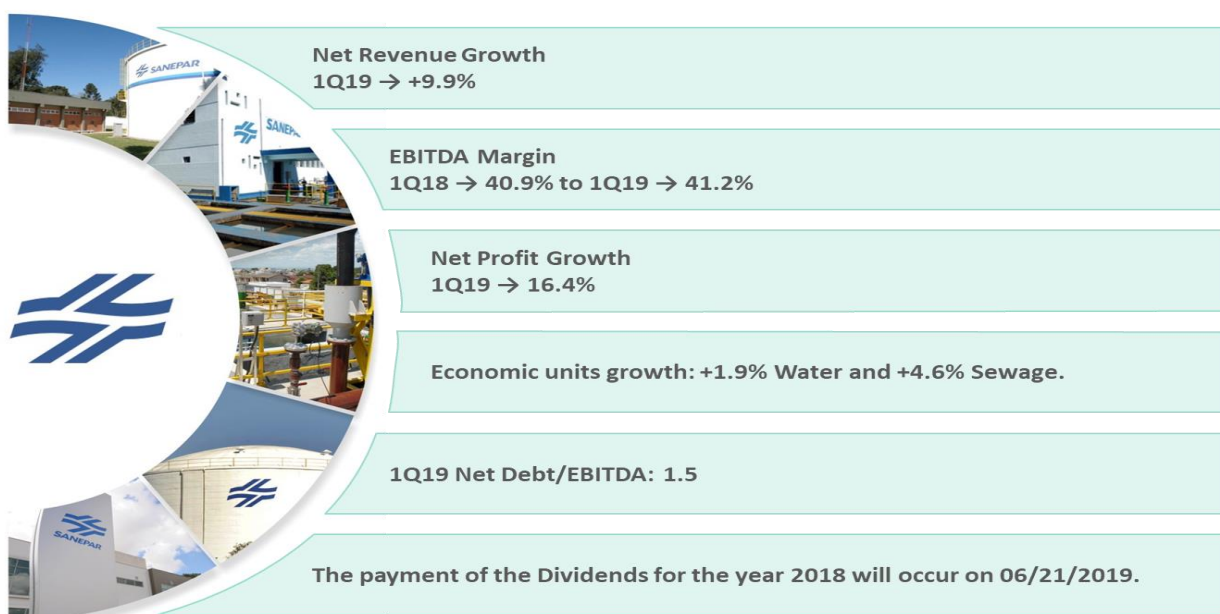


Curitiba, May 07, 2019.

This release features the financial and operational results achieved by Companhia de Saneamento do Paraná – SANEPAR (SAPR3 – ON; SAPR4 – PN; SAPR11 – UNITS) in reference to the 1<sup>st</sup> quarter 2019 (1Q19) and full tax year. The economic information contained herein was prepared in compliance with the accepted accounting practices adopted in Brazil with standards set by the Federal Accounting Council (Conselho Federal de Contabilidade – CFC) and by the Securities Commission (Comissão de Valores Mobiliários – CVM), in alignment with the international accounting standards issued by the Accounting Rules Committee (Comitê de Pronunciamentos Contábeis – CPC).

## Highlights



	1Q19 (1)	1Q18 (2)	Var. (1/2)	1Q17 (3)	Var. (2/3)
Net Revenue	1,098.6	999.4	9.9 %	926.4	7.9 %
Operating Result	370.2	343.4	7.8 %	270.8	26.8 %
EBITDA	452.6	409.2	10.6 %	329.2	24.3 %
Net Profit	217.5	186.9	16.4 %	160.1	16.7 %
ROE (Annualized)	15.8	13.6	2.2 p.p.	13.2	0.4 p.p.
ROIC (Annualized)	12.5	12.0	0.5 p.p.	11.3	0.7 p.p.
Net Debt	2,536.8	2,165.4	17.2 %	1,975.0	9.6 %
Gross Margin	56.6	57.3	-0.7 p.p.	56.7	0.6 p.p.
Operating Margin	27.5	26.7	0.8 p.p.	23.8	2.9 p.p.
Net Margin	19.8	18.7	1.1 p.p.	17.3	1.4 p.p.
EBITDA Margin	41.2	40.9	0.3 p.p.	35.5	5.4 p.p.
Total Current Indebtedness	46.7	48.6	-1.7 p.p.	48.8	-0.4 p.p.

MARKET VALUE  
03/31/2019  
BRL 7.9 billion

SAPR3: 19.65  
SAPR4: 13.90  
SAPR11: 74.95

CONFERENCE CALL  
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INVESTOR RELATIONS

Abel Demetrio  
Sonival Bergamann  
Elzira Koswoski Scaramella  
Fabiane Queiroz Santos Heinisch  
Ricardo Garcia Gonçalves

## 1. OPERATING DATA

### 1.1 MARKET

We present below the 10 major contracts in % of Total Revenue of the Company, as of March 31, 2019:

10 Major Contracts (% of Total Revenue)*					Coverage Index		Total active units (in millions)	
Municipalities	Total Revenue %	Remaining Period of Concession	Type of concession	Type of Contract	Water	Sewage collections	Water	Sewage collections
Curitiba	23.2%	29.3 yrs	Water & Sewage	Program	100%	95.1%	816.4	777.4
Londrina	7.2%	27.3 yrs	Water & Sewage	Program	100%	91.1%	245.9	226.9
Maringá	5.2%	21.4 yrs	Water & Sewage	Concession	100%	100.0%	162.8	173.9
Foz do Iguaçu	3.6%	24.9 yrs	Water & Sewage	Program	100%	77.7%	109.8	86.8
Ponta Grossa	3.5%	7.0 yrs	Water & Sewage	Concession	100%	90.7%	141.1	127.2
Cascavel	3.3%	5.7 yrs	Water & Sewage	Concession	100%	99.9%	123.5	125.8
São José dos Pinhais	2.9%	24.8 yrs	Water & Sewage	Program	100%	72.2%	111.3	81.5
Colombo	1.8%	29.1 yrs	Water & Sewage	Program	100%	62.8%	84.0	54.4
Guarapuava	1.6%	23.6 yrs	Water & Sewage	Program	100%	79.1%	64.2	51.7
Araucária	1.4%	13.5 yrs	Water & Sewage	Concession	100%	74.0%	51.2	37.9
Demais	46.3%						2,030.4	1,175.3
<b>Totais</b>					<b>100%</b>	<b>72.8%</b>	<b>3,940.6</b>	<b>2,918.8</b>

\* Information not reviewed by independent auditors.

The current rate of delivery with treated water is of 100.0% and the coverage of sewage collection is of 73.8% of the urban population within the concession area, with a treatment rate of 100% as per the Corporate Information System.

Revenues stem mainly from residential water connections, representing 90.8% of the total water connections existing at March 31, 2019.

The number of water connections of 3,152,290 in March 2019 is 1.6% higher than the number of connections (3,101,653) existing in March 2018, which represents an increase of 50,637 water connections, as follows:

Number of Water Connections*	MAR/19 (1)	%	MAR/18 (2)	%	Var. % (1/2)
Residential	2,863,530	90.8	2,818,783	90.9	1.6
Commercial	226,005	7.2	220,820	7.1	2.3
Industrial	12,905	0.4	12,722	0.4	1.4
Public Utility	23,672	0.8	23,348	0.8	1.4
Public Administration	26,178	0.8	25,980	0.8	0.8
<b>Total</b>	<b>3,152,290</b>	<b>100.0</b>	<b>3,101,653</b>	<b>100.0</b>	<b>1.6</b>

\* Information not reviewed by independent auditors.

