433        | 111,707        |
| Environmental Claims (iii) | 14,555         | 7,488          |
| Tax Claims                 | 25,596         | 24,589         |
| <b>Total</b>               | <b>586,869</b> | <b>507,294</b> |

(i) During 2023, 156 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\$39,734 were recorded, and 14 new court deposits from labor lawsuits referring to lawsuits for the reinstatement of retirees in the amount of R\$4,870.

(ii) In 2023 1,324 new court deposits were recorded, in the amount of R\$ 42,632, mainly referring to material damages and improper collection of fees.

(iii) In 2023, 804 new judicial deposits were recorded in the amount of R\$7,208, mainly referring to environmental damage due to the irregular discharge of sewage effluents.

### f) Supreme Court (STF) decision on res judicata in tax matters

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

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

Management evaluated with its internal legal advisors the possible impacts of this STF decision and concluded that the decision, based on management's assessment supported by its legal advisors, and in line with CPC25/IAS37 Provisions, Contingent Liabilities and Contingent Assets and the CPC24/IAS10 Subsequent Events, does not result in impacts on its financial statements as of December 31, 2023.

# Companhia de Saneamento do Paraná – SANEPAR

## NOTES TO THE FINANCIAL STATEMENTS

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

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### 19. PENSION PLAN AND HEALTH INSURANCE

#### Accounting practice:

*The Company has a mixed pension plan (defined contribution during the working phase and defined benefit with lifetime income for retirees, pensioners and risk benefits) and in the health area, it sponsors a plan of medical and dental benefits for its employees, dependents and retirees, whose effects are recognized on the accrual basis and according to the criteria established by CVM Decision No. 110/22, as stated in this Note.*

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

The retirement/pension plan managed by FUSAN has the following main features: defined contribution during the working phase and defined benefit with lifetime income for retirees, pensioners and risk benefits (disability retirement, death pension, sickness and accident). This year, the Sponsor passed on the amount of R\$40,722 (R\$37,913 in 2022) as contribution to FUSAN.

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

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

SaneSaúde is a collective of medical and dental care insurance plan, self-managed, financed by pre-payment, and the contributions made on average 62.0% for the sponsor and 38.0% for active and retired beneficiaries through defined monthly contributions for the regulation of the plan, which are determined annually based on actuarial calculations, which take into account the age of the beneficiary, and the existence of limiting factors for use of the services offered.

As a contribution to the Foundation, this year, the Company transferred the amount of R\$96,603 (R\$85,955 in 2022).

Additionally, for the purposes of complying with the determinations contained in CPC 33 (R1) – Employee Benefits, approved by CVM Resolution 110/22, the company Mirador Assessoria Atuarial Ltda. was hired for the year ended December 31, 2023, which issued detailed reports, Supporting the information included on the said base date.

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



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### Statement of actuarial liabilities:

| Description  | Pension Plan       | Health Insurance Plan | 2023               | 2022               |
|--|--------------------|-----------------------|--------------------|--------------------|
| Present value of the obligation at the beginning of the year | 1,307,934          | 732,334               | 2,040,268          | 2,196,142          |
| Cost of interest on the obligation                           | 126,775            | 72,459                | 199,234            | 222,471            |
| Current service cost, net                                    | (4,768)            | 4,836                 | 68                 | 1,921              |
| Participants' contribution                                   | 12,780             | -                     | 12,780             | 10,000             |
| Benefits paid in the year                                    | (96,200)           | (38,859)              | (135,059)          | (145,372)          |
| Actuarial Gains and (Losses) in the year                     | 74,164             | (55,543)              | 18,621             | (244,893)          |
| <b>Total obligation in the year</b>                          | <b>1,420,685</b>   | <b>715,227</b>        | <b>2,135,912</b>   | <b>2,040,269</b>   |
| Present value of the obligation at the beginning of the year | (1,029,213)        | -                     | (1,029,213)        | (1,036,025)        |
| Interest on the assets of the plan                           | (99,922)           | -                     | (99,922)           | (103,269)          |
| Participants' contribution                                   | (12,780)           | -                     | (12,780)           | (10,000)           |
| Sponsor's contribution                                       | (12,288)           | -                     | (12,288)           | (11,132)           |
| Benefits paid in the year                                    | 96,200             | -                     | 96,200             | 108,084            |
| Gain (Loss) on the assets of the plan for the year           | 26,618             | -                     | 26,618             | 23,129             |
| <b>Present value of the assets for the year</b>              | <b>(1,031,385)</b> | <b>-</b>              | <b>(1,031,385)</b> | <b>(1,029,213)</b> |
| <b>Liabilities registered at the end of the year</b>         | <b>389,300</b>     | <b>715,227</b>        | <b>1,104,527</b>   | <b>1,011,056</b>   |
| <b>Current</b>   | <b>25,953</b>      | <b>47,682</b>         | <b>73,635</b>      | <b>67,404</b>      |
| <b>Noncurrent</b>  | <b>363,347</b>     | <b>667,545</b>        | <b>1,030,892</b>   | <b>943,652</b>     |

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

| Economic Hypotheses                            | 2023               | 2022               |
|--|--------------------|--------------------|
| Nominal Health Discount Rate                   | 9.87% per year     | 10.16% per year    |
| Real Health Discount Rate                      | 5.73% per year     | 6.43% per year     |
| Nominal Discount Rate for Social Security      | 9.79% per year     | 10.11% per year    |
| Real Discount Rate for Social Security         | 5.65% per year     | 6.39% per year     |
| Expected Nominal Return Rate on Health Assets  | 9.87% per year     | 10.16% per year    |
| Expected Nominal Return Rate on Pension Assets | 9.79% per year     | 10.11% per year    |
| Increase Rate for Salaries                     | 3.40% per year     | 3.40% per year     |
| Inflation                                      | 3.92% per year     | 3.50% per year     |
| Real Increase in Medical Costs                 | 3.70% per year     | 3.70% per year     |
| Demographic Hypotheses                         | 2023               | 2022               |
| Mortality Table                                | AT-2000 Basic      | AT-2000 Basic      |
| Mortality Table for Disabled Participants      | Winklevoss D10     | Winklevoss D10     |
| Disability Table                               | American Group D50 | American Group D50 |
| Retirement Age                                 | 55 years           | 55 years           |

