

**Videoconference Transcript**  
**SANEPAR**  
**3Q23 Results**

**Operator:**

Good afternoon, everyone, and thank you for waiting. Welcome to the videoconference for the release of the 3Q23 results of Companhia de Saneamento do Paraná, Sanepar.

Please be informed that this videoconference is being recorded and will be made available on the Company's IR website at [ri.sanepar.com.br](http://ri.sanepar.com.br), where the complete material of our results disclosure is also accessible. You can download the presentation in English as well from the chat icon.

During the Company's presentation, all participants will have their microphones muted. Following that, we will start the Q&A session. To ask questions, click on the Q&A icon at the bottom of your screen. Write your question to join the queue. When announced, a request to activate your microphone will appear on the screen, and then you should enable your microphone to ask questions. We recommend that questions be submitted all at once.

If, for any reason, your question is not addressed during the event, please forward it to the email: [ri@sanepar.com.br](mailto:ri@sanepar.com.br).

We emphasize that the information in this presentation and any statements made during the videoconference regarding Sanepar's business prospects, projections, and operational and financial goals constitute beliefs and assumptions of the Company's management, as well as information currently available.

Future considerations are not performance guarantees. They involve risks, uncertainties, and assumptions as they relate to future events and, therefore, depend on circumstances that may or may not occur.

Investors should understand that general economic conditions, market conditions, and other operational factors may affect the Company's future performance and lead to results that differ materially from those expressed in such future considerations.

To begin, we will now turn the floor over to the Chief Financial Officer and Investor Relations Director, Abel Demetrio.

**Abel Demetrio:**

Good afternoon, everyone. Thank you, Rodrigo.

Here with me today are: Leura Lúcia Conte de Oliveira, our Director of Investments; Ozires Kloster, our Accounting Manager; Ricardo Garcia Gonçalves, our IR Manager, along with his team; and also joining us by phone is our President.

I would like to invite him at this moment to share his initial remarks and extend a warm welcome to our event. Please, President Claudio.

**Claudio Stabile:**

Good afternoon, everyone. Certainly, all information and clarifications will be provided by Abel's team, with Ozires and, if necessary, also with Leura from the DI. But I would like to briefly talk to you about this special year that Sanepar has been experiencing.

For the third consecutive year, the Company has been recognized as the most innovative in the infrastructure sector by Valor Econômico. We have been reaffirmed for the third consecutive year with triple A ratings from Fitch and Moody's. According to Valor 1000, we are considered the best sanitation company in Brazil.

And last night, we received the Transparency Award from Anefac, Transparency in (3:28), first in our group, with revenues ranging from R\$5 billion to R\$20 billion. While the top ten companies were awarded, we stand out among the best in this category of R\$5 billion to R\$20 billion.

So, for us, this year has been a recognition of all this hard work, and this also touches those of you who are listening because it is due to your trust that we have been able to lead the Company in this way and have a leading role not only in Brazil but also starting in South America and possibly in Latin America.

Thank you very much. Directors, please continue. Good afternoon to everyone!

**Abel Demetrio:**

Thank you. Let's proceed with our presentation.

The objective here is to present the results for 3Q23, along with the accumulated until September 2023. Highlights for the quarter include a 12.1% growth in net revenue. Over nine months, it has increased by 9.5%.

Our EBITDA grew by 35.7% in 3Q23 and by 30.6% over nine months. The net profit for 3Q23 increased by 44.3%, and over nine months, it rose by 42.2%. All these variations are compared to the same period in 2022.

In operational matters, we saw an increase of 31.8 thousand new water connections and 51.7 thousand new sewage connections in the third quarter. We have finally reached 80%, as we were very close in 2Q23. We now have 80.2% of collected sewage, and 100% of this collected sewage is treated.

The Company achieved water universalization several years ago, and we continue to maintain 100%.

Our EBITDA margin reached 48.4% in 3Q23, and over nine months, it stands at 45.8%.

The investments made by the Company in 3Q23 amounted to R\$491.5 million, and over nine months, they totaled R\$1,371.7 million.

