



Earnings Release

2Q21

08/12/2021

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Curitiba, August 12th, 2021.

Companhia de Saneamento do Paraná – SANEPAR (SAPR3 - ON; SAPR4 - PN; SAPR11 - UNITS) presents the financial and operating results regarding the second quarter of 2021 (2Q21). The economic information was prepared in accordance with accounting practices adopted in Brazil, including Brazilian corporate law, pronouncements, guidelines and interpretations issued by the Accounting Pronouncements Committee (Comitê de Pronunciamentos Contábeis – CPC), also based on the accounting standards and procedures established by the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários- CVM).

HIGHLIGHTS 2Q21	Net Revenue
	2Q21: +10.7%
	1H21: +4.3%
EBITDA Margin	Net Profit
2Q20: +41.1% → 2Q21: +45.7%	2Q20: BRL 284.4 → 2Q21: R\$ 331.8
1H20: +41.4% → 1H21: +44.2%	1H20: BRL 540.4 → 1H21: R\$ 578.3
Number of Economic Units	Net Debt / EBITDA
Water + 2.2%	1.5x
Sewage + 3.5%	
Moody's Rating Upgrade	Fitch Rating Upgrade
previously Aa2.br, now AAA.br , (stable outlook)	previously AA(bra), now AAA(bra) , (stable outlook)

	2Q21 (1)	2Q20 (2)	Var. (1/2)	2Q19 (3)	Var. (2/3)
Net Revenue	1,273.4	1,150.1	10,7 %	1,099.3	4,6 %
Operating Income	484.3	382.7	26,5 %	318.5	20,2 %
EBITDA	581.9	472.1	23,3 %	402.2	17,4 %
Net Profit	331.8	284.4	16,7 %	232.6	22,3 %
ROE	14.6	18.5	-3,9 p.p.	15.7	2,8 p.p.
ROIC	11.9	14.0	-2,1 p.p.	12.1	1,9 p.p.
Net Debt	3,047.8	2,778.2	9,7 %	2,872.2	-3,3 %
Gross Margin	56.5	54.3	2,2 p.p.	54.8	-0,5 p.p.
Operating Margin	31.0	28.4	2,6 p.p.	23.2	5,2 p.p.
Net Margin	26.1	24.7	1,4 p.p.	21.2	3,5 p.p.
EBITDA Margin	45.7	41.1	4,6 p.p.	36.6	4,5 p.p.
Equity Debt	47.3	49.4	-2,1 p.p.	49.3	0,1 p.p.
Net Debt / EBITDA	1.5	1.3	0,2 p.p.	1.7	-0,4 p.p.

1. OPERATING DATA
1.1 MARKET
Contracts in % of Total Revenue of the Company, as of June 30, 2021

Contracts (% of Total Revenue)*					Coverage ratio		Total active economic units (in thousands)	
Municipalities	Total revenue %	Remaining period of concession	Type of contract	Type of concession	Water	Sewage	Water	Sewage
Curitiba	21.4%	27,5 yr.	Program	Water & Sewage	100%	96.9%	829.8	804.3
Londrina	7.4%	25,5 yr.	Program	Water & Sewage	100%	96.1%	256.8	243.8
Maringá	5.3%	19,7 yr.	Concession	Water & Sewage	100%	100.0%	169.0	187.5
Ponta Grossa	3.7%	5,3 yr.	Concession	Water & Sewage	100%	91.6%	150.9	136.7
Cascavel	3.6%	3,9 yr.	Concession	Water & Sewage	100%	100.0%	130.6	137.1
Foz do Iguaçu	3.4%	23,2 yr.	Program	Water & Sewage	100%	79.8%	117.0	94.5
São José dos Pinhais	2.8%	23,0 yr.	Program	Water & Sewage	100%	77.2%	118.5	92.7
Colombo	1.8%	27,3 yr.	Program	Water & Sewage	100%	66.7%	86.6	58.9
Guarapuava	1.7%	21,8 yr.	Program	Water & Sewage	100%	85.1%	67.8	56.3
Toledo	1.5%	4,7 yr.	Concession	Water & Sewage	100%	82.6%	60.8	48.6
Other municipalities	47.4%						2,099.9	1,254.4
Totais					100.0%	77.1%	4,087.7	3,114.8

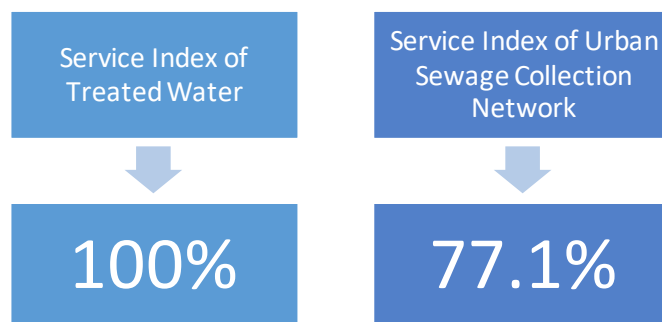
* Information not reviewed by independent auditors.