# Companhia de Saneamento do Paraná – SANEPAR

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Analysis of sensitivity of changes in interest rate:

| Description              | Pension Plan | Health Insurance Plan |
|--------------------------|--------------|-----------------------|
| <b>Discount Rate</b>     |              |                       |
| With 1% Increase         | (8.42%)      | (9.61%)               |
| With 1% Reduction        | 10.73%       | 11.56%                |
| <b>Increase in Costs</b> |              |                       |
| With 1% Increase         | -            | 12.92%                |
| With 1% Reduction        | -            | (10.87%)              |
| <b>Life Expectation</b>  |              |                       |
| With 1 year Increase     | 1.79%        | 3.06%                 |
| With 1 year Reduction    | (1.17%)      | (3.05%)               |
| <b>Salary Increase</b>   |              |                       |
| With 1% Increase         | 0.45%        | -                     |
| With 1% Reduction        | (0.39%)      | -                     |

### Assets from the Pension Plan

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

| Description                          | 2023             | %          | 2022             | %          |
|--------------------------------------|------------------|------------|------------------|------------|
| Fixed Income (a)                     | 1,429,001        | 68.1       | 1,243,612        | 64.6       |
| Floating Income (b)                  | 201,175          | 9.6        | 224,296          | 11.7       |
| Properties (c)                       | 40,562           | 1.9        | 46,517           | 2.4        |
| Transactions with Participants (d)   | 106,320          | 5.1        | 105,023          | 5.5        |
| Structures (e)                       | 193,378          | 9.2        | 186,441          | 9.7        |
| Foreign Investments (f)              | 125,655          | 6.0        | 114,360          | 5.9        |
| Precatories and Court Deposits (g)   | 3,095            | 0.1        | 3,315            | 0.2        |
| <b>Fair Value of the Plan Assets</b> | <b>2,099,186</b> | <b>100</b> | <b>1,923,564</b> | <b>100</b> |

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

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Unallowed investment types:

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

The table below shows the projected expenses for 2024:

| Description                              | Pension Plan  | Health Insurance Plan | 2024          |
|--|---------------|-----------------------|---------------|
| Current Service Cost                     | 6,767         | 2,263                 | 9,030         |
| Interest Cost                            | 133,330       | 68,811                | 202,141       |
| Expected Return on the Plan's Assets     | (96,300)      | -                     | (96,300)      |
| Contributions of the Sponsor/Participant | (27,156)      | (37,654)              | (64,810)      |
| <b>Total</b>                             | <b>16,641</b> | <b>33,420</b>         | <b>50,061</b> |

## 20. RELATED-PARTY TRANSACTIONS

### Accounting practice:

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

### a) Balances and Related Parties Transactions

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

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Below we present balances and transactions with Related Parties:

| Description   | Assets        |               | Liabilities   |                | Income        |               | Cost/Expense   |                |
|---|---------------|---------------|---------------|----------------|---------------|---------------|----------------|----------------|
|   | 2023          | 2022          | 2023          | 2022           | 2023          | 2022          | 2023           | 2022           |
| <b>State of Paraná</b>  |               |               |               |                |               |               |                |                |
| Interest on Equity  | -             | -             | 84,936        | 81,228         | -             | -             | -              | -              |
| <b>Municipalities</b>   |               |               |               |                |               |               |                |                |
| Solid Waste Services  | -             | -             | -             | -              | 13,774        | 12,503        | -              | -              |
| Trade Accounts Receivable                                     | 53,655        | 30,251        | -             | -              | -             | -             | -              | -              |
| Municipal Fund of Sanitation and Environmental Administration | -             | -             | 14,736        | 27,636         | -             | -             | 114,795        | 134,056        |
| <b>Sanepar Foundations</b>                                    |               |               |               |                |               |               |                |                |
| Property Rental   | -             | -             | -             | -              | -             | 627           | -              | -              |
| Employer Contribution   | -             | -             | -             | -              | -             | -             | 137,325        | 123,868        |
| <b>Tecpar</b>   |               |               |               |                |               |               |                |                |
| ISO and water safety plan                                     | -             | -             | -             | -              | -             | -             | 541            | 2,447          |
| <b>Celepar</b>  |               |               |               |                |               |               |                |                |
| e-Protocolo System, among others                              | -             | -             | 28            | 9              | -             | -             | 205            | 129            |
| Stock Investment  | 5             | 3             | -             | -              | -             | -             | -              | -              |
| Interest Receivable   | 12            | 8             | -             | -              | -             | -             | -              | -              |
| <b>Simepar</b>  |               |               |               |                |               |               |                |                |
| Water safety plan and others                                  | -             | -             | -             | -              | -             | -             | 4,125          | 4,347          |
| <b>Total</b>  | <b>53,672</b> | <b>30,262</b> | <b>99,700</b> | <b>108,873</b> | <b>13,774</b> | <b>13,130</b> | <b>256,991</b> | <b>264,847</b> |

## b) Management Compensation

The overall annual management compensation for 2023 was approved by 59<sup>a</sup>/2023 Annual General Meeting (AGO) of April 28, 2023, for the amount of R\$15,677. For the year 2022, the approval was issued by the 58<sup>a</sup>/2022 Annual General Meeting (AGO) of April 28, 2022, for the amount of R\$15,054.