The number of sewage connections of 2,158,491 in March 2019 is 4.7% higher than the number of connections (2,061,330) existing in March 2018, representing an increase of 97,161 new sewage connections, as shown below:

Nombre of Sewage Connections*	MAR/19 (1)	%	MAR/18 (2)	%	Var.% (1/2)
Residential	1,948,970	90.3	1,859,423	90.2	4.8
Commercial	175,507	8.1	169,078	8.2	3.8
Industrial	5,243	0.2	5,054	0.2	3.7
Public Utility	14,885	0.7	14,302	0.7	4.1
Public Administration	13,886	0.7	13,473	0.7	3.1
<b>Total</b>	<b>2,158,491</b>	<b>100.0</b>	<b>2,061,330</b>	<b>100.0</b>	<b>4.7</b>

\* Information not reviewed by independent auditors.

## 1.2 PRODUCTIVITY

In 1Q19, the billed volume of treated water was 137.1 million m<sup>3</sup>, against 129.1 million m<sup>3</sup> in 1Q18, representing a growth of 6.2%, reflecting consumption growth in 1Q19 after falling in the same period of 2018, due to climatic factors (increase in rainfall volume and temperature drop), as shown below:

Invoiced Water Volume - million m <sup>3</sup>	1Q19 (1)	1Q18 (2)	Var. % (1/2)
Residential	116.4	110.1	5.7
Commercial	11.3	10.8	4.6
Industrial	3.6	2.6	38.5
Public Utility	1.1	1.1	0.0
Public Administration	4.7	4.5	4.4
<b>Total</b>	<b>137.1</b>	<b>129.1</b>	<b>6.2</b>

\* Information not reviewed by independent auditors.

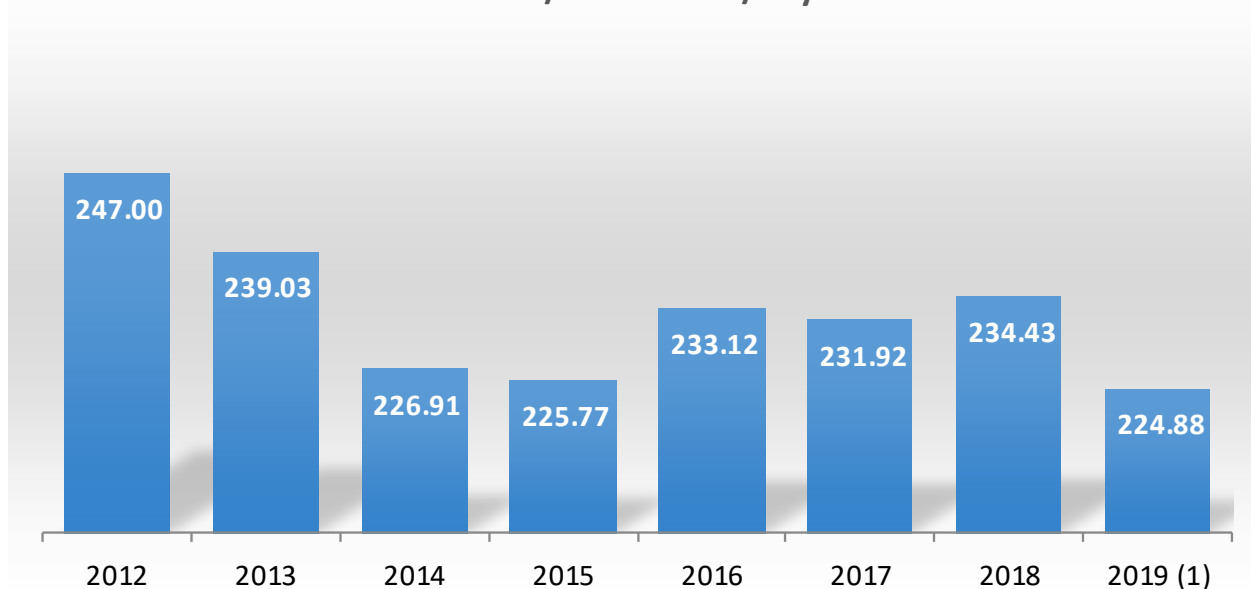
The volume of sewage billed in the first quarter showed an increase of 8.2% as compared to the same period for the previous year, as shown below:

Invoiced Water Volume - million m <sup>3</sup>	1Q19 (1)	1Q18 (2)	Var. % (1/2)
Residential	85.9	79.1	8.6
Commercial	10.3	9.7	6.2
Industrial	0.8	0.7	14.3
Public Utility	0.9	0.9	0.0
Public Administration	3.5	3.3	6.1
<b>Total</b>	<b>101.4</b>	<b>93.7</b>	<b>8.2</b>

\* Information not reviewed by independent auditors.

## DEMONSTRATIVE OF THE LOSS BY CONNECTION\*

Litres/Connection/Day



\* Information not reviewed by independent auditors.

(1) Accumulated amounts from January to March 2019.

Water*	1Q19 (1)	1Q18 (2)	Var. (1/2)	1Q17 (3)	Var. % (2/3)
Units served by the distribution network	3,940,589	3,868,479	1.9 %	3,767,639	2.7 %
Number of treatment stations	168	166	1.2 %	164	1.2 %
Number of wells	1,112	1,070	3.9 %	1,044	2.5 %
Number of surface catchment	229	229	0.0 %	228	0.4 %
Km of laid network	54,373	53,119	2.4 %	51,865	2.4 %
Volume produced (m <sup>3</sup> )	196,146,701	189,701,655	3.4 %	192,398,811	-1.4 %
Loss rate:					
In distribution system (%)	32.58	34.49	-1.91 p.p.	32.39	2.10 p.p.
In Billings (%)	30.11	31.99	-1.88 p.p.	20.15	11.84 p.p.
Evasion of revenues (%)	2.51	1.94	0.57 p.p.	2.88	-0.94 p.p.