Contracts Expiration Breakdown:

Concession / Program Contracts ¹	Number of Contracts ¹	Intangible Assets Contract Assets Financial Assets (in BRL million) ^{1 2}	% of the total revenue ¹
Expired Contracts	11	365.3	4.1
Contracts expiring in 2030	3	11.7	0.1
Contracts expiring between 2022 and 2030	51	1,395.7	12.1
Contracts expiring after 2030	281	8,449.3	83.7
Total	346	10,222.0	100.0

¹ Information not reviewed by independent auditors.

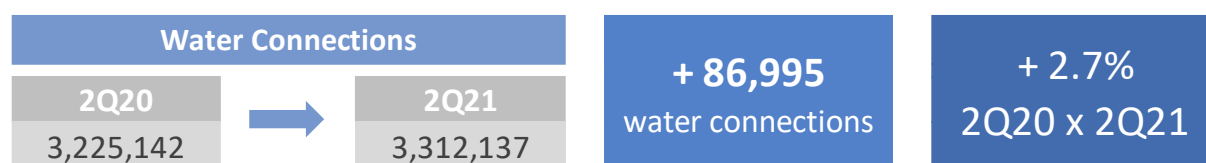
² Book value.

Water & Sewage Services Indexes


Water Connections

Number of Water Connections*	JUN/21 (1)	%	JUN/20 (2)	%	Var. % (1/2)
Residential	3,011,564	90.9	2,930,563	90.9	2.8
Commercial	236,421	7.1	230,983	7.2	2.4
Industrial	13,399	0.4	13,136	0.4	2.0
Public Utility	23,912	0.7	23,871	0.7	0.2
Public Administration	26,841	0.9	26,589	0.8	0.9
Total	3,312,137	100.0	3,225,142	100.0	2.7

* Information not reviewed by independent auditors.


Sewage Connections

Number of Sewage Connections*	JUN/21 (1)	%	JUN/20 (2)	%	Var.% (1/2)
Residential	2,122,243	90.5	2,042,691	90.4	3.9
Commercial	186,711	8.0	181,544	8.0	2.8
Industrial	5,981	0.3	5,524	0.2	8.3
Public Utility	15,572	0.7	15,370	0.7	1.3
Public Administration	14,714	0.5	14,424	0.7	2.0
Total	2,345,221	100.0	2,259,553	100.0	3.8

* Information not reviewed by independent auditors.


1.2 PRODUCTIVITY
Measured Water Volume Evolution

Measured Water Volume - million m ³ *	2TQ21 (1)	2Q20 (2)	Var. % (1/2)	1H21 (3)	1H20 (4)	Var. % (3/4)
Residential	107.4	107.2	0.2	216.0	220.2	-1.9
Commercial	8.8	7.9	11.4	17.7	18.6	-4.8
Industrial	3.4	2.3	47.8	6.7	5.5	21.8
Public Utility	1.1	1.0	10.0	2.1	2.3	-8.7
Public Administration	3.5	3.6	-2.8	6.8	8.2	-17.1
Total	124.2	122.0	1.8	249.3	254.8	-2.2

* Information not reviewed by independent auditors.

Invoiced Water Volume Evolution

Invoiced Water Volume - million m ³ *	2Q21 (1)	2Q20 (2)	Var. % (1/2)	1H21 (3)	1H20 (4)	Var. % (3/4)
Residential	112.2	111.8	0.4	225.1	228.5	-1.5
Commercial	9.7	8.8	10.2	19.5	20.3	-3.9
Industrial	3.6	2.9	24.1	7.0	6.4	9.4
Public Utility	0.9	0.9	0.0	1.8	2.0	-10.0
Public Administration	3.6	3.7	-2.7	7.0	8.4	-16.7
Total	130.0	128.1	1.5	260.4	265.6	-2.0

* Information not reviewed by independent auditors.