We present below the payments made to management:

| Description                       | 2023          | 2022          |
|-----------------------------------|---------------|---------------|
| Remuneration                      | 10,082        | 9,871         |
| Charges and Benefits              | 3,731         | 3,578         |
| Social Charges                    | 3,525         | 3,326         |
| Health Insurance Plan (Sanesaúde) | 92            | 93            |
| Pension Plan (Fusanprev)          | 114           | 135           |
| Complementary Programs            | -             | 24            |
| <b>Total</b>                      | <b>13,813</b> | <b>13,449</b> |

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### 21. OTHER ACCOUNTS PAYABLE

The composition is as follows:

| Description  | 2023           | 2022           |
|--|----------------|----------------|
| Contractos and Agreements with Third Parties (1)               | 45,099         | 24,473         |
| Agreements with Municipalities                                 | 25,995         | 21,810         |
| Collaterals and Reimbursable Amounts                           | 18,043         | 16,449         |
| IBAMA Installment - PRD (2)                                    | 368            | 1,600          |
| IAT Installment (3)  | 1,496          | -              |
| TCCM IBAMA (4)   | 87,631         | 87,631         |
| Municipal Fund for Sanitation and Environmental Administration | 14,736         | 27,636         |
| Other Accounts Payable   | -              | 425            |
| <b>Total</b>   | <b>193,368</b> | <b>180,024</b> |
| <b>Current</b>   | <b>107,517</b> | <b>91,968</b>  |
| <b>Noncurrent</b>  | <b>85,851</b>  | <b>88,056</b>  |

(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 Iguçu River and areas wet surroundings".

### 22. EQUITY

#### a) Capital Stock

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

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

The equity value of each share on December 31, 2023, already considering the provision for additional dividends proposed by Management, is R\$6.45 (R\$5.81 on December 31, 2022).

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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 December 31, 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         |
| Municipalities    | -                  | -            | 5,561,963            | 0.6          | 5,561,963            | 0.4          |
| Foreign Investors | 63,844,700         | 12.7         | 323,551,873          | 32.1         | 387,396,573          | 25.6         |
| Other Investors   | 137,236,784        | 27.2         | 678,356,421          | 67.3         | 815,593,205          | 54.0         |
| <b>Total</b>      | <b>503,735,259</b> | <b>100.0</b> | <b>1,007,470,260</b> | <b>100.0</b> | <b>1,511,205,519</b> | <b>100.0</b> |

### b) Income Reserve

#### b.1) Legal Reserve

Constituted in the amount of R\$75,168 in 2023 (R\$57,574 in 2022), in accordance with the Brazilian Corporation Law and the Bylaws, based on 5% of the net income for each year, less the amount destined to constitute the Reserve for Tax incentives, until reaching the limit of 20% of paid-in capital. The legal reserve can only be used to increase capital or absorb accumulated losses. Also in accordance with the Brazilian Corporation Law, Management respects the capital limit for setting up profit reserves.

#### b.2) Tax Incentive Reserve

Constituted in the amount of R\$10 in 2023 (R\$55 in 2022), related to the portion of net income from donations and government subsidies, in accordance with article 195-A of the Brazilian Corporation Law. This amount was excluded from the calculation basis of Dividends.

#### b.3) Reserve for Investment Plan

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

Management proposes, subject to the subsequent approval of the Shareholders' Meeting, the allocation of the amount of R\$980,191 from Retained Earnings to the constitution of a Reserve for the Investment Plan. These funds will be applied in projects of construction and expansion of the systems of water supply and sewage collection and treatment, as established in the investment plans of the Company.

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### c) Revaluation Surplus

The revaluation surplus was realized in the year, transferring to Retained earnings the amount of R\$4,262 (R\$4,576 in 2022), net of Income Tax and Social Contribution. The realization of this reserve occurs in the same ratio as of right down and depreciation of assets registered in the fixed and intangible assets line, object of said reevaluation.

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

| Description                                     | 2023          | 2022          |
|---|---------------|---------------|
| <b>Balances at the beginning of the year</b>    | <b>54,426</b> | <b>59,002</b> |
| Realization of the Revaluation Surplus          | (6,458)       | (6,933)       |
| Realization of Taxes on the Revaluation Surplus | 2,196         | 2,357         |
| <b>Balances at the end of the year</b>          | <b>50,164</b> | <b>54,426</b> |

### 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 year it was transferred to retained earnings, the amount of R\$117 (R\$136 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  | 2023         | 2022         |
|--|--------------|--------------|
| <b>Balances at the beginning of the year</b>           | <b>4,322</b> | <b>4,458</b> |
| Realization of the Adjustments to Deemed Cost          | (177)        | (207)        |
| Realization of Taxes on the Adjustments to Deemed Cost | 60           | 71           |
| <b>Balances at the end of the year</b>                 | <b>4,205</b> | <b>4,322</b> |

### e) Other Comprehensive Income

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

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The changes in actuarial gains and losses were as follows:

| Description                                  | 2023           | 2022           |
|--|----------------|----------------|
| <b>Balances at the beginning of the year</b> | <b>216,165</b> | <b>69,801</b>  |
| Actuarial Gains and Losses                   | (45,238)       | 221,764        |
| Taxes on Actuarial Gains and Losses          | 15,381         | (75,400)       |
| <b>Balances at the end of the year</b>       | <b>186,308</b> | <b>216,165</b> |

### f) Shareholders' compensation

#### Accounting practice:

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

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

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

Interest on equity capital payable was calculated within the limit of TJLP variation pursuant to Law No. 9.249/95, plus subsequent legal provisions. The total of interest was accounted for in financial expenses, generating a tax benefit of R\$153,807, according to tax law. For the purposes of these financial statements, this interest is being presented in Shareholders' Equity, charged to the retained earnings account.



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

|  | 2023           | 2022           |
|--|----------------|----------------|
| Net Income for the Year                          | 1,503,363      | 1,151,538      |
| Government Grants and Donations                  | (10)           | (55)           |
| Recognition of Legal Reserve                     | (75,168)       | (57,574)       |
| Mandatory Dividends Calculation Basis            | 1,428,185      | 1,093,909      |
| Mandatory Dividends (25%)                        | 357,047        | 273,477        |
| Complementary Dividends                          | 95,326         | 159,146        |
| <b>Proposed Dividends and Interest on Equity</b> | <b>452,373</b> | <b>432,623</b> |

The amount of interest on equity capital calculated in 2023 was R\$452,373 (R\$432,623 in 2022), being withheld the amount of R\$49,165 (R\$44,226 in 2022) as withholding income tax, which resulted in an effective rate of 10.87% (10.22% in 2022).