Sewage*	1Q19 (1)	1Q18 (2)	Var. (1/2)	1Q17 (3)	Var. % (3)
Units served by the collection network	2,918,825	2,789,849	4,6 %	2,656,202	5,0 %
Number of treatment stations	247	245	0,8 %	239	2,5 %
laid network	36,208	35,407	2,3 %	33,342	6,2 %
Volume collected (m <sup>3</sup> )	97,469,780	89,782,691	8,6 %	91,403,691	-1,8 %

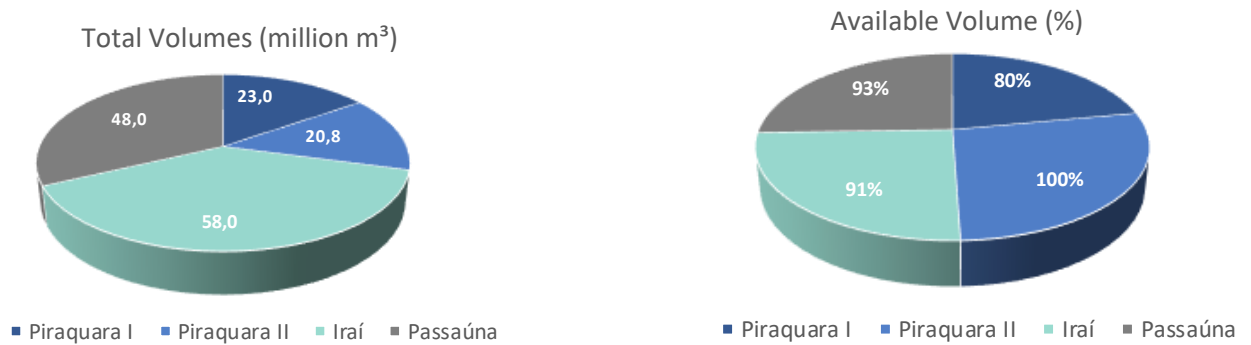
\* Information not reviewed by independent auditors.

## WATER VOLUME

The average volume available of the Integrated Supply System of Curitiba (SAIC) is formed by the dams Piraquara I, Piraquara II, Iraí and Passaúna.

In the Municipality of Foz do Iguaçu, Sanepar uses water from the dam of the hydroelectric power plant Itaipu Binacional, of Itaipu lake, in Paraná River.

The dams of Sanepar are considered of medium size in relation to storage volume, but large due to height/depth of more than 15 meters. Due to the lower rain volume and higher use of the dams, the average storage volume by the end of the quarter was 90,8%.



## 2. FINANCIAL DATA

### 2.1 ECONOMIC PERFORMANCE

Operating Revenue (million R\$)	1Q19 (1)	1Q18 (2)	Var. % (1/2)
Revenues from Water	716.9	658.9	8.8
Revenues from sewage	418.0	376.6	11.0
Revenues from services	34.5	30.7	12.4
Revenues from solid waste	3.0	2.3	30.4
Services provided to Municipalities	4.4	4.0	10.0
Donations made by cliets	3.2	3.0	6.7
Other Revenues	1.3	1.3	-
<b>Total operating revenues</b>	<b>1,181.3</b>	<b>1,076.8</b>	<b>9.7</b>

Gross operating revenue increased 9.7%, from R\$ 1,076.8 million in 1T18 to R\$ 1,181.3 million in 1T19, an increase resulting from the tariff revision of IRT (Annual Tariff Adjustment) of 5.12% in effect as of 05/17/2018 and from the increase in water and sewage services and an increase in the number of connections.

Operating costs and expenses (million R\$)	1Q19 (1)	1Q18 (2)	Var. % (1/2)
Personnel	-245.4	-239.1	2.6
Materials	-42.8	-36.9	16.0
Electricity	-112.9	-93.1	21.3
Trird-party services	-145.6	-140.5	3.6
Depreciation & amortization	-82.4	-65.8	25.2
Losses in Realization of Credits	-5.9	3.5	268.6
Municipal Sanitation & Environmental Management Fund	-15.8	-7.1	122.5
Regulatory Fee	-5.6	-5.2	7.7
Sanepar Rural program	-0.2	-0.4	-50.0
Indemnifications for damages to third parties	-1.2	-3.8	-68.4
Other costs & expenses	-13.3	-17.2	-22.7
Capitalized Expenses	24.7	18.5	33.5
Provision for contingencies	-40.8	-28.8	41.7
Pension Plan & medical insurance	-15.0	-21.5	-30.2
Profit Sharing Program	-22.9	-17.5	30.9
Environmental Fines	-0.7	-	-
Write-off of assets, net	-1.4	-0.5	180.0
Adjustment to Fair Value - Investments	0.1	-	-
Equity in earnings (losses) of controlled companies	-1.3	-0.6	116.7
<b>Total operating costs &amp; expenses</b>	<b>-728.4</b>	<b>-656.0</b>	<b>11.0</b>

Operating costs and expenses accumulated in the first quarter of 2019 increase by 11.0% in comparison to the same period in 2018. The main changes resulted from:

- **Personnel**

Growth of 2.6%, reflecting the Collective Labor Agreement 2018/2019, signed in June 2018, which included: i) salary adjustment between 2.0% and 4.0%, according to the salary framework of the employee in the career; ii) amount of R\$105.00 linear to all employees; iii) readjustment of 1.81% (INPC) in the food stamps; and (iv) a 2.0% adjustment, retroactive to January 2018, referring to the annual cycle of evaluation of the career plan (gaining a position in the salary scale due to seniority or merit for employees who fulfilled the established criteria);

- **Materials**

Growth of 16.0%, mainly in systems operation materials, material for maintenance and conservation of administrative goods, laboratory maintenance material and treatment material;

- **Electricity**

Increase of 21.3% in electricity expenses allocated to operation costs, resulting from the adjustment of 15.99% in rate as from 06/24/2018;

- **Third-party services**

Growth of 3.6%, mainly in registration and billing services, surveillance services, collection services, network maintenance services and operational technical services;

- **Depreciation and Amortization**

Increase of 25.2%, mainly due to the start-up of intangible assets and/or fixed assets, in the period from April 2018 to March 2019, in the amount of R\$736.2 million (net of depreciation and amortization), and R\$11.5 million arising from the registration of leases of right of use by the adoption of CPC 06 R2;

- **Losses on the Realization of Credits**

Growth of 268.6%, mainly due to the provision of accounts receivable from the Municipal Public Sector;

- **Municipal Sanitation and Environmental Management Fund**

Increase of 122.5%, due to the signing of the new Program Contracts, mainly with the Municipality of Curitiba;

- **Other Costs and Expenses**

Reduction of 22.7%, mainly expenses with exhibitions, congresses and events, expenses with programs of social, educational, environmental and research development programs and expenses with fees, licenses and licensing;

- **Provision for Contingencies**

Growth of 41.7%, mainly due to the labor provisions as a result of the filing of new shares and the updating of existing stock values; and

- **Write-off of assets, net**

Growth of 180.0%, mainly reflecting the decrease in property, plant and equipment and intangible assets and the disposal of unserviceable materials (various ceramic materials - inventories of obsolete materials).

## 2.2 ECONOMIC INDICATORS

Financial income (loss) - million R\$	1Q19 (1)	1Q18 (2)	Var. % (1/2)
<b>Financial Revenues</b>			
Financial investments	6.1	9.3	-34.4
Monetary variation gains	1.6	2.3	-30.4
Other financial Revenues	5.1	2.1	142.9
<b>Total financial revenues</b>	<b>12.8</b>	<b>13.7</b>	<b>-6.6</b>
<b>Financial expenses</b>			
Financing, Leases & Debenture Interest and charges			
monetary variation losses	-51.1	-45.1	13.3
Monetary variation losses	-5.8	-22.4	-74.1
Other financial expenses	-1.7	-2.0	-15.0
<b>Total financial expenses</b>	<b>-58.6</b>	<b>-69.5</b>	<b>-15.7</b>
<b>Financial income (loss)</b>	<b>-45.8</b>	<b>-55.8</b>	<b>-17.9</b>

The financial result improved positively by 17.9%, from -R\$55.8 million to -R\$45.8 million in 1Q18 and 1Q19, respectively, mainly due to the increase in other financial revenues of 142.9% (growth of the AVP revenue on Contractual Financial Assets) and the reduction of monetary variations in liabilities by 74.1% (monetary restatement of financial leasing debt accounted for in 1Q18).