Invoiced Sewage Volume Evolution

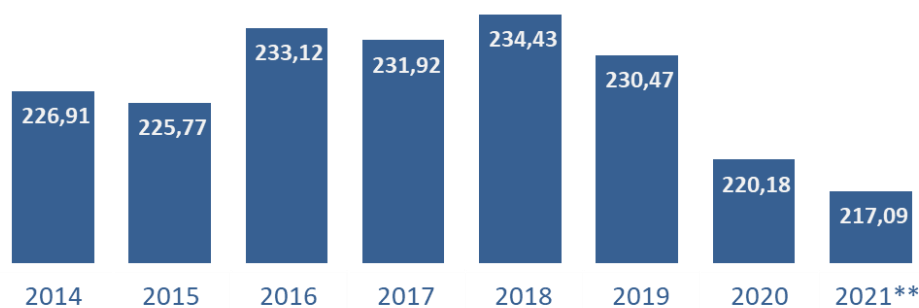
Invoiced Sewage Volume - million m ³ *	2Q21 (1)	2Q20 (2)	Var. % (1/2)	1H21 (3)	1H20 (4)	Var. % (3/4)
Residential	85.7	84.8	1.1	171.2	172.8	-0.9
Commercial	8.7	7.8	11.5	17.5	18.3	-4.4
Industrial	0.8	0.6	33.3	1.6	1.4	14.3
Public Utility	0.8	0.8	0.0	1.6	1.7	-5.9
Public Administration	2.8	2.8	0.0	5.4	6.4	-15.6
Total	98.8	96.8	2.1	197.3	200.6	-1.6

* Information not reviewed by independent auditors.

The decrease in invoiced volumes, both in water and sewage, in the comparison between 2Q20 and 2Q21, occurred mainly due to the impacts caused by the water crisis and the consequent mitigation measures adopted by the Company (water supply rotation in the Curitiba Metropolitan Region, META20 Program).

Losses per Connection Index Evolution*

Liters/Connections/Day



* Information not reviewed by independent auditors.

** Accumulated from January to June 2021.

Water & Sewage: General Data

Water*	2Q21 (1)	2Q20 (2)	Var. (1/2)	2Q19 (3)	Var. % (2/3)
Units served by the distribution network	4,127,856	4,037,310	2,2 %	3,956,974	2,0 %
Number of treatment stations	168	165	1,8 %	165	0,0 %
Number of wells	1,261	1,142	10,4 %	1,131	1,0 %
Number of surface catchment	234	232	0,9 %	238	-2,5 %
Km of laid network	58,407	56,056	4,2 %	54,736	2,4 %
Volume produced (m ³)	372,320,146	390,017,332	-4,5 %	387,774,728	0,6 %
Loss rate:					
In distribution system - %	33.05	34.68	-1,63 p.p.	34.38	0,30 p.p.
In billings - %	30.07	31.90	-1,83 p.p.	31.71	0,19 p.p.
Revenues delinquency rate %	3.65	3.69	-0,04 p.p.	1.72	1,97 p.p.

* Information not reviewed by independent auditors.

Sewage*	2Q21 (1)	2Q20 (2)	Var. (1/2)	2Q19 (3)	Var. % (3)
Units served by the collection network	3,165,405	3,058,663	3,5 %	2,940,247	4,0 %
Number of treatment stations	258	251	2,8 %	247	1,6 %
Km of laid network	39,221	37,609	4,3 %	36,402	3,3 %
Volume collected in m ³	187,103,523	191,396,902	-2,2 %	188,974,856	1,3 %

* Information not reviewed by independent auditors.