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

|   | 2023           | 2022           |
|---|----------------|----------------|
| <b>Previous Balance</b>   | <b>227,335</b> | <b>243,551</b> |
| Authorized Additional Dividends   | 159,146        | 63,880         |
| Payments made during the Year   | (385,542)      | (309,347)      |
| Interest on Equity Capital and Dividends                                      | 452,373        | 432,623        |
| (-) Retention of IRRF on Interest on Equity Capital                           | (49,165)       | (44,226)       |
| (-) Additional Proposed Dividends   | (95,326)       | (159,146)      |
| <b>Dividends and Interest on Equity Capital Payable (Current Liabilities)</b> | <b>308,821</b> | <b>227,335</b> |

The portion of interest on equity capital/dividends in excess of the mandatory minimum dividends in the amount of R\$95,326, will be maintained in the Company's equity reserve, until decision of the General Shareholders Meeting, when, if approved, it will be then transferred to the caption of current liabilities.

The credit of the remuneration to Company's shareholders was attributed based on the shares' composition on June 30 and December 28, 2023, and possible negotiations after the announcement of the credit are considered *ex-dividends* (interest on equity capital and dividends).

# Companhia de Saneamento do Paraná – SANEPAR

## NOTES TO THE FINANCIAL STATEMENTS

Base date December 31, 2023

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

### g) Earnings per share

In view of the credit of remuneration to the shareholders that occurred on 06/30/2023 and 12/28/2023, interest on equity capital and additional proposed dividends per share were the following:

| Interest on Equity Capital - 06/30/2023 | Quantity             | Total Remuneration | Remuneration per Share |
|---|----------------------|--------------------|------------------------|
| Common Shares                           | 503,735,259          | 84,016             | 0.16679                |
| Preferred Shares                        | 1,007,470,260        | 184,834            | 0.18346                |
| <b>Total</b>                            | <b>1,511,205,519</b> | <b>268,850</b>     |                        |

Remuneration for 1 UNIT 0.90064

| Interest on Equity Capital - 12/28/2023 | Quantity             | Total Remuneration | Remuneration per share |
|---|----------------------|--------------------|------------------------|
| Common Shares                           | 503,735,259          | 57,351             | 0.11385                |
| Preferred Shares                        | 1,007,470,260        | 126,172            | 0.12524                |
| <b>Total</b>                            | <b>1,511,205,519</b> | <b>183,523</b>     |                        |

Remuneration for 1 UNIT 0.61480

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

|                    | 2023    | 2022    |
|--------------------|---------|---------|
| Common Shares      | 0.28064 | 0.26839 |
| Preferred Shares   | 0.30870 | 0.29522 |
| Value for 1 "Unit" | 1.51544 | 1.44928 |

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

| Basic and Diluted Earnings per Share                        | 2023          | 2022          |
|---|---------------|---------------|
| <b>Numerator</b>  |               |               |
| Net income for the year attributed to Company shareholder's |               |               |
| Common shares   | 469,801       | 359,856       |
| Preferred shares  | 1,033,562     | 791,682       |
| <b>Denominator</b>  |               |               |
| 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 |
| <b>Basic and diluted earnings per share</b>                 |               |               |
| Per ordinary share  | 0.93263       | 0.71437       |
| Per preferred share   | 1.02590       | 0.78581       |

# Companhia de Saneamento do Paraná – SANEPAR

## NOTES TO THE FINANCIAL STATEMENTS

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

### 23. NET OPERATING REVENUES

#### Accounting practice:

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

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

Operating revenues composition, by nature, is the following:

| Description                               | 2023             | 2022             |
|---|------------------|------------------|
| <b>Revenue</b>                            |                  |                  |
| Revenues from Water                       | 4,171,892        | 3,740,630        |
| Revenues from Sewage                      | 2,410,910        | 2,186,347        |
| Revenues from Services                    | 115,841          | 106,938          |
| Revenues from Solid Waste                 | 13,774           | 12,503           |
| Services Provided to Municipalities       | 24,356           | 22,027           |
| Donations made by Clients                 | 35,058           | 35,202           |
| Other Revenue                             | 11,175           | 6,361            |
| <b>Total of Operating Revenue</b>         | <b>6,783,006</b> | <b>6,110,008</b> |
| <b>Deductions from Operating Revenues</b> |                  |                  |
| COFINS                                    | (403,343)        | (358,972)        |
| PASEP                                     | (86,927)         | (77,389)         |
| <b>Total of Deductions</b>                | <b>(490,270)</b> | <b>(436,361)</b> |
| <b>Total of Net Operating Revenue</b>     | <b>6,292,736</b> | <b>5,673,647</b> |

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\$120,905 (R\$87,675 in 2022), during 2023, that is, with zero margins. Revenue is presented net of construction costs.

# Companhia de Saneamento do Paraná – SANEPAR

## NOTES TO THE FINANCIAL STATEMENTS

Base date December 31, 2023

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

### 24. COST OF SERVICES RENDERED

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

| Description  | 2023               |                  |                    | 2022               |                  |                    |
|--|--------------------|------------------|--------------------|--------------------|------------------|--------------------|
|  | Water              | Sewage           | Total              | Water              | Sewage           | Total              |
| Personnel  | (352,149)          | (172,320)        | (524,469)          | (341,704)          | (160,870)        | (502,574)          |
| Materials  | (146,059)          | (117,977)        | (264,036)          | (141,376)          | (100,098)        | (241,474)          |
| Electricity  | (439,182)          | (66,684)         | (505,866)          | (465,237)          | (63,873)         | (529,110)          |
| Third-Party Services   | (296,273)          | (237,549)        | (533,822)          | (251,104)          | (195,386)        | (446,490)          |
| Depreciation and Amortization                                  | (194,054)          | (188,000)        | (382,054)          | (182,090)          | (172,024)        | (354,114)          |
| Indemnities of Third-Party Damages                             | (3,543)            | (8,050)          | (11,593)           | (3,685)            | (2,106)          | (5,791)            |
| Municipal Fund for Sanitation and Environmental Administration | (62,955)           | (51,840)         | (114,795)          | (74,904)           | (59,152)         | (134,056)          |
| Other Costs  | (129,793)          | (48,465)         | (178,258)          | (124,828)          | (44,918)         | (169,746)          |
| <b>Total</b>   | <b>(1,624,008)</b> | <b>(890,885)</b> | <b>(2,514,893)</b> | <b>(1,584,928)</b> | <b>(798,427)</b> | <b>(2,383,355)</b> |