We are already members of B3's Diversity Portfolio, IDIVERSA. As the president mentioned, we received the Transparency Trophy for the financial statements of the 2022 fiscal year.

Let's review some operational highlights over nine months. Regarding water, our billed volume increased by 4% in nine months, with a total addition of 30,718 new connections.

In terms of sewage, we had a billed volume 6.1% higher than in 3Q23 and an increase of 73,107 new sewage connections.

Regarding delinquency, our delinquency rate decreased by 3.4% in the first nine months of 2023, and losses were 221.2 liters per connection per day, 1.8% higher than in 3Q22.

However, it's important to note that at the beginning of last year, we had water rationing, which naturally led to a lower loss rate.

Moving on to the volume of our reservoirs, at the end of September, we had 99% of our four reservoirs in the Saic system here in Curitiba and the Metropolitan Region. With the rains in October and November, our reservoirs are now at 100%, providing us with water availability guarantees for the coming months.

Regarding performance indicators, the Company closely monitors these indicators as they are tied to obligations related to the debts incurred.

In relation to Covenants, for the public debentures issued in the 9th, 10th, 11th, 12th, and 13th issuances, where the net debt by adjusted EBITDA must be less than or equal to three, we are at 1.53 at the end of September 2023.

For the adjusted EBITDA measured by net financial expense, which must be greater than or equal to 1.5, we are at 11.59 times.

Concerning the BNDES system, where we have both direct financing and private debentures issued through the 2nd, 4th, and 7th issuances, the net debt by EBITDA, which must be less than or equal to 3, stands at 1.62.

The EBITDA by debt service, which must be greater than or equal to 1.5, is at 2.89. For other onerous debts, such as provisions for health plans, pensions, and any electricity installment payments - which the Company currently does not have - the requirement is less than or equal to 1, and we are at 0.38%.

We also have some - not all, but some - contractual covenants in contracts with Caixa. They are the same as those reported earlier, except for other onerous debts, which, instead of being measured by EBITDA, are measured by adjusted EBITDA, where the requirement is less than or equal to 1, and we are at a comfortable 0.36.

We also have covenants in the KFW contract. The €50 million contract is in the disbursement phase.

We have a different covenant index here, the debt ratio, which must be a maximum of 60%, and we are at 48.1%.

In terms of other indicators, we have discussed the 45.8% EBITDA for the nine months of 2023. The annualized ROIC is 12.2%, and the annualized ROE is 16.3%. All these indices are at the end of the nine months of 2023.

Moving on to the next slide, I will talk a bit about the Company's financial performance. Our net revenue grew by 9.5%, reaching R\$4.596 billion. Our EBITDA reached R\$2.105 billion in nine months, a 30.6% increase.

Net profit increased by 42.2%, reaching R\$1.139 billion, with a net margin of 24.8%.

Operational expenses, those impacting EBITDA, decreased by 3.7%, totaling R\$2.491 billion in the nine-month period of 2023.

On the next page, I'll continue discussing financial performance. Regarding cash generation and EBITDA conversion, we generated cash of R\$1.731 billion, a 17.4% increase, with an EBITDA-to-cash conversion of 82.2%.

Speaking of our debt and leverage, our net debt is R\$4.401 billion. It is composed of short-term debts of R\$664 million, with maturities in the next twelve months. Gross debt is R\$5.013 billion, with total indebtedness of R\$5.677 billion.

This amount, reduced by cash and cash equivalents and equipment, was R\$1.273 billion at the end of September. So, we have a net debt of R\$4.401 billion for the Company with a leverage of 1.6 times, very much in line with the end of 2022.

The weighted average cost of debt was 11.7%. The CAPEX spent in the nine-month period was R\$1.372 billion, an 8.7% increase compared to 3Q22.

The main investment driver here is in sanitation, where 56% of the total volume invested in the period was allocated, followed by water, with 39%.

On the next page, I'll talk a bit about 3Q23. Net revenue grew by 12.1%. This growth is primarily due to the tariff adjustment of 8.3% starting on May 17, but also due to the strong increase in billed water volumes, which was 4%, and sewage, which was 6.1%, as well as the expansion of the number of water and sewage connections mentioned earlier.