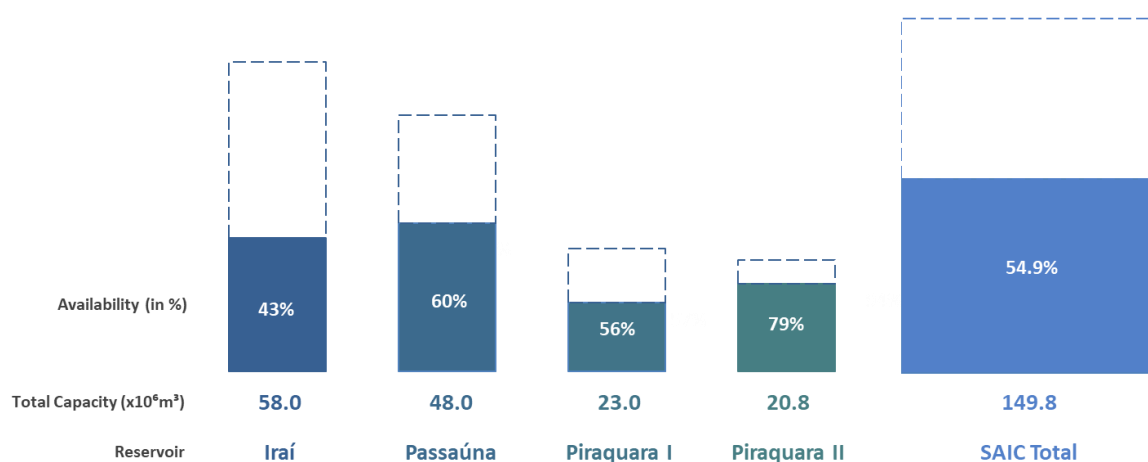
Water Crisis and Available Volumes

Consecutively to decrees No. 4,626 of 05/07/2020, No. 6.068 of 10/29/2020 and No. 7.554 of 05/04/2021, State Decree No. 8.299 was published on 08/05/2021, recognizing the emergency situation in the State of Paraná for a period of 90 days.

Due to the low volume of reserves and the scarcity of rain, the Company is practicing a water supply rotation program. Between March 15, 2021 and August 10, 2021, thanks to the elevation of the level of the four dams that make up the Integrated Supply System of Curitiba ("SAIC"), the economy of the population, within the META20 Program and other actions taken by the Company, it was possible to implement a rotation model in Curitiba and the Metropolitan Region: 60 hours of regular water supply and 36 hours of water supply suspension. However, with the drop in the reservoir levels below 50%, as of August 11, 2021, the previous rotation model for water supply in Curitiba and Metropolitan Region was returned. The supply period was reduced to 36 hours, with suspension of up to 36 hours.

The average volume available of SAIC is formed by the dams Piraquara I, Piraquara II, Iraí and Passaúna. In the Municipality of Foz do Iguaçu, Sanepar uses water from the dam of the hydroelectric power plant Itaipu Binacional, located at the Itaipu lake, in Paraná River.

At the end of 2Q21, the volume of SAIC reservation was 54.9%, higher than that registered in the same period of the previous year (36.6%).

SAIC Reservoirs Levels in 06/30/2021

2. FINANCIAL DATA
2.1 ECONOMIC PERFORMANCE
Operating Revenue

Operating revenue - In BRL million	2Q21 (1)	2Q20 (2)	Var. % (1/2)	1H21 (3)	1H20 (4)	Var. % (3/4)
Revenues from water	833.9	747.7	11.5	1,640.0	1,557.9	5.3
Revenues from sewage	488.8	447.5	9.2	957.8	930.8	2.9
Revenues from services	27.4	24.8	10.5	54.2	58.5	-7.4
Revenues from solid waste	3.0	2.9	3.4	6.0	6.1	-1.6
Services provided to Municipalities	5.2	5.0	4.0	10.3	9.9	4.0
Donations made by clients	11.1	5.4	105.6	18.3	10.7	71.0
Other revenues	1.2	1.6	-25.0	2.5	2.8	-10.7
Total Operating Revenue	1,370.6	1,234.9	11.0	2,689.1	2,576.7	4.4
COFINS	-79.9	-69.7	14.6	-155.5	-148.3	4.9
PASEP	-17.3	-15.1	14.6	-33.7	-32.2	4.7
Total of Deductions	-97.2	-84.8	14.6	-189.2	-180.5	4.8
Total of Operating Revenue, net	1,273.4	1,150.1	10.7	2,499.9	2,396.2	4.3

Operating Revenue, net (BRL MM)	
2Q20	2Q21
1,150.1	1,273.4

➔

+ 10.7% 2Q20 x 2Q21

The main reasons for the increase in net operating revenue are: (i) the 5.11% tariff adjustment as of February 5, 2021; (ii) the 5.77% tariff revision (1st step of the 2nd RTP) as of May 17, 2021; (iii) water and sewage billed volumes growth; and (iv) the increase in the number of connections.