Net income (loss) - million R\$	1Q19 (1)	1Q18 (2)	Var. % (1/2)
<b>Operating income (loss)</b>	<b>370.2</b>	<b>343.4</b>	<b>7.8</b>
Financial income (loss)	-45.8	-55.8	-17.9
Taxes on income	-106.9	-100.7	6.2
<b>Net income</b>	<b>217.5</b>	<b>186.9</b>	<b>16.4</b>

The Company posted a net income of R\$217.5 million in 1T19, 16.4% below the net result of R\$186.9 million registered in 1T18. The result was mainly impacted by net revenue growth of 9.9%.

The result of 1Q19 was not affected by extraordinary or non-recurring items.



Distribution of the Economic Wealth Generated (million R\$)	1Q19 (1)	1Q18 (2)	Var. % (1/2)
Personnel compensation	230.2	220.5	4.4
Government compensation (taxes)	231.8	217.9	6.4
Third-party compensation (rents)	1.5	12.1	-87.6
Return on debt capital (interest & monetary variations)	58.6	69.6	-15.8
Net income for the period not distributed	217.5	186.9	-16.4
<b>Total Economic Wealth</b>	<b>739.6</b>	<b>707.0</b>	<b>4.6</b>

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

The figures below display the economic-financial results achieved by the Company in supporting the investment programs, providing adequate conditions for the delivery of future demands.

Economic Indicators (million R\$)	1Q19 (1)	1Q18 (2)	Var. % (1/2)
Net operating revenue (1)	1,098.6	999.4	9.9 %
Operating profit	370.2	343.4	7.8 %
Net income	217.5	186.9	16.4 %
% Operating Margin	27.5	26.7	0.8 p.p.
% Net margin	19.8	18.7	1.1 p.p.
% Mean PL profitability	3.7	3.6	0.1 p.p.
Net debt / EBITDA (accumulated 12 month)	1.5	1.5	-

At the end of the first quarter of 2019, the Company's assets amounted to R\$11,130.0 million (R\$10,781.3 million as at 12/31/2018), while total debt of the end of the quarter amounted to R\$5,195.3 million (R\$ 5,064.1 million as at 12/31/2018).

From total debt, R\$ 2,888.6 million (R\$ 2,771.3 million at 12/31/2018) refer to loans, financing and debentures, with an increase of 4.2% in comparison with the end of 2018.

	Reference	MAR/19	DEC/18	Var.
Equity	million R\$	5,934.7	5,717.2	3.8 %
Share value	R\$	11.78	11.35	3.8 %
Indebtedness level	%	46.7	47.0	-0.3 p.p.
Current ratio	R\$	0.80	0.78	2.6 %
Quick ratio	R\$	0.77	0.75	2.7 %

## EBITDA and Generation of Operating Cash

The EBITDA in 1Q19, which represents the Company's operating income, was R\$452.6 million, against R\$409.2 million in 1Q18. The EBITDA margin increased from 40.9% to 41.2%. The good performance was due to the 9.9% increase in net revenue, while costs and expenses impacting EBITDA increased by 9.5%.

Operating cash generation was of R\$284.3 million, down of 6.0% as compared to the same period in 2018. Conversion of EBITDA into Operating Cash was of 62.8%.

EBITDA (million R\$)	1Q19 (1)	1Q18 (2)	Var. % (1/2)
Net profit for the period	217.5	186.9	16.4 %
(+) Taxes on income	106.9	100.7	6.2 %
(+) Financial income	45.8	55.8	-17.9 %
(+) Depreciation & amortization	82.4	65.8	25.2 %
<b>EBITDA</b>	<b>452.6</b>	<b>409.2</b>	<b>10.6 %</b>
% EBITDA margin	41.2	40.9	0.3 p.p.
% EBITDA conversion into cash	62.8	73.9	-11.1 p.p.

## 2.3 INVESTMENTS

The investments made in the first quarter of 2019 totaled R\$212.7 million (R\$204.8 million in 1Q18), as shown below:

Investments (million R\$)	1Q19 (1)	1Q18 (2)	Var. % (1/2)
Water	97.4	103.0	-5.4
Sewage	91.9	63.9	43.8
Administrative & others	23.4	37.9	-38.3
<b>Total</b>	<b>212.7</b>	<b>204.8</b>	<b>3.9</b>

## 2.4 INDEBTEDNESS

Gross debt increased from R\$2,771.3 million in December 2018 to R\$2,888.6 in the 1Q19, representing an increase of R\$117.3 million. Net debt went from R\$ 2,444.7 million in December 2018 to R\$2,536.8 million in March 2019.

The leverage ratio, measured by the ratio "Net Debt / EBITDA (accumulated 12 months)" remained stable, remaining at 1.5x in 1Q19 and 1Q18, respectively.

The level of indebtedness was 46.7% at the end of 1Q19 (48.4% in 1Q18).

Next is the breakdown of loans. Financing, debentures and lease, with their respective interest rates, maturities and debt balances as at March 31 2019:

Indebtedness (million R\$)	Annual interest rate	Index	Contract expiration	Debt balance	%
Caixa Econômica Federal (federal bank)	6.62% a 12.00%	TR	1/19/2042	1,000.8	34.6
BNDES - PAC2	1.67% e 2.05%	TJLP	7/15/2029	276.0	9.6
Coastal Capital Lease	11.14%	IPC-FIPE	12/5/2036	272.1	9.4
Debentures 4th issue - 1st series	1.67%	TJLP	7/15/2027	186.6	6.5
Debentures 6th Issue - 2nd series	0.83%	DI	8/15/2019	171.2	5.9
Debentures 8th issue - 2nd series	0.51%	DI	6/15/2023	157.5	5.5
Debentures 3rd issue - 2nd series	6.99%	IPCA	11/15/2020	140.8	4.9
Debentures 2nd issue - 2nd series	9.19%	IPCA	9/15/2024	115.4	4.0
Debentures 4th issue - 2nd series	7.44%	IPCA	7/15/2027	100.2	3.5
Debentures 8th issue - 1st series	0.42%	DI	6/15/2021	96.5	3.4
Operating Lease	6.88%	-	10/5/2023	95.1	3.3
Debentures 2nd issue - 3rd series	1.92%	TJLP	9/15/2024	89.9	3.1
Debentures 2nd issue - 1st series	1.92%	TJLP	9/15/2024	67.4	2.3
BNDES	1.82% e 2.50%	TJLP	1/15/2023	46.9	1.6
Banco Itaú -PSI	3.00% a 6.00%	-	1/15/2025	17.8	0.6
Banco do Brasil - PSI	3.00% a 6.00%	-	4/15/2024	14.9	0.5
Debentures 7th issue - 2nd series*	5.20%	IPCA	11/15/2038	15.3	0.5
Debentures 7th issue - 1st series	4.79%	IPCA	11/15/2038	12.3	0.4
Debentures 7th issue - 4th series	6.57%	IPCA	11/15/2038	6.6	0.2
Debentures 7th issue - 3rd series	6.97%	IPCA	11/15/2038	5.3	0.2
<b>Total long and short term debt</b>				<b>2,888.6</b>	<b>100.0</b>