The total costs and expenses over nine months, both those impacting EBITDA and others, were reduced by 0.9% compared to the same period in 2022.

Looking at the nine-month period, our net revenue grew by 9.5%. Personnel costs increased by 5.8%.

Regarding personnel, mainly due to the salary adjustment of employees, which was 5.5%, following the variation of the INPC - the National Consumer Price Index, from IBGE.

We also had a 15% increase in the Company's health plan from June. These were two of the main impacts, in addition to some labor lawsuits that impacted this 5.8% rate.

In terms of materials, there was a growth of 11.8%. This increase is mainly due to operational system materials, electromechanical maintenance, laboratory materials, treatment materials, and network maintenance.

Regarding electricity, we had a 13.5% reduction in nine months. However, in 3Q23, there was an increase of 15.7% due to the tariff adjustment from June 24 and the end of the 3% subsidy, resulting in a 15.7% increase in 3Q23. But over the nine-month period, there is a 13.5% reduction.

Other accounts: third-party services grew by 14.3%. The main items contributing to the growth in third-party services were related to customer registration and billing, primarily due to all the Company's commercial activities and the installment of customer debts that the Company has been offering. Therefore, with more registrations and more cut-offs without connections being made, there was an increase in this cost.

Security services, network maintenance, operational technical services, and sewage waste removal services were other items that impacted this general and tax account.

Civil, labor, and environmental provisions increased by 47.8%. Financial expenses and revenues grew by 3.1%, and other costs and expenses had a reduction of 51.3%, heavily impacted by the Reclip program, where the Company has been able to negotiate debt installments with its customers.

It's important to note that the Company refrained from cutting off water for the population for 41 months and later allowed debt repayment plans for up to 60 months for the population. Now, the focus is on recovering past-due credits.

These are the main impacts on other costs and expenses, which were reduced by 51.3% in the period.

Moving on to the balance sheet, our net debt grew by 13.1%, mainly due to loans, financing, and debentures in response to the increase in our investment plan.

In operational working capital, there was an increase of 25.3%, mainly due to accounts receivable growing from provision reversals, installment plans, and credit recovery. This specific account increased by 27%, reaching R\$1,539,077,000.

Other assets and liabilities grew by 1.5%, very much in line with the end of 2022. The Company's major effort here is in the area of contract assets, in the immobilization of works, as Geper uses the metric of immobilized works to compose the base of regulatory assets.

Therefore, there is a comprehensive management effort by the Company in timely immobilizing works so that they can become part of the regulatory assets base.

The Company's net equity closed September at R\$9.497 billion. Our working capital turnover of 55 days also increased because accounts receivable are 27% higher than at the end of 2022, due to the restructuring, as mentioned earlier.

Moving on to the cash flows, operational activities generated cash of R\$1.730.667.000, a 17.3% increase.

The net income for the period increased by 8.9% in this account. Investment activities consumed cash of R\$1.372 billion, an 8.5% increase.

As for financing activities, which represent the net amount between new loans and financing obtained by the Company, they amounted to approximately R\$879 million. Dividend payments were around R\$385 million. Loan amortization reached R\$683 million. Lease payments were R\$80 million. The net effect was a reduction of R\$289 million in cash.

At the end of the day, there was an increase of R\$68.160 million, bringing the cash from the end of the year, which was R\$1.207 billion, to R\$1.276 billion at the end of September 2023.

Rodrigo, this concludes the presentation. We now move on to the question and answer session, should there be any inquiries. Thank you.

**Reinaldo Veríssimo, Investor:**

Congratulations on the results.

Could you please inform us if the issue with the municipality of Maringá has been resolved? I would also like to know if joint actions with Aegea have been initiated.

**Abel Demetrio:**

Thank you, Reinaldo, for your question.

Before I begin the response, I would also like to introduce Dr. Julio Cesar Gonchorosky, our Director of Environment and Social Action, who has joined us at the table.