### 25. SELLING, ADMINISTRATIVE AND OTHER EXPENSES

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

| Description  | 2023             | 2022             |
|--|------------------|------------------|
| <b>Selling</b>                                     |                  |                  |
| Personnel  | (138,601)        | (131,828)        |
| Materials  | (7,876)          | (4,385)          |
| Third-Party Services                               | (156,890)        | (125,253)        |
| Depreciation and Amortization                      | (9,444)          | (7,359)          |
| Losses in Credit Realization (1)                   | 69,818           | (192,198)        |
| Indemnities of Third-Party Damages                 | (3,043)          | (341)            |
| Sanepar Rural Program                              | (6,670)          | (5,681)          |
| Other Expenses                                     | (3,656)          | (2,563)          |
| <b>Total of Selling Expenses</b>                   | <b>(256,362)</b> | <b>(469,608)</b> |
| <b>Administratives</b>                             |                  |                  |
| Personnel  | (688,384)        | (623,270)        |
| Materials  | (57,695)         | (54,251)         |
| Third-Party Services                               | (162,664)        | (146,140)        |
| Depreciation and Amortization                      | (88,610)         | (71,947)         |
| Regulatory Fee                                     | (35,003)         | (27,912)         |
| Travel Expenses                                    | (6,379)          | (5,420)          |
| Court and Legal Expenses                           | (8,943)          | (3,867)          |
| Social and Environmental Programs                  | (11,667)         | (12,096)         |
| Indemnities of Third-Party Damages                 | (2,281)          | (2,344)          |
| Other Expenses                                     | (21,043)         | (17,853)         |
| Transfers to Costs and Selling Expenses (2)        | 160,162          | 154,376          |
| Capitalized Expenses (3)                           | 116,860          | 118,111          |
| <b>Total of Administrative Expenses</b>            | <b>(805,647)</b> | <b>(692,613)</b> |
| <b>Other Operating (Expenses) Revenue Expenses</b> |                  |                  |
| Eventual Losses (4)                                | (19,716)         | (90)             |
| Environmental Fines (5)                            | (10,662)         | (87,681)         |
| Write-Off of Assets                                | (570)            | (14,243)         |
| Fair Value Adjustment - Investments                | 292              | (41)             |
| <b>Total of Other Operating (Expenses) Revenue</b> | <b>(30,656)</b>  | <b>(102,055)</b> |

- (1) Reversal of a portion 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\$19,978 referring to the partial settlement of the lawsuit, relating to economic-financial rebalancing paid to the DM/LFM/SEF Consortium.
- (5) TAC Amount - 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\$5,462).

# Companhia de Saneamento do Paraná – SANEPAR

## NOTES TO THE FINANCIAL STATEMENTS

Base date December 31, 2023

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

### 26. PROFIT SHARING PROGRAM

The Company provisioned the amount of R\$115,007 (R\$88,093 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.

### 27. FINANCIAL INCOME (LOSS)

| Description   | 2023             | 2022             |
|---|------------------|------------------|
| <b>Financial Revenue</b>                                |                  |                  |
| Financial Investments (1)                               | 176,884          | 167,825          |
| Monetary Variation Gain (1)                             | 103,213          | 71,631           |
| Exchange Rate Gain                                      | 1,736            | 3,596            |
| Gain on Derivative Financial Instruments                | 1,543            | 1,743            |
| Other Financial Revenue                                 | 12,326           | 20,096           |
| <b>Total of Financial Revenue</b>                       | <b>295,702</b>   | <b>264,891</b>   |
| <b>Financial Expenses</b>                               |                  |                  |
| Financing, Lease and Debenture Interest and Charges (1) | (432,268)        | (396,182)        |
| Monetary Variation Loss (1)                             | (93,027)         | (93,171)         |
| Exchange Rate Loss                                      | (1,459)          | (2,503)          |
| Loss on Derivative Financial Instruments                | (4,154)          | (5,130)          |
| Other Financial Expenses (2)                            | (87,763)         | (10,903)         |
| <b>Total of Financial Expenses</b>                      | <b>(618,671)</b> | <b>(507,889)</b> |
| <b>Financial Income (Loss), Net</b>                     | <b>(322,969)</b> | <b>(242,998)</b> |

(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 Financial Contractual Assets.