Operating Costs and Expenses

Operating costs and expenses In BRL million	2Q21 (1)	2Q20 (2)	Var. % (1/2)	1H21 (3)	1H20 (4)	Var. % (3/4)
Personnel	-278.4	-295.3	-5.7	-535.4	-556.5	-3.8
Materials	-54.6	-51.5	6.0	-108.1	-107.7	0.4
Electricity	-119.5	-115.1	3.8	-241.0	-235.1	2.5
Third-party services	-164.9	-165.8	-0.5	-322.6	-319.8	0.9
Depreciation and amortization	-97.6	-89.4	9.2	-192.0	-176.3	8.9
Losses in Realization of Credits	-25.8	-15.2	69.7	-43.4	-26.8	61.9
Net Realizable Value of Inventory	0.4	-0.9	-144.4	2.1	-1.8	-216.7
Municipal Sanitation and Environmental Funds	-17.1	-17.3	-1.2	-32.5	-35.0	-7.1
Regulatory fee	-6.5	-6.4	1.6	-12.9	-12.7	1.6
Indemnifications for damages to third parties	-2.8	-6.1	-54.1	-4.6	-8.3	-44.6
Expenses capitalized	30.6	21.9	39.7	52.2	39.8	31.2
Provision for contingencies	-1.4	14.8	-109.5	-49.1	-5.5	792.7
Pension plan and health insurance	-14.7	-16.7	-12.0	-29.4	-33.4	-12.0
Profit sharing program	-23.4	-13.4	74.6	-40.8	-38.8	5.2
Eventual and extraordinary losses	0.0	-0.2	-100.0	0.0	-37.3	-100.0
Net assets write-off	-1.4	-2.0	-30.0	-1.7	1.4	-221.4
Other costs and expenses	-12.0	-8.8	36.4	-28.1	-25.7	9.3
Total	-789.1	-767.4	2.8	-1,587.3	-1,579.5	0.5

Operating Costs & Expenses (BRL MM)	
2Q20	2Q21
767.4	789.1

➔

+ 2.8% 2Q20 x 2Q21

The main variations that occurred were due to:

Personnel

Reduction of 5.7% due to the decrease of 8.7% in the number of employees (from 6,931 on 06/30/20 to 6,328 employees on 06/30/21), as a result of the Incentive Retirement Program (“PAI”), reflecting on all salary amounts and overcoming the impacts arising from the salary readjustments of 6.22% (INPC) on the labor amounts and benefits related to the Collective Labor Agreement (“ACT”) 2020/2021 (base date March 2021) and the readjustment of 6.35% of SANESAÚDE in June 2021.

Materials

Increase of 6.0%, mainly in office material, use and consumption, electromechanical maintenance material, laboratory material, perishable tools, fuels and lubricants and network maintenance material.

Electricity

Increase of 3.8% mainly due to the 3% reduction in the subsidy applied to consumer units that benefited from the sanitation discount, from 12% to 9%; due to the 52% increase in the amount charged in the flag ruler, by the change in the tariff flag practiced by COPEL, from “green” in June 2020 to “red – level 2” in June 2021, in addition to the average tariff reflex of 9.89% applied as of 06/24/2021.

Third-Party Services

Reduction of 0.5% mainly due to the decrease in system operation and maintenance services, conservation and maintenance services for administrative assets, communication and data transmission services, freight and reels, collection services and sewage removal services.

Depreciation and Amortization

Increase of 9.2% mainly due to the entry into operation of intangible assets and/or fixed assets, in the period from July 2020 to June 2021, in the amount of BRL 946.9 million (net of write-offs).

Losses on Realization of Credits

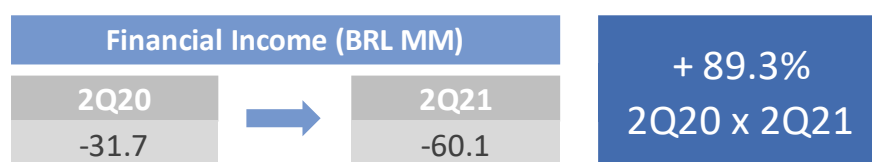
An increase of 69.7%, mainly influenced by the increase in provisions for losses on accounts receivable from private customers in the amount of R\$23.4 million and also by the accounting of the amount of R\$0.7 million related to the estimate of expected losses on credits, according to studies on the drop in revenue caused by the current economic scenario, as a result of the COVID-19 Pandemic.

Provisions for Contingencies

Reduction of 109.5%, mainly due to the write-off of labor claims related to salary differences and charges, in the amount of R\$19.6 million.