Regarding the issue with the municipality and the agreement being sought with the city of Maringá, we have not yet received a definitive response from the city. So, we do not have a solution to this matter at the present time.

Regarding the PPP issue, I will pass the floor to Leura, who has more details on the topic.

**Leura Lúcia Conte de Oliveira:**

Good afternoon, everyone.

Yes, last week, the contract was officially signed. Various meetings on relevant topics such as legalizations, licenses, the project itself, and the approach to the initial phase have started.

We are still in a very preliminary phase of the start of operations. The assisted operation will be carried out in collaboration with Sanepar. Officially, the operation by Ambiental Paraná will begin in 2024. The Company's autonomous operation will also begin in early 2024.

**Leandro Aguiar, Investor:**

Dear all, good afternoon. I would like to congratulate the entire team on the excellent results. It was possible to identify margin improvements in some business areas, which may result in a historical record in the upcoming annual results release.

I have three questions for the Company at this moment. I will read one at a time, waiting for the response.

Number one: What implemented actions are proving successful in reducing the number of water losses per connection per day? Do we have any innovative, systemic projects, or new initiatives to address this issue?

**Leura Lúcia Conte de Oliveira:**

Historically, Sanepar has been a reference in reducing losses, with well-structured and consistent efforts in this regard.

However, in the last three years, I would say, Sanepar has made significant progress in reducing losses, excluding the pandemic period when we had water rationing. Despite that, the work is being done in a very organized manner, through performance-based contracts, where the service provider's performance is remunerated based on effective results.

We have consistently achieved results, and the Company is even working, perhaps not in a consortium, but collaborating in other countries, as Sanepar has become a reference in loss reduction activities.

**Claudio Stabile:**

We have a mix of technologies regarding the issue of losses, which includes not only leaks but also clandestine connections.

In the next few days, we are set to establish a partnership with the Inter-American Development Bank (IDB) to start using a satellite tracking system related to this issue. This will complement the other fronts we are working on, and with this combination, we will achieve even more efficiency in reducing losses.

**Leandro Aguiar:**

Could you please elaborate a bit on what the business vision and pipeline are for Sanepar regarding future results, beyond five years, with the acquisition of CS Bioenergia?

**Abel Demetrio:**

Hello Leandro, thank you for this second question.

The Company, at this moment, has acquired CS Energia. We are in the transition phase to incorporate it into Sanepar's assets.

It's worth noting that CS Bio is close to one of the largest sewage treatment plants of the Company, ETE Belém. Currently, it already generates electricity used in the Company's network, contributing to cost reduction.

Alongside this station, we have the biogas generation aspect of CS Bioenergia itself. It already receives waste from Ceasa, for example. Not only from Ceasa but also from places like shopping malls and restaurants, which contribute to the calorific value of the plant.

Obviously, we need to first address the investment issue in the plant itself. We have expansion potential, including the generation of new products, with better utilization of potential by-products, such as products for agriculture.

So, we can certainly say that it is a plant with great potential for generating various by-products, primarily due to the size and scale of the Belém sewage treatment plant, which provides the raw material and all the potential it has in various by-products. It can even be a sewage treatment plant with energy efficiency, reducing costs through various energy generation techniques.

**Leandro Aguiar:**

Perfect. The third question is: any updates on the tax process with the Union? Any judicial execution?

**Abel Demetrio:**

Regarding this significant tax process, the Company remains focused. Together with a hired law firm, we closely monitor every step. However, as of now, there hasn't been progress in the process, but we eagerly await advancement and recognition of this matter.

We understand that the next step would be the issue of precatory judgments, which would give the Company the possibility to foresee a resolution for this credit. However, at the moment, we have not received an update.

**Ângelo Ferreira, Investor:**

How does the Company plan to finance investments in the coming years? What could be the CAPEX value?

**Abel Demetrio:**

On November 8, the Company released a relevant fact, disclosing its CAPEX plan for the next five years, from 2024 to 2028. The total plan amounts to R\$11.215 billion.