\* IPCA as a variable component of the TLP

We present below the debt profile in relation to maturity:

Description (million R\$)	Debt balance	%
12 months	523.3	18.1
24 months	316.0	10.9
36 months	314.2	10.9
60 months	532.9	18.4
Over 60 months	1,202.2	41.7
<b>Total</b>	<b>2,888.6</b>	<b>100.0</b>

### 3. REGULATIONS

The Company was authorized by AGEPAR - Agência Reguladora de Serviços Públicos Delegados de Infraestrutura do Paraná (Delegated Public Infrastructure Utility Services Regulatory Agency of the State of Paraná). by means of Ratifying Resolution No. 003. of April 17. to apply a rate adjustment of 25.63%. as provided for in article 3:

“Article 3 – Define that the application of the tariff revision approved pursuant to Article 2 of this Resolution will be deferred in 8 (eight) years, with the first installment corresponding in the year 2017 to an average repositioning of 8.53% (eight point fifty three percent), and the others in 7 (seven) installments of 2.11% (two point eleven percent), plus the corresponding financial correction and economic correction, which will be applied by applying the weighted average rate of daily financing as established in the Special System of Settlement and Custody (SELIC), in the terms defined in the Technical Note approved in Article 1 of this Resolution.”

In accordance with Technical Orientation OCPC 08 – Recognition of Certain Assets and Liabilities in Financial Reporting of Energy Distributors issued pursuant to Brazilian and International Accounting Standards. the Company does not record in its Financial Statements the amounts receivable resulting from deferral. considering that: (i) the realization or payment of these amounts depend of a future event not fully under the control of the entity – future billing of water and sewage services; (ii) it is not possible to know. when the receivables are generated. which are the debtors of these amounts; and (iii) the actual receipt of these amounts shall only occur if the concession is maintained.

The estimated receivable resulting from the difference between the Required Revenue and the Verified Revenue shall be measured and disclosed during the whole deferral period. representing. up to March 31 2019, R\$1.058 billion. In actual terms, the index of 25.63% to be applied in 2017 resulted in 10.82% added to the Company’s tariff, with 11.02% still deferred until 2024.

#### **Portion A Cost Variation Account (CVA)**

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

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

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

Up to March 2019, the Company’s CVA recorded a positive balance of R\$57.5 million that Sanepar shall recover.

## Adjusted EBITDA with non-manageable items - Information not reviewed by independent auditors

The Company is announcing pro forma adjusted EBITDA with non-manageable items as a metric to analyze the impacts of the offsetting of the "A" portion (electrical energy, treatment material, fees and charges) of the tariff model.

Adjusted EBITDA with non-manageable items is a non-accounting measurement and should not be considered in isolation as an operating indicator or cash flow or to measure the Company's liquidity or debt capacity.

The EBITDA calculation is as follows, considering the estimated amounts of non-manageable items, accumulated up to 1Q19:

EBITDA (million R\$)	1Q19
<b>EBITDA</b>	<b>452.6</b>
<b>(+) Non-manageable items</b>	<b>57.5</b>
Electricity	11.7
Treatment material	2.9
Fee & charges	42.9
<b>(=) Adjusted EBITDA with non-manageable items</b>	<b>510.1</b>
% EBITDA margin	46.4

## 2019 Tariff Adjustment

The Executive Board of AGEPAR approved on April 16, 2019, through Ratifying Resolution No. 006/2019, the Annual Tariff Adjustment (IRT) of 12.12944% on the services rendered to be applied as from May 17, 2019 and approved the application of the Sanitation Tariff Chart.

## 4. CAPITAL MARKET

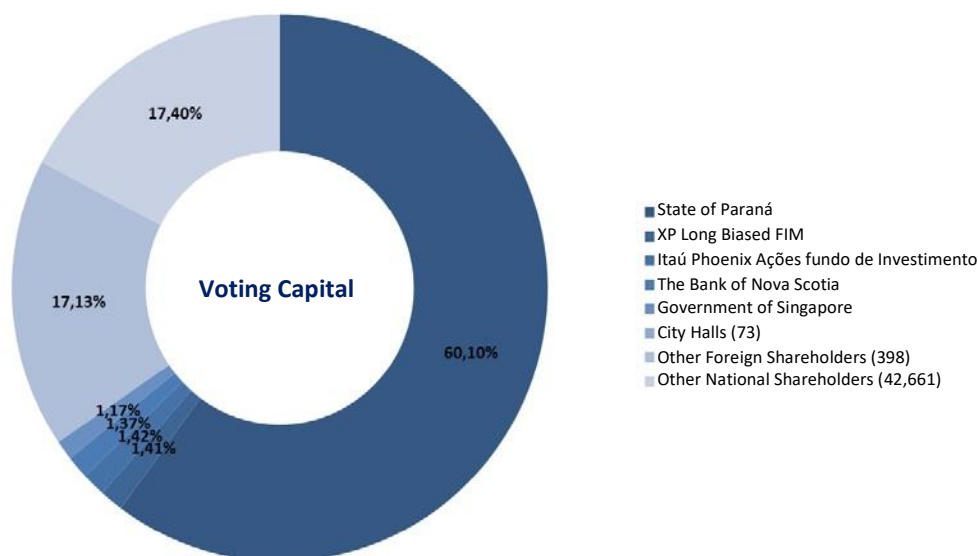
### 4.1 SHAREHOLDING COMPOSITION OF CAPITAL

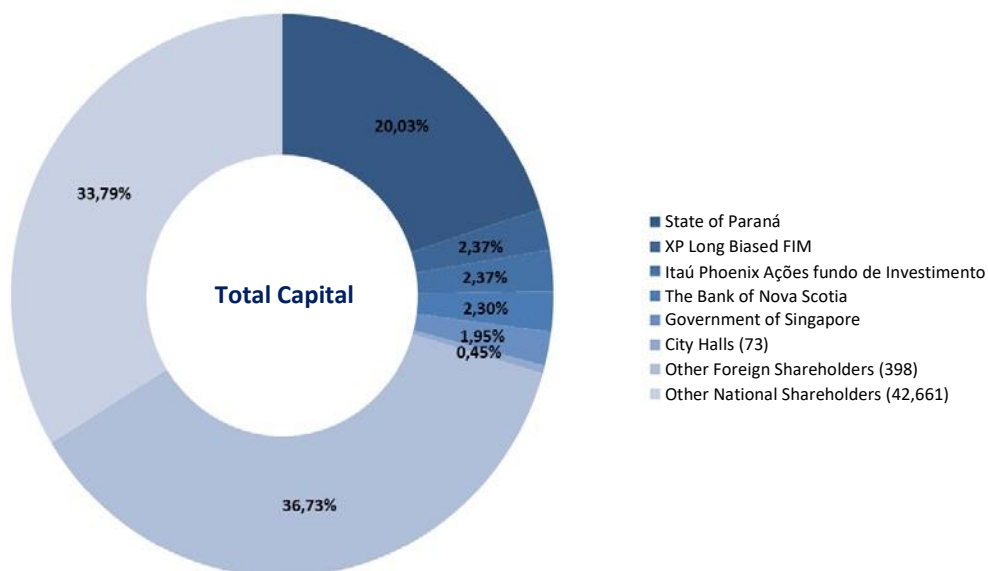
The Share Capital is composed of 503,735,173 shares, of which 167,911,753 are common shares and 335,823,420 preferred shares without par value, fully paid up by natural persons and legal entities resident and domiciled in Brazil and abroad.