2.2 ECONOMIC INDICATORS
Financial Income

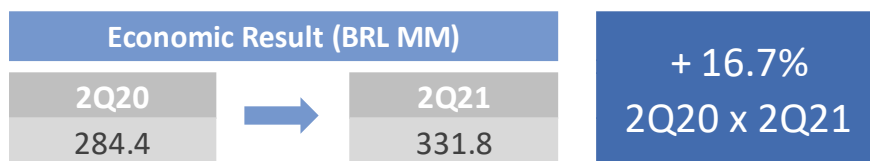
Financial income (loss) - in BRL million	2Q21 (1)	2Q20 (2)	Var. % (1/2)	1H21 (3)	1H20 (4)	Var. % (3/4)
Financial revenues						
Financial investments	10.8	7.8	38.5	15.5	12.7	22.0
Monetary variation gains	8.1	1.5	440.0	13.2	5.5	140.0
Exchange rate variation gains	1.4	0.0	-	1.4	0.0	0.0
Gain on Derivative Financial Instruments	0.0	0.5	-100.0	0.5	1.0	-50.0
Other financial revenues	4.8	5.8	-17.2	10.1	11.5	-12.2
Total financial revenues	25.1	15.6	60.9	40.7	30.7	32.6
Financial expenses						
Interest and fees on loans, financing, debentures and leases	-62.9	-52.2	20.5	-117.1	-103.2	13.5
Monetary variation losses	0.0	-0.5	-100.0	-0.5	-1.0	-50.0
Exchange rate variation losses	-1.4	0.0	-	-1.4	0.0	-
Other financial expenses	-0.8	-0.6	33.3	-1.1	-12.3	-91.1
Total financial expenses	-85.1	-47.3	79.9	-156.0	-115.2	35.4
Financial income (loss)	-60.0	-31.7	89.3	-115.3	-84.5	36.4



The main reasons for the variation in the financial result were the 79.9% increase in financial expenses, mainly in expenses with interest and fees on financing, loans, debentures and leases, from BRL 52.2 million to BRL 62.9 million between 2Q20 and 2Q21, and in monetary variations on loans and financing, from a revenue of BRL 6.0 million in 2Q20 to an expense of BRL 20 million in 2Q21 due to the increase in the calculation base of financial charges due to the raising of debentures (10th and 11th issues) and the growth of the IPCA compared to the same period in 2020.

Economic Result

Economic Result - R\$ million	2Q21 (1)	2Q20 (2)	Var. % (1/2)	1H21 (3)	1H20 (4)	Var. % (3/4)
Operating income	484.3	382.7	26.5	912.6	816.7	11.7
Financial income (loss)	-60.0	-31.7	89.3	-115.3	-84.5	36.4
Taxes on income	-92.5	-66.6	38.9	-219.0	-191.8	14.2
Net income for the period	331.8	284.4	16.7	578.3	540.4	7.0



The 2Q21 economic result was impacted mainly due to the increase of 10.7% in net operating revenue.

Reclassification of the 2Q21 results (excluding non-recurring items)

Non-recurrent items - In BRL million *	2Q21	2Q20	1H21	1H20
Net income	331.8	284.4	578.3	540.4
Incentive Retirement Program ("PAI")	-	14.0	-	16.4
NPV expenses on contractual financial assets	-	-	-	11.1
Economic and Finance Rebalance - Consortium DM/LFM/SEF	-	-	-	15.2
Operation "Ductos" Provision	5.9	-	5.9	-
Tax effects	-2.0	-4.8	-2.0	-14.5
Pro forma net income	335.7	293.6	582.2	568.6
% Net margin of non-recurrent items	26.5	25.5	23.4	23.7
Adjusted EBITDA of non-recurrent items	587.8	486.1	1,104.5	1,035.7
% Adjusted EBITDA margin of non-recurrent items	46.2	42.3	44.4	43.2

* Information not reviewed by independent auditors.