Historically, the Company finances its CAPEX with third-party resources, especially through more affordable credit lines from public banks such as Caixa Econômica Federal and the Banco Nacional de Desenvolvimento Econômico e Social (BNDES). Additionally, the Company taps into the financial market by issuing debentures to raise a portion of the funds for its investment plan.

Typically, around 50% of the resources come from third-party funding, and the other 50% is from the Company's own capital, reinvested from its results. This approach helps the Company execute its business plans, both for past investments and those planned for the future.

**Yuri Goulart, Trilha Investimentos:**

Good afternoon. Thank you for the opportunity. If you could elaborate a bit more on two points, I would appreciate it.

Point number one: in the OPEX for the quarter, it is particularly noteworthy the provisions for contingencies line, with a 50% year-over-year decrease, and the credit realization line, with a gain of R\$43 million in this quarter.

Could you provide more details on these two movements? And what would be the recurring level of these items going forward?

**Abel Demetrio:**

Yuri, regarding the 50% decrease in OPEX, it is mainly due to the Reclip program. We have a recovery of past arrears through this program, which the Company went through.

Let's recall that in March 2020, we had the pandemic. The Company not only suspended water cutoffs for non-payment but also reconnected those that had been cut in 2020, taking a genuine action related to the "S" in Social.

We went 41 months without water cutoffs, obviously benefiting the population, which also went through a severe crisis at the time.

Later, with the end of the pandemic, we had the opportunity to launch a credit recovery plan with the population, providing conditions for people to initially parcel their debts up to 60 times.

Obviously, during the period when the Company did not have water cutoffs, arrears increased.

We looked at this historically, although the Company has very low arrears, we saw an increase in arrears and now, with the actions, the Company is reversing part of its provision regarding this point.

So, this is an important point that brings a favorable result to the Company at this time.

Another issue is the provisions, with a 43% reversal, from what I understood from the question, it's related to provisions for health and pension plans.

Thus, due to a comprehensive actuarial analysis conducted by the Company following accounting requirements, we have an annual provision for current expenses. What happened this year was more favorable to the Company than what was done last year, in 2022.

Obviously, due to fluctuations in interest rates in the country, inflation projections, we need to recalculate the figures for 2024 and the following years.



So, at this moment, we cannot provide the outlook if this account will increase or decrease because we obviously depend on future rate closures, which will be done towards the end of the year.

Regarding the Reclip, which is another account, we had a good recovery so far. Many accounts have already been recovered, and we understand that we should normalize this positive result in the three to six-month horizon, and then we would have a more regular situation regarding this account as well.

**Yuri Goulart:**

Thank you, Abel.

The second point is: it caught my attention that the CAPEX for 3Q23 is lower than the CAPEX for 3Q22. This is a different dynamic from what was observed in recent quarters. What caused the lower investment in this quarter? Is it an expected adjustment in the Company's business plan, given that there was a higher CAPEX volume in the first half of the year?

**Abel Demetrio:**

No, what actually happened last year, in 3Q22, we had some non-recurring events, mainly in other investments because when we consider only the water account, the investment in water increased, and the investment in sewage also increased in the period. So, it was a comparative base from 3Q22 that we attribute to this reduction.

But as I mentioned, the Company's investment plan for the next five years is R\$11.2 billion, even higher than the R\$10.7 billion for the period from 2023 to 2027.

**Bruno Varela, Solana Capital:**

Good afternoon. Could you disclose the amount of the provision for doubtful debt reversals?

And what percentage of net revenue do you believe to be recurring after the end of this period of adjusting past accounts?

**Abel Demetrio:**

Bruno, I can answer your question regarding the reversal of credit realization losses. Over the nine-month period, we had a reversal of R\$88.055 million. That's the information I can provide at this moment.

But I will ask Ricardo, our IR manager, to note your second question, and we will get in touch to provide you with the correct information regarding this matter.

**Sérgio Abreu, Investor Relations Professional:**

What are the main causes of the increase in expenses with judicial processes CPC 25?

**Ozires Kloster:**

Good afternoon. Thank you, Sérgio, for the question. Indeed, we had significant variations in provisions, especially in labor-related ones.