### 28. INFORMATION BY BUSINESS SEGMENT

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

# Companhia de Saneamento do Paraná – SANEPAR

## NOTES TO THE FINANCIAL STATEMENTS

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(In thousands of Brazilian Reals, 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   | 2023             |                  |                    | 2022             |                  |                    |
|---|------------------|------------------|--------------------|------------------|------------------|--------------------|
|   | Water            | Sewage           | Total              | Water            | Sewage           | Total              |
| Direct Operating Revenue                                  | 4,256,846        | 2,455,571        | <b>6,712,417</b>   | 3,819,840        | 2,226,578        | <b>6,046,418</b>   |
| Other Operating Revenues                                  | 39,475           | 31,114           | <b>70,589</b>      | 35,878           | 27,712           | <b>63,590</b>      |
| <b>Total Gross Operating Revenue</b>                      | <b>4,296,321</b> | <b>2,486,685</b> | <b>6,783,006</b>   | <b>3,855,718</b> | <b>2,254,290</b> | <b>6,110,008</b>   |
| Revenue Deductions (PASEP and COFINS)                     | (274,159)        | (216,111)        | <b>(490,270)</b>   | (246,173)        | (190,188)        | <b>(436,361)</b>   |
| <b>Net Operating Revenue</b>                              | <b>4,022,162</b> | <b>2,270,574</b> | <b>6,292,736</b>   | <b>3,609,545</b> | <b>2,064,102</b> | <b>5,673,647</b>   |
| Cost  | (1,624,008)      | (890,885)        | <b>(2,514,893)</b> | (1,584,928)      | (798,427)        | <b>(2,383,355)</b> |
| <b>Gross Profit</b>                                       | <b>2,398,154</b> | <b>1,379,689</b> | <b>3,777,843</b>   | <b>2,024,617</b> | <b>1,265,675</b> | <b>3,290,292</b>   |
| Selling Expenses  | (143,364)        | (112,998)        | <b>(256,362)</b>   | (264,959)        | (204,649)        | <b>(469,608)</b>   |
| Administrative Expenses                                   | (450,536)        | (355,111)        | <b>(805,647)</b>   | (390,782)        | (301,831)        | <b>(692,613)</b>   |
| Losses due to Non-Recoverability of Assets                | (7,667)          | 17,474           | <b>9,807</b>       | -                | (6,627)          | <b>(6,627)</b>     |
| Other Operating Revenues (Expenses)                       | (17,143)         | (23,320)         | <b>(40,463)</b>    | (57,581)         | (37,847)         | <b>(95,428)</b>    |
| Equity in Earnings (Losses) of Controlled Companies       | -                | (5,263)          | <b>(5,263)</b>     | -                | (3,300)          | <b>(3,300)</b>     |
| Financial Income (Loss), Net                              | (153,155)        | (169,814)        | <b>(322,969)</b>   | (112,449)        | (130,549)        | <b>(242,998)</b>   |
| Profit Sharing Program                                    | (64,314)         | (50,693)         | <b>(115,007)</b>   | (49,703)         | (38,390)         | <b>(88,093)</b>    |
| Provisions  | (94,752)         | (74,633)         | <b>(169,385)</b>   | (41,315)         | (32,060)         | <b>(73,375)</b>    |
| Pension and Health Insurance Plan                         | (26,970)         | (21,263)         | <b>(48,233)</b>    | (41,022)         | (31,681)         | <b>(72,703)</b>    |
| <b>Income Before Taxes and Contributions</b>              | <b>1,440,253</b> | <b>584,068</b>   | <b>2,024,321</b>   | <b>1,066,806</b> | <b>478,741</b>   | <b>1,545,547</b>   |
| Income Tax and Social Contribution                        | (372,621)        | (148,337)        | <b>(520,958)</b>   | (271,963)        | (122,046)        | <b>(394,009)</b>   |
| <b>Net Income for the Year</b>                            | <b>1,067,632</b> | <b>435,731</b>   | <b>1,503,363</b>   | <b>794,843</b>   | <b>356,695</b>   | <b>1,151,538</b>   |
| Operating margin - Unaudited/Not Revised                  | 35.8%            | 25.7%            | <b>32.2%</b>       | 29.6%            | 23.2%            | <b>27.2%</b>       |
| Net Margin - Unaudited/Not Revised                        | 26.5%            | 19.2%            | <b>23.9%</b>       | 22.0%            | 17.3%            | <b>20.3%</b>       |
| Investments in Fixed /Intangible Assets in the Year (1)   | 785,027          | 1,141,076        | <b>1,926,103</b>   | 746,326          | 997,816          | <b>1,744,142</b>   |
| Indebtedness – Loans, Financing, Debentures and Leases    | 2,627,325        | 3,150,335        | <b>5,777,660</b>   | 2,309,361        | 2,773,883        | <b>5,083,244</b>   |
| Contract Asstes, Fixed Assets and Intangible Assets, net  | 5,962,818        | 7,519,914        | <b>13,482,732</b>  | 5,429,995        | 6,641,635        | <b>12,071,630</b>  |
| Depreciation and Amortization for the Year                | (248,895)        | (231,213)        | <b>(480,108)</b>   | (226,834)        | (206,586)        | <b>(433,420)</b>   |
| Accounts Receivable (Current and Noncurrent) (2)          | 1,544,557        | 563,632          | <b>2,108,189</b>   | 1,264,400        | 561,717          | <b>1,826,117</b>   |
| Total Assets  | 8,316,138        | 10,487,767       | <b>18,803,905</b>  | 7,492,649        | 9,164,547        | <b>16,657,196</b>  |
| Total Liabilities (Current and Noncurrent)                | 4,119,797        | 4,939,908        | <b>9,059,705</b>   | 3,884,700        | 3,985,609        | <b>7,870,309</b>   |
| Number of Users – Unaudited/Not Review ed (3)             | 3,448,900        | 2,517,885        | -                  | 3,410,686        | 2,445,588        | -                  |
| Volume Thousand m³ Invoiced - Unaudited/Not Review ed (4) | 559,577          | 441,056          | -                  | 534,594          | 412,909          | -                  |

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

(2) Presented by the gross value.

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

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

# Companhia de Saneamento do Paraná – SANEPAR

## NOTES TO THE FINANCIAL STATEMENTS

Base date December 31, 2023

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

### 29. INSURANCE

The Company has an insurance contract with MAPFRE Seguros Gerais S/A covering its main assets located in several localities throughout the State of Paraná, for the amount of R\$1,954,103, with coverage term from 03/14/2023 to 03/14/2024, contemplating basic coverage for fire, wind, and electrical damages to the equipment.

| Assets                             | Amount Insured   |
|------------------------------------|------------------|
| Buildings                          | 1,030,516        |
| Machinery, Equipments and Vehicles | 835,324          |
| Inventories                        | 88,263           |
| <b>Total</b>                       | <b>1,954,103</b> |

Additionally, the Company has Judicial Guarantee Insurance policies to guarantee amounts that would be deposited and/or replace amounts already deposited and/or assets pledged in labor, civil, tax, and environmental lawsuits. Up to December 31, 2023, the Company offered guarantees throughout the Surety Bond in 401 lawsuits in the amount of R\$390,656 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 of Board Members, Directors and Management 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.