The subscribed and paid up share capital in December 2016 is R\$ 2,855.0 million and net of funding of R\$ 2,851.0 million, with its shareholding composition, as at 03/31/2019, represented below.

SHAREHOLDERS	No. of Shares			Share Capital - R\$ thousand			% of shareholding	
	ON	PN	Total	ON	PN	Total	Voting Capital	Voting Total
State of Paraná	100,914,575	1	100,914,576	571,940	0	571,940	60.10%	20.03%
XP Long Biased FIM	2,369,318	9,588,872	11,958,190	13,428	54,346	67,774	1.41%	2.37%
Itaú Phoenix Ações Fundo de Investimento	2,388,115	9,552,460	11,940,575	13,535	54,139	67,674	1.42%	2.37%
The Bank of Nova Scotia	2,300,487	9,270,148	11,570,635	13,038	52,539	65,577	1.37%	2.30%
Government of Singapore	1,966,223	7,864,894	9,831,117	11,144	44,575	55,718	1.17%	1.95%
City Halls (73)		2,285,969	2,285,969	-	12,956	12,956	0.00%	0.45%
Other Foreign Shareholders (398)	28,763,761	155,888,177	185,039,493	163,020	883,506	1,046,527	17.13%	36.73%
Other National Shareholders (42,661)	29,209,274	141,372,899	170,194,618	165,545	801,240	966,786	17.40%	33.79%
<b>TOTALS</b>	<b>167,911,753</b>	<b>335,823,420</b>	<b>503,735,173</b>	<b>951,651</b>	<b>1,903,301</b>	<b>2,854,952</b>	<b>100%</b>	<b>100%</b>

### Capital Distribution





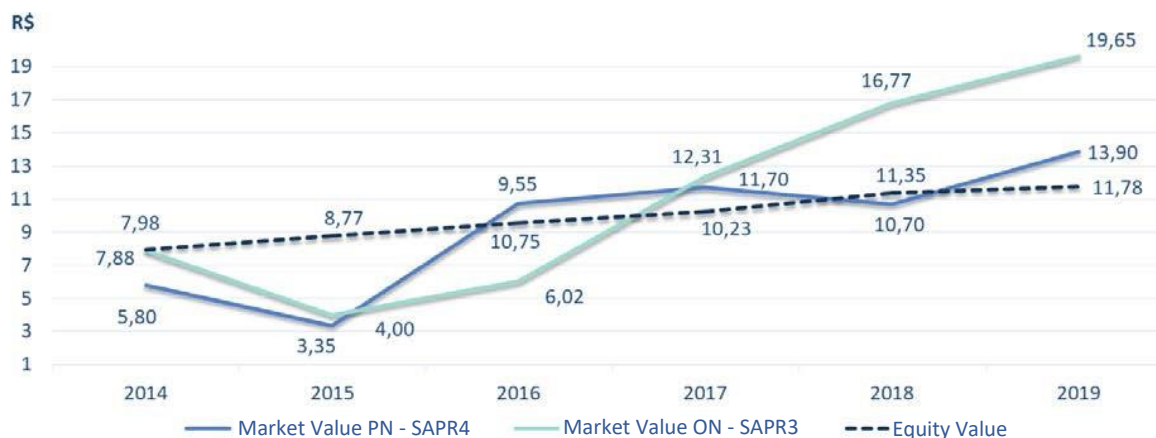
## 4.2 SECURITIES

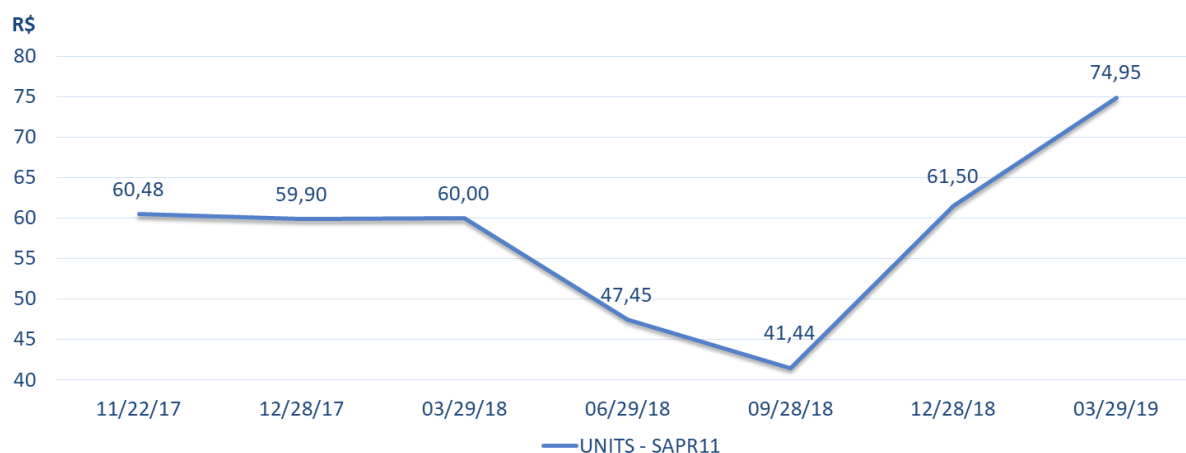
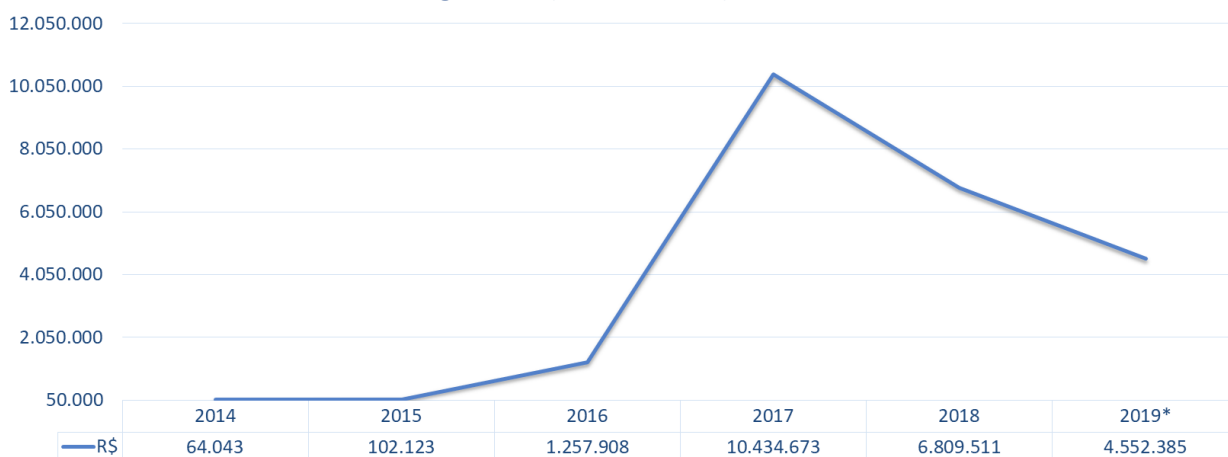
Securities	Ticker	Closing value 1Q19	Closing value 1Q18	Variation between 1Q18 and 1Q19
Common Shares	SAPR3	R\$ 19.65	R\$ 16.20	21.30%
Preferred Shares	SAPR4	R\$ 13.90	R\$ 10.83	28.35%
UNITS	SAPR11	R\$ 74.95	R\$ 60.00	24.92%

The equity value of each share in 1Q19 was R\$ 11.78, while in 1Q18 R\$ 10.60 was recorded.