We have some recurring actions, mainly from the engineers' union. So, we had updates on actions throughout the period.

If we compare the nine months, there was indeed a significant growth in provisions. And some actions, also labor-related, regarding reinstatement, mainly for retirees, from the period 2008 to 2011. Some employees who were retired at the time were laid off and filed lawsuits and ended up winning, succeeding in these actions.

So, mainly, this variation is in labor relations. If we look at the quarter, there was indeed a decrease compared to the quarter of last year, but in the nine months, we have a quite significant growth.

**Leandro Rodrigues, Investor:**

Good afternoon. First, congratulations to the management for the results.

Could you elaborate a bit on the general idea of investing in startups, in partnership with Finep?

**Abel Demetrio:**

Thank you for your question.

The Company, in its quest for innovation, development, cost reduction, and the adoption of technologies that can bring additional revenue to the Company and improve processes, has issued several calls seeking the participation of startup companies. This is aimed at developing the entire business chain, including wastewater treatment, water, energy efficiency, loss reduction, and the reuse of sludge by-products.

Some of these startups are already yielding positive results for the Company through conducted studies. Therefore, this is a strategy that the Company has been pursuing.

We have launched some startup calls that have already shown positive results, and we believe it is a healthy partnership in the pursuit of innovative processes. These processes should help the Company reduce its costs and transform existing problems and expenses into medium- and long-term solutions, aiming for a modest tariff. We understand that users have limited payment capacity.

We aim to explore new markets for the Company's own by-products. We currently seek to responsibly dispose of by-products, waste, primarily from sewage but also from water, with minimal environmental impact. We have conducted several experiments in this regard, with some already proving successful.

We have signed two contracts with Finep, the Financier of Studies and Projects, related to two products. This is a partnership with the Company, including a product developed in collaboration with Copel, a Finep-Sanitary-Copel partnership for a study.

It's worth noting that the Company has been standing out in the field of innovation precisely by presenting viable projects that have demonstrated considerable potential.

Of course, innovation is always a challenge because not all investments yield positive results. That's why the Company also relies on startups to bring in market knowledge, new ideas, and to encourage and, obviously, harvest good results through innovative ideas that are often close to us but may go unnoticed in our day-to-day activities.

This is the Company's main focus regarding this issue.

**Diego Neves, Investor:**

Firstly, I would like to thank the Company for its transparency and excellent results.

Regarding the Company's level of indebtedness, what are the main factors contributing to the increase, and what measures are being taken to reduce it?

Are there ongoing projects or anything we can expect in the upcoming meetings that could either increase or decrease the Company's indebtedness?

**Abel Demetrio:**

Diego, thank you for your question.

As presented, we showed the indicators, especially leverage, that the Company has with financiers, complying with contractual obligations. Our leverage at the end of September is around 1.6 times. Our net debt to EBITDA, a key indicator, is in line with the year-end figure, which was 1.7. Our limit is 3.

When we plan, and the plan was recently approved, we consider all these conditions so that the Company remains healthy with good credit ratings, impacting the cost of its borrowings. We carefully consider the investments made to ensure they are prudent and contribute to the asset base, avoiding undue impact on the Company's results that, in turn, affect EBITDA.

Certainly, investment leverages the Company, but we understand that we currently have well-managed debt with good payment terms. We have many goals to achieve for municipalities and society, such as universalization and loss reduction. Therefore, investment is necessary.

We conduct a comprehensive financial exercise for investments to ensure the Company remains financially healthy. We aim to maintain this and devote all our efforts to keep it that way because we recognize the positive impact of controlled debt. It is necessary for seeking new debts in the market.

As announced, we are in the process of seeking a new issuance of R\$600 million. If we do not have a good image in the market or the market lacks confidence in us, costs will rise, and we may face credit restrictions. Hence, our continuous efforts to meet all financial requirements.

**Eduardo Lazaretti:**

Good afternoon, everyone.

Given the current level of leverage, cash generation, and net profit of the Company, do you believe we might see an increase in the payout or new dividend announcements this year?