### 30. SUBSEQUENT EVENTS

On January 22, 2024, the Closing Announcement of the Public Offering for the distribution of simple debentures, not convertible into shares, of the unsecured type, was published, in a single series of the 14th issuance of debentures, in the amount of R\$600 million.

On January 25, 2024, the Board of Directors, at the 1st/2024 Ordinary Meeting, approved the opening of the Bidding Process to carry out an international bidding process to contract Public-Private Partnerships, in the form of an administrative concession, for the provision of collection, transport, treatment and adequate final disposal of sanitary sewage, including the execution of works, maintenance and operation activities, following applicable standards and regulations, covering 36 municipalities in the Central-East Microregion and 76 municipalities in West Microregion, totaling 112 municipalities served by Sanepar, subdivided into 3 lots, with an execution period of 24 years.

On February 7, 2024, the Company communicated to its shareholders, investors, and the market in general, that it received, on this date, from the Legal Director, Mr. Raul Clei Cocco Siqueira, a request to resign from his duties with the Company.

# Companhia de Saneamento do Paraná – SANEPAR

## NOTES TO THE FINANCIAL STATEMENTS

Base date December 31, 2023

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

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### **EXECUTIVE BOARD**

Claudio Stabile – CEO

Abel Demetrio – CFO and Investor Relations Officer

Sergio Wippel - Director of Operations

Leura Lucia Conte de Oliveira - Investment Director

Elerian do Rocio Zanetti - Commercial Director

Raul Clei Cocco Siqueira - Deputy Legal Director

Fernando Mauro Nascimento Guedes – Administrative Director

Julio Cesar Gonchorosky - Environmental and Social Action Director

Anatalicio Ridsen Junio – Innovation and New Business Director

### **BOARD OF DIRECTORS**

Vilson Ribeiro de Andrade - President

João Biral Junior

Rodrigo Sanchez Rios

Reginaldo Ferreira Alexandre

Eduardo Francisco Sciarra

Claudio Stabile

Joisa Campanher Dutra Saraiva

Milton José Paizani

Elton Evandro Marafigo

### **FISCAL COUNCIL**

Henrique Domakoski - President

Adriano Rogerio Goedert

Jeriel dos Passos

André Luís Rennó Guimarães



# Companhia de Saneamento do Paraná – SANEPAR

## NOTES TO THE FINANCIAL STATEMENTS

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

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### **STATUTORY AUDIT COMMITTEE**

Artemio Bertholini - President

João Paulo de Castro

Pedro Armando de Lima Funes

Milton José Paizani

### **ACCOUNTANT**

Ozires Kloster

Accounting Manager

Accountant

CRC-PR 030.386/O-8



**INDENPENDENT  
AUDITORS'  
REPORT**

## INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS

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

### Opinion on the financial statements

We have audited the financial statements of **Companhia de Saneamento do Paraná - Sanepar (“the Company”)**, which comprise the statement of financial position as at December 31, 2023 and the respective statements of income, comprehensive income, changes in equity and cash flows for the year then ended, as well as the corresponding notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, its financial performance and its cash flows for the year then ended in accordance with Brazilian accounting practices and International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB).

### Basis for opinion on the financial statements

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

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### **Pension plan and health insurance**

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

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

#### **Recognition of unbilled revenue**

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

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

#### **Audit response to the matter**

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

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

#### **Audit response to the matter**

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

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

#### **Administrative proceedings and court claims**

As described in Note 18, the Company is a passive party in several labor, civil, environmental and tax proceedings, whose provision for contingencies amounts to R\$ 858,613 thousand as of December 31, 2023, as a result of its operating activities.

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

#### **Concession/Program agreements**

As disclosed in Notes 10, 11 and 13.b to the financial statements, the Company maintains the amount of R\$ 708,227 thousand recorded as Contractual Financial Assets, R\$ 2,761,013 thousand recorded as Contract Asset and R\$ 10,343,667 thousand recorded in Intangible Assets as of December 31, 2023, related to investments made in accordance with its sanitation services program/concession agreements. The values of Intangible Assets are expected to recover over the respective program/concession agreements, based on the receipt of tariffs for services provided to users, while the values of the Contractual Financial Assets represent the portion indemnified by the grantor at the time of termination of the agreement.

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

#### **Audit response to the matter**

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

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

#### **Audit response to the matter**

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

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

## Other matters

### Statements of value added

The financial statements referred to above include the statements of value added, prepared under the responsibility of the Company's Executive Board for the year ended December 31, 2023, and presented as supplemental information for IFRS purposes. That financial information was submitted to the same audit procedures followed for the audit of the Company's financial statements. In order to form an opinion, we have checked whether this financial information is reconciled with the financial statements and accounting records, as applicable, and whether its form and contents meet the criteria established in NBC TG 09 - Statement of Value Added. In our opinion, the statements of value added were properly prepared, in all material respects, in accordance with the criteria established in that technical pronouncement and are consistent with the financial statements taken as a whole.

### Other information accompanying the financial statements

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

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

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

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

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

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

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

## Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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


Curitiba, February 08, 2024.



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

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





**EXECUTIVE DIRECTORS'  
DECLARATION  
ON FINANCIAL  
STATEMENTS**

## STATEMENT

By this instrument, the Executive Board of Companhia de Saneamento do Paraná -Sanepar, a state-owned public company, with its headquarters at Rua Engenheiros Rebouças 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 December 31, 2023.

Curitiba, January 29, 2024.

**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



**EXECUTIVE DIRECTORS'  
STATEMENT  
ON THE INDEPENDENT  
AUDITORS' REPORT**

## STATEMENT

Buy 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, has reviewed, discussed and agreed with the opinions stated in the audit report issued by BDO RCS Auditores Independentes S.S. Ltda with respect to the Sanepar interim financial statements for the period ended on December 31, 2023.

Curitiba, February 08, 2024.