The financial volume of Sanepar's shares in 1Q19 was R\$ 4,552 million, compared to R\$ 2,268 million in 1Q18.

### Comparison between equity value and market value (R\$)



**Evolution of Units (R\$)**

**Evolution of the financial volume negotiated (R\$ thousands)**


\* 1<sup>st</sup> quarter of 2019

**4.3 PAYOUT**

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

Under the current dividend policy, the Management may, in addition to the mandatory annual dividend, in compliance with the financial health and public interest that motivated the Company's constitution, approve the distribution as an additional dividend and / or interest on shareholders' equity of up to 25 % of net profit. For shareholders holding preference shares, Interest on shareholders' equity (dividend) per share was 10% higher than that attributed to ordinary shares.

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



**For the first half of 2018**, the calculated (gross) value of Interest on Shareholder’s Equity, observing the legal limit of the TJLP variation in the period, was R\$ 159.3 million. This amount is in lieu of Mandatory Dividends, according to the statutory forecast and based on the income calculated in the first half of 2018. The Interest Credit on Shareholder’s Equity was deliberated by the Board of Directors at its 10<sup>th</sup> 2018 Ordinary Meeting on June 27, 2018 and it informed the market in the Notice to Shareholders of the same date, considering the shareholding position of July 2, 2018.

**For the second half of 2018**, the calculated (gross) value of Interest on Shareholder’s Equity observing the legal limit of the TJLP variation in the period, was R\$ 166.8 million. This amount is in lieu of Mandatory Dividends, according to the statutory forecast and based on the income calculated in the first half of 2018. The Interest Credit on Shareholder’s Equity was deliberated by the Board of Directors at its 12<sup>th</sup> 2018 Ordinary Meeting on December 18, 2018 and it informed the market in the Notice to Shareholders of the same date, considering the shareholding position of December 28, 2018.

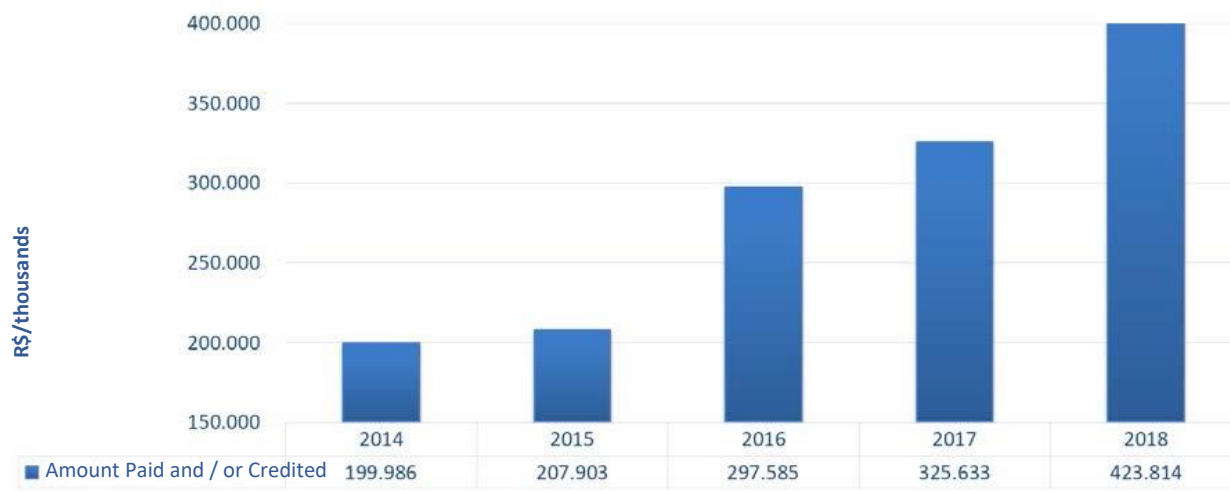
Interest on Shareholder’s Capital is subject to the incidence of 15% (fifteen percent) of Withholding Income Tax, except for shareholders who declare themselves immune or exempt.

**On April 24, 2019**, the 55<sup>th</sup> Annual Shareholders' Meeting approved the payment of Additional Dividends, in the gross amount of R\$ 97.7 million. Both the payment of JCP for the 1<sup>st</sup> and 2<sup>nd</sup> half of 2018, as well as the payment of the additional dividends, will occur on 06/21/2019, as defined in the 55<sup>th</sup> General Ordinary Meeting (AGO).

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

Type	JCP 1 <sup>st</sup> Half 2018	JCP 2 <sup>nd</sup> Half 2018	Additional Dividends 2018	Total per Share 2018
Common Shares	0.29646	0.31047	0.18183	0.78876
Preferred Shares	0.32610	0.34152	0.20001	0.86763
Value per 1 Unit	1.60086	1.67655	0.98187	4.25930

## Remuneration of shareholders (R\$)



<b>Result Statement</b>	<b>1Q19</b>	<b>1Q18</b>	<b>1Q17</b>
<b>Net Operating Revenue</b>	<b>1,098.6</b>	<b>999.4</b>	<b>926.4</b>
<b>Costs of Services Provided</b>	<b>-429.7</b>	<b>-382.2</b>	<b>-359.8</b>
<b>Gross Profit</b>	<b>668.9</b>	<b>617.2</b>	<b>566.6</b>
<b>Operating Expenses</b>	<b>-298.7</b>	<b>-273.8</b>	<b>-295.8</b>
Commercial	-84.8	-61.9	-72.5
Administrative	-131.9	-143.0	-140.5
Civil, Labor, Tax and Environmental Provisions	-40.8	-28.8	-52.4
Provisions for Retirement and Medical Insurance Plan	-15.0	-21.5	-27.3
Profit Share Program	-22.9	-17.5	0.0
Other Operating Expenses (Revenues)	-2.0	-0.5	-3.0
Result of Equity Equivalence	-1.3	-0.6	-0.1
<b>Result before Financial Result &amp; Taxes</b>	<b>370.2</b>	<b>343.4</b>	<b>270.8</b>
<b>Financial Result</b>	<b>-45.8</b>	<b>-55.8</b>	<b>-33.0</b>
Financial Revenues	12.8	13.7	27.5
Financial Expenses	-58.6	-69.5	-60.5
<b>Result before Taxes on Profit</b>	<b>324.4</b>	<b>287.6</b>	<b>237.8</b>
Income Tax & Social Contribution on Profit	-106.9	-100.7	-77.7
<b>Net Profit for the Period</b>	<b>217.5</b>	<b>186.9</b>	<b>160.1</b>