**Bruno Varela:**

I would like to know if Sanit is considering any proposals to modify its dividend policy, specifically regarding the payment frequency.

**Abel Demetrio:**

Thank you for the questions.

Certainly, as mentioned in the previous question, we have all the necessary investments to achieve universalization goals. These goals include not only those prominently discussed in the media, such as reaching 99% water coverage (we are already at 100%, aiming for 99% by 2033). We also have other indices, like reducing losses and ensuring uninterrupted service, compliance with environmental regulations, and strong investments in these areas.

Having said that, we have a robust plan and the cash generation capacity to provide the counterpart for these investments. The Company ensures that there are no shortages of resources for these investments, which is crucial.

Currently, our payout ratio can range from 25% to 50%. Decisions regarding the specific volumes to be paid in the coming years will be made later, as we are controlled by the State, and our controller defines dividend payments. At the moment, we follow the policy, with a minimum of 25%. We have practiced payouts at moments ranging from 31% to 32%. Last year, we reached 40%. However, future decisions will determine the payout level and the payment terms for these dividends.

**Marcos Antônio, Investor:**

Congratulations on the excellent results presented. I have two questions.

Number one: Does Sanepar consider conducting share buybacks in the market?

Number two: In the event of the privatization of Sabesp in São Paulo, does Sanepar have any interest in participating in the acquisition of this potential sale?

**Abel Demetrio:**

Regarding the share buyback question, we currently do not have any ongoing studies on this matter.

Also, regarding a potential privatization, we do not have any definitive plans or decisions on this matter at the moment.

**Operator:**

Thank you, Mr. Abel.

We received a question directly from an investor in the IR:

How is the situation with rainfall in União da Vitória and other cities in Paraná? How is Sanepar responding? Is there any significant impact on the Company?

**Julio Cesar Gonchorosky:**

Good afternoon, everyone. Over the past four years, we have experienced extreme weather events, from severe drought in 2020-2021 to unusually heavy rainfall in November.

In the Iguaçu region, the entire basin, we received over 500 millimeters of rainfall in October. This naturally affected the entire community and our operations, flooding sewage treatment plants and complicating water capture. However, we quickly implemented emergency measures to restore public water supply, gradually normalizing the sewage treatment process.

Today, we have restored normal operations throughout the Iguazu Basin. Each of these events helps us deepen our understanding of the need for greater resilience in the face of climate change, as these phenomena become more frequent.

**Abel Demetrio:**

There was also a request from the Civil Defense of the state of Paraná. We have homes in some municipalities of the state that are underwater. In response to our social responsibility, we suspended water disconnections for these residences. It made no sense to cut them off. For two months, these homes, registered with the State Civil Defense and properly controlled by Sanepar, will pay a symbolic fee of only R\$1. This is a social action by the Company to help during this sometimes tragic period of heavy rainfall.

**Marcos Antônio:**

Will the Sanepar Day event be resumed? Do you already have a date set?

**Abel Demetrio:**

Thank you, Marcos. That's a good question.

We conducted the presentation virtually, considering our desire to have closer contact with investors annually. It was a virtual public meeting. Yes, we feel the need to bring investors to the Company, perhaps even organize visits to various locations.

Organizing such an event isn't simple, given that we have more than 500,000 shareholders. It's still in the early stages, and we don't have a date to confirm, but we do intend to hold it.

**Pedro Melo, Meta Asset:**

The Company delivered strong volume growth in the last two quarters, well above average. Does this outlook continue to be strong for 4Q23?

**Abel Demetrio:**

Pedro, the Company does not disclose outlooks. However, indeed, the last quarters had quite reasonable volumetrics for the Company, with growth.

We've mentioned in the past that with the end of the water crisis, with the end of Covid-19, at some point, family consumption, both in terms of product use and consequently water and sewage use, would tend to experience some growth.

When we look at October, for example, it was an extremely rainy month in the state of Paraná. So, obviously, the warmer it is, the more water is used, the higher the consumption.

But the reference we have is that, indeed, in the second and third quarters, we saw this growth event in volumes due to it being repressed, as I mentioned.