Distribution of Generated Economic Wealth

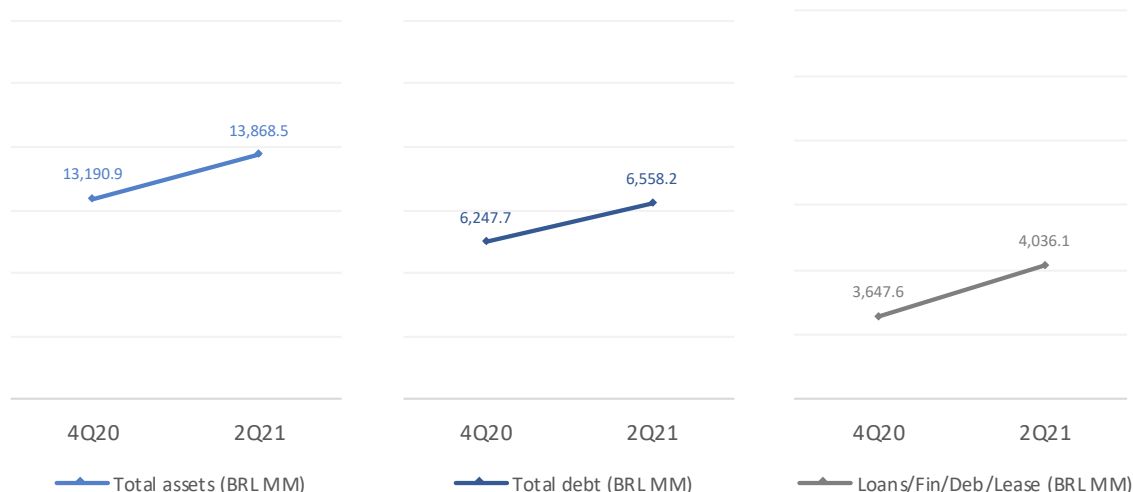
Distribution of Generated Economic Wealth - In BRL million	2Q21 (1)	2Q20 (2)	Var. % (1/2)	1H21 (3)	1H20 (4)	Var. % (3/4)
Personnel remuneration	262.2	267.0	-1.8	497.3	514.4	-3.3
Government Compensation (Taxes)	232.9	194.2	19.9	494.6	458.3	7.9
Third-party compensation (Rents)	1.0	0.9	11.1	2.7	2.0	35.0
Return on debt capital (interest and monetary variations)	85.1	47.2	80.3	156.0	115.1	35.5
Interest on Equity & Dividends	151.1	150.7	0.3	151.1	150.7	0.3
Net income for the period not distributed	180.7	133.7	35.2	427.2	389.7	9.6
Total Economic Wealth	913.0	793.7	15.0	1,728.9	1,630.2	6.1

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

Economic Indicators

Economic Indicators - In BRL million	1Q21 (1)	1Q20 (2)	Var. % (1/2)
Net operating revenue	1,226.5	1,246.1	-1,6 %
Operating profit	428.3	434.0	-1,3 %
Net income	246.5	256.0	-3,7 %
% Operating margin*	28.3	28.4	-0,1 p.p.
% Net margin*	20.1	20.5	-0,4 p.p.
% Return on average shareholders' equity*	3.5	4.1	-0,6 p.p.
Net debt/ EBITDA (Accumulated 12 month) *	1.4	1.3	0,1 p.p.

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

Assets & Liabilities Evolution

Indicators Evolution

	Reference	JUN/21	DEC/20	Var.
Equity	BRL million	7,310.3	6,943.2	5,3 %
Share value	BRL	4.84	4.59	5,4 %
Indebtedness level *	%	47.3	47.4	-0,1 p.p.
Current ratio *	BRL	1.62	1.21	33,9 %
Quick ratio *	BRL	1.58	1.17	35,0 %

* Information not reviewed by independent auditors.

EBITDA and Generation of Operating Cash

EBITDA - R\$ Million *	2Q21 (1)	2Q20 (2)	Var. % (1/2)	1H21 (3)	1H20 (4)	Var. % (3/4)
Net income for the period	331.8	284.4	16.7	578.3	540.4	7.0
(+) Taxes on Income	92.5	66.6	38.9	219.0	191.8	14.2
(+) Financial income (loss)	60.0	31.7	89.3	115.3	84.5	36.4
(+) Depreciation and amortization	97.6	89.4	9.2	192.0	176.3	8.9
EBITDA	581.9	472.1	23.3	1,104.6	993.0	11.2
% EBITDA Margin	45.7	41.1	4,6 p.p.	44.2	41.4	2,8 p.p.
% EBITDA conversion into cash	70.2	101.8	-31,6 p.p.	68.1	91.3	-23,2 p.p.