Balance Sheet - Assets	MAR/19	DEC/18	DEC/17
<b>Current Asset</b>			
Cash & Cash Equivalents	351.8	326.6	533.9
Receivable Accounts from Customers	644.5	639.1	606.3
Stocks	39.0	39.1	36.9
Taxes to Recover	15.4	15.4	24.1
Linked Deposits	5.7	6.7	5.8
Other Receivable Accounts	43.3	37.6	32.2
<b>Total Current</b>	<b>1,099.7</b>	<b>1,064.5</b>	<b>1,239.2</b>
<b>Non-Current Assets</b>			
Receivable Accounts from Customers	21.7	22.1	11.1
Deferred Income Taxes & Social Contribution	519.1	490.9	453.1
Linked Deposits	50.0	52.9	49.5
Taxes to Recover	-	-	0.8
Judicial Deposits	255.1	203.5	185.4
Contract Financial Assets	386.7	375.9	201.1
Other Receivable Accounts	49.9	50.6	42.9
Investments	21.4	22.6	19.5
Fixed	265.1	168.8	129.9
Intangible	8,461.3	8,329.5	7,790.2
<b>Total Non-Current</b>	<b>10,030.3</b>	<b>9,716.8</b>	<b>8,883.5</b>
<b>Total Assets</b>	<b>11,130.0</b>	<b>10,781.3</b>	<b>10,122.7</b>

Balance Sheet - Liability	MAR/19	DEC/18	DEC/17
<b>Liability</b>			
Labor Obligations	157.0	151.4	100.0
Suppliers	162.3	190.7	182.7
Tax Obligations	83.1	68.1	66.9
Loans & Financing	523.3	478.8	562.5
Payable Dividends & JCP	183.7	183.7	136.3
Concession Contracts	30.6	60.5	7.7
Contract Deposits & Retentions	2.3	2.5	2.7
Revenues to Accrue	4.2	4.2	4.2
Other Payable Accounts	59.2	68.2	54.5
Retirement Provisions & Medical Insurance Plan	63.8	62.8	62.4
Labor Claims Provisions	99.0	87.9	76.7
<b>Total Current</b>	<b>1,368.5</b>	<b>1,358.8</b>	<b>1,256.6</b>
<b>Non-Current Liability</b>			
Loans & Financing	2,365.3	2,292.5	2,154.3
Concession Contracts	-	1.0	84.3
Taxes & Contributions	0.9	-	1.3
Revenues to Accrue	8.1	9.1	13.3
Other Payable Accounts	57.0	61.9	80.4
Retirement Provisions & Medical Insurance Plan	892.9	879.0	874.2
Provisions	502.6	461.8	505.6
<b>Total Non-Current</b>	<b>3,826.8</b>	<b>3,705.3</b>	<b>3,713.4</b>
<b>Total Liability</b>	<b>5,195.3</b>	<b>5,064.1</b>	<b>4,970.0</b>
<b>Net Equity</b>			
Share Capital	2,851.1	2,851.1	2,851.1
Reassessmetn Reserve	73.7	75.1	81.2
Profit Reserves	2,689.1	2,689.1	2,162.9
Accumulated Profit	219.1	-	-
Equity Assessment Adjustments	5.5	5.7	8.0
Other Encompassing Results	96.2	96.2	49.5
<b>Total Net Equity</b>	<b>5,934.7</b>	<b>5,717.2</b>	<b>5,152.7</b>
<b>Total Liability &amp; Net Equity</b>	<b>11,130.0</b>	<b>10,781.3</b>	<b>10,122.7</b>

Cash Flow Statement	1Q19	1Q18	1Q17
<b>Cash Flow from Operational Activities</b>			
<b>Net Profit for the Period</b>	<b>217.5</b>	<b>186.9</b>	<b>160.1</b>
<b>Adjustments for conciliation of net profit and net cash</b>			
Depreciation and Amortization	82.4	65.8	58.4
Cost of Write Offs in Fixed and Intangible	1.8	0.6	0.8
Adjustment to Recoverable Asset Value	-1.6	-0.1	-0.1
Cost of Write Offs in Investments	0.0	0.0	0.2
Adjustment to Present Value - Financial Assets	-3.8	-2.0	-1.6
Provision for Losses in Realizing Credits	5.9	-3.5	5.6
Deferred Income Tax and Social Contribution, net	-28.1	-22.5	-33.6
Civil, Labor, Tax and Environmental Provisions	40.8	28.8	52.4
Retirement and Medical Insurance Plan	15.0	21.5	27.3
Interest on Financing	47.8	55.1	63.1
Monetary Variations on Financing	6.0	22.3	9.2
Interest & Monetary Variations on Lease	8.8	-	-
Result of Equity Equivalence	1.3	0.6	0.1
Accrual of Costs in Attracting Third-party Resources	0.1	0.2	0.2
Adjustment to Fair Value - Investments	-0.1	0.0	2.1
	<b>393.8</b>	<b>353.7</b>	<b>344.2</b>
<b>Variations on Assets and Liabilities</b>			
Accounts Receivable from Customers	-11.0	-23.2	-25.8
Taxes and Contributions to Recover	-0.1	-0.5	37.9
Inventories	0.1	0.6	0.4
Judicial Deposits	-51.7	-1.3	-26.3
Other Credits and Receivable Accounts	-4.9	-21.4	-22.1
Suppliers	-28.5	-38.6	-17.1
Concession Contracts	-29.8	-1.3	-1.1
Taxes and Contributions	14.9	19.5	9.2
Salaries and Payable Charges	16.7	16.2	16.4
Contract Deposits and Retentions	-0.3	0.0	0.3
Revenues to Accrue	-1.0	-1.0	20.1
Other Accounts Payable	-13.9	-0.4	1.8
	<b>-109.5</b>	<b>-51.4</b>	<b>-6.3</b>
<b>Cash Generated by Operating Activities</b>	<b>284.3</b>	<b>302.3</b>	<b>337.9</b>
<b>Cash Flow from Investment Activities</b>			
Investment in Fixed and Intangible	-212.7	-204.8	-153.9
Deployment in Investments	-	-1.2	-11.1
<b>Cash Generated by Investment Activities</b>	<b>-212.7</b>	<b>-206.0</b>	<b>-165.0</b>
<b>Cash Flow from Financing Activities</b>			
Financing Obtained	61.2	17.9	11.5
Amortization of Financing	-50.2	-47.1	-44.9
Interest Payment on Financing	-41.2	-50.5	-51.3
Lease Payments	-20.2	-	-
Cost in Attracting Third-party Resources	-	-0.3	-
Linked Deposits	4.0	-1.1	-1.5
<b>Cash Generated by Financing Activities</b>	<b>-46.4</b>	<b>-81.1</b>	<b>-86.2</b>
<b>Variation in Cash Balance and Equivalents</b>	<b>25.2</b>	<b>15.2</b>	<b>86.7</b>
Initial Cash and Equivalents Balance	326.6	533.9	638.3
<b>Final Cash and Equivalents Balance</b>	<b>351.8</b>	<b>549.1</b>	<b>725.0</b>

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