However, natural events like excessive rainfall also influence household consumption. Therefore, we do not make projections, so as not to create expectations that may not be confirmed later on.

**Operator:**

Thank you for the response.

We have another question directly from the IR. A question from Fernando.

He would like to know about the progress of the construction of the Miringuava Dam, located in the Metropolitan Region of Curitiba, as he did not find this information in Sanepar's recent results releases.

How is the progress of the works? The completion percentage? Is the progress in accordance with the scheduled timeline? What is the forecast for the completion and start of operation of this dam?

**Leura Lúcia Conte de Oliveira:**

The dam was divided into two phases. The first phase, the dam itself. And the second phase is related to tree cutting, environmental recovery, and subsequently, the subsequent filling.

Regarding the dam, we have already completed it. We have reached the limit quota. We already have pavement on top of the dam crest. It was entirely completed, the earthmoving part.

We had a forecast for the end of October to also finalize electrical, electromechanical, and automation system items, interconnection with our operational control center. But due to the October rains, we needed to postpone it a bit, and it is now scheduled for the thirtieth of November.

So, our date for the completion of the dam, which is the first phase, is scheduled for the thirtieth of November. Everything is progressing very well, but in some situations, we had to stop due to the rains.

There are issues with gates, gate interconnection. All equipment is already in place on the site.

And then we have the completion, with the demobilization of the construction site, which is the last moment for us to start the second phase.

**Julio Cesar Gonchorosky:**

As we mentioned earlier, the so-called second phase of the Miringuava reservoir is an extremely delicate phase. We are talking about a dam with more than 300 hectares of water surface. Consequently, a large vegetation suppression.

The state agency, IAT, our licensor, has already given us the green light for the studies, and we are still awaiting the final analysis from the federal agency, Ibama.

In any case, all vegetation suppression can only begin after the summer because it is the time of identification and reproduction for most species, not only fauna but also vegetation, with flowering, and so on.

We understand that soon after the summer, we can start a more efficient phase in accelerating vegetation suppression and, consequently, filling the dam.

Again, we emphasize that we are doing this with all due care and procedures because we are working in the Atlantic Forest region, in the Serra do Mar, an extremely sensitive area.

Sanepar's greatest commitment is to environmental conservation, and we have projects, works, and equipment that are truly sustainable within this environmental theme, which also contributes to mitigating the effects of climate change.

**Pedro Melo, Meta Asset:**

Is there any progress regarding the improvement of the regulatory framework that the Company is part of, similar to what is happening in São Paulo?

**Abel Demetrio:**

Hello, Pedro, thank you for your question.

It's a very important topic. We have had several meetings with the regulatory agency, first, after the Company's second periodic tariff review, to collectively understand the Company's demands.

In reality, we bring the Company's demands to the regulatory agency, concerning what we believe can be improved in the methodologies. What we believe could have other, perhaps more modern, methodologies.

We have noticed a significant improvement in our regulatory agency. Their participation has been much more effective in various forums. So, we view the progress of the agency on these issues positively.

Certainly, it is an agency that has had a board not recently installed but started working not many years ago. We can perceive significant evolution.

We are already looking at the third tariff revision (RTP), scheduled for 2025, contributing to what the Company can do, often by hiring consulting firms to assist in this process.

And we do see clear methodological development, mainly. It is a very positive aspect of the regulatory agency.

Expectations, I would say, are quite favorable in balancing all understandings. So that the regulatory principles can be applied to the Company, to the sanitation sector in Paraná, always with a balanced approach for all parties involved.

**Operator:**

At this moment, we conclude the question and answer session and pass the floor to the Chief Financial and Investor Relations Officer, Abel Demetrio, for the final considerations of the Company.

**Abel Demetrio:**

To all who participated in this video conference, our gratitude. Thank you for trusting the Company. We are committed to serious work in becoming more efficient. I wish everyone an excellent afternoon and a great weekend. Thank you.

**Operator:**

The results video conference for the 3Q23 of Sanepar is closed. Thank you to all participants, and have a good afternoon.