**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

**JULIO CESAR GONCHOROSKY**  
Chief of Environment and Social  
Action Officer

**FERNANDO MAURO NASCIMENTO GUEDES**  
Chief Administrative Officer

**ANATALICIO RISDEN JUNIOR**  
Chief of Innovation and New  
Business Officer



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

## SUMMARY ANNUAL REPORT OF THE STATUTORY AUDIT COMMITTEE – 2023

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

### Introduction

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

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

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

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

BDO RCS Auditores Independentes was responsible for auditing the Company's financial statements for the year ended on December 31, 2023, and for the special review of its interim financial information. Its regular scope of work also includes assessments regarding the quality and adequacy of internal control systems and compliance with applicable legal and regulatory provisions.

### CAE's main activities in the fiscal year

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

The CAE held several formal meetings with the Company's Administrators, with “Fundação Sanepar” Administrators, with the affiliated company CS Bioenergia (incorporated in December 2023), with the members of the Fiscal Council, and with the Independent Auditors.

In particular, these meetings addressed issues related to the preparation and disclosure of financial statements and their corporate and tax implications, risk management and internal controls and transactions involving related parties.

In dialogues between CAE members and internal auditors, external auditors and those responsible for risk management, their work plans were assessed and their results, conclusions and recommendations were made reported. During the 2023 fiscal year, several improvements were discussed and recommended in the scope, work methodology and team dimensioning for Internal Audit and Risk Management, especially regarding improvements for the PAINT - Annual Plan of Internal Audit to be executed in 2024.

### Conclusion

The CAE's opinions and considerations are based on the data and information submitted to it by the Company's Management (especially Accounting, Legal, Risk Management and Internal Audit areas), its affiliate CS Bioenergia, the Foundations involved in meeting the benefits to its employees, and the External Audit. With regard to the External Audit, the CAE did not identify a situation that could affect its independence and is not aware of material-technical differences between Management, the Independent Auditors and the CAE itself.

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

With regard to the Internal Audit, the results of its work over the course of 2023 did not reveal significant deviations or flaws in the procedures related to the effectiveness of the internal controls adopted by the Company, as well as in terms of adherence to the policies and practices established by Management and compliance with rules and regulations applicable to the activity.

The CAE considers that all relevant matters for its performance were properly covered in its due diligence and discussions with the Company's Management, which allows it to conclude that they are being properly disclosed in the financial statements for the fiscal year ended December 31, 2023, accompanied by the opinion of the independent auditors. Accordingly, the Board of Directors is recommended to approve said audited financial statements.

Curitiba, February 8, 2024.

**Artemio Bertholini**  
Chairman of the Statutory Audit Committee

**João Paulo de Castro**  
Member

**Pedro Armando de Lima Funes**  
Member

**Milton José Paizani**  
Member



**FISCAL  
COUNCIL  
OPINION**



## **FISCAL COUNCIL OPINION**

The members of the Fiscal Council of Companhia de Saneamento do Paraná - SANEPAR, within their duties and responsibilities, which do not include accounting and auditing activities in the Company, analyzed the Management Report, the Financial Statements and the Proposal for Allocation of Profits for the fiscal year ended on December 31, 2023 and which were approved by the Board of Directors on February 8, 2024.

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

Curitiba, February 8, 2024.

**HENRIQUE DOMAKOSKI**  
Chairman

**ADRIANO ROGÉRIO GOEDERT**  
Member

**JERIEL DOS PASSOS**  
Member

**ANDRÉ LUÍS RENNÓ GUIMARÃES**  
Member



# **INVESTMENT PROGRAM**

## INVESTMENT PROGRAM

Companhia de Saneamento do Paraná – Sanepar ("Company"), in compliance with the provisions of CVM Resolution No. 44/2021, hereby notifies its shareholders, investors and the market at large that the Board of Directors, at its 11th/2023 Ordinary Meeting held on this date, approved the Five-Year Investment Plan for the 2024-2028 period.

### FIVE-YEAR INVESTMENT PLAN - 2024 to 2028 (million BRL)

|                                | 2023 *         | 2024           | 2025           | 2026           | 2027           | 2028           | 2024 to 2028    |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| Regulatory Capex **            | 1.814,9        | 2.101,9        | 2.095,7        | 1.610,9        | 1.367,2        | 1.551,3        | 8.727,0         |
| Solid Waste / Industrial Water | 6,5            | 4,9            | 9,1            | 0,6            | 0,5            | 1,7            | 16,8            |
| Capitalization **              | 157,6          | 179,4          | 189,5          | 198,4          | 197,1          | 201,9          | 966,3           |
| Network Donations              | 32,4           | 28,3           | 29,0           | 29,6           | 30,4           | 30,9           | 148,2           |
| Partnerships **                | -              | 67,4           | 200,9          | 330,1          | 382,3          | 376,8          | 1.357,5         |
| <b>Total</b>                   | <b>2.011,4</b> | <b>2.381,9</b> | <b>2.524,2</b> | <b>2.169,6</b> | <b>1.977,5</b> | <b>2.162,6</b> | <b>11.215,8</b> |

|              | 2023 *         | 2024           | 2025           | 2026           | 2027           | 2028           | 2024 to 2028    |
|--------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| Water        | 719,9          | 778,9          | 635,4          | 581,9          | 607,6          | 808,5          | 3.412,3         |
| Sewage       | 1.146,6        | 1.469,1        | 1.785,2        | 1.515,7        | 1.279,1        | 1.303,2        | 7.352,3         |
| Others       | 144,9          | 133,9          | 103,6          | 72,0           | 90,8           | 50,9           | 451,2           |
| <b>Total</b> | <b>2.011,4</b> | <b>2.381,9</b> | <b>2.524,2</b> | <b>2.169,6</b> | <b>1.977,5</b> | <b>2.162,6</b> | <b>11.215,8</b> |

\* Value of the multi-year Investment Plan disclosed in the Material Fact of 07/12/2022.

\*\* Components of the water and sewage tariff base of the Company, as per the 2nd Periodic Tariff Review (RTP).

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

## **DISCLAIMER**

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