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

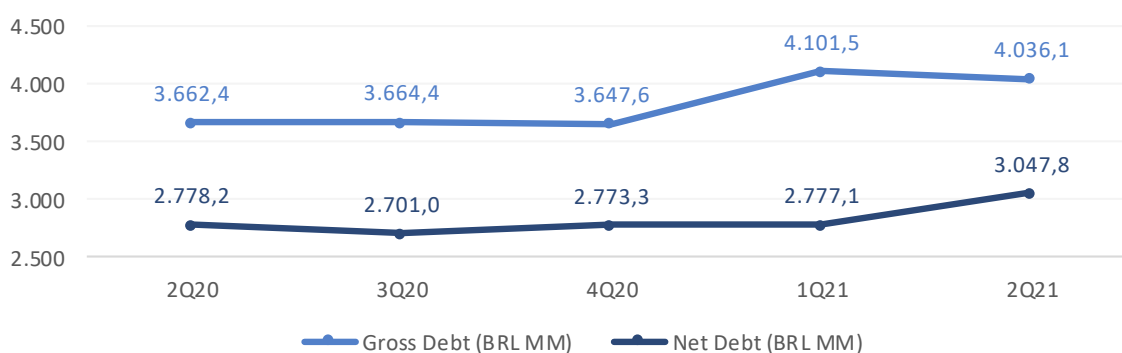
This increase in EBITDA performance was mainly due to the 10.7% growth in net revenue and the 1.2% reduction in costs and expenses that impact EBITDA. Operating cash generation in 2Q21 was BRL 581.9 million, an increase of 23.3% compared to 2Q20.

2.3 INVESTMENTS

Investments – R\$ Million	2Q21 (1)	2Q20 (2)	Var. % (1/2)	1H21 (3)	1H20 (4)	Var. % (3/4)
Water	161.2	99.5	62.0	275.6	201.2	37.0
Sewage	136.6	120.7	13.2	246.1	211.0	16.6
Other investments ¹	-4.4	15.0	-129.3	30.6	34.4	-11.0
Total	293.4	235.2	24.7	552.3	446.6	23.6

2.4 INDEBTEDNESS

Quarterly Evolution of Gross Debt and Net Debt



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

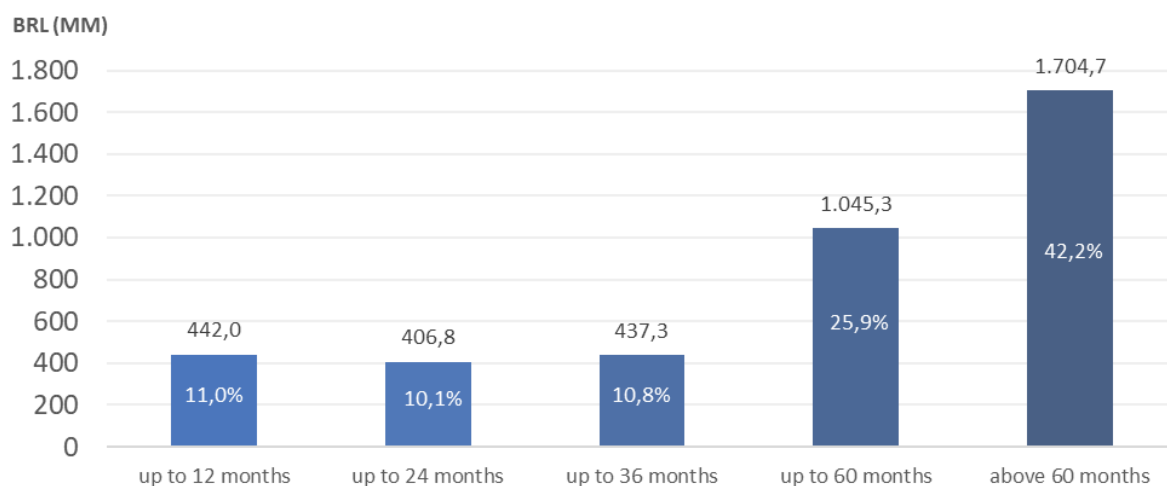
	2Q20	2Q21
Leverage Ratio	1.3x	1.5x
Indebtedness level	49.4%	47.3%

Loans, Financing, Debentures & Leasing Breakdown in 06/30/2021:

Indebtedness - BRL million	Annual interest rate	Index	Contract term	Debt balance	%
Caixa Econômica Federal	6.62% to 12.00%	TR	7/19/2042	1,207.3	29.9
Debentures 10th Issue - 1st series	4.66%	IPCA	3/15/2027	374.9	9.3
BNDES - PAC2	TJPL + 1.67% and 2.05%	-	7/15/2029	293.5	7.3
Leasing Operations (Paraná Coast)	11.14%	IPC-FIPE	12/7/2036	274.1	6.8
Debentures 11th Issue – 2nd series	4.25%	IPCA	3/15/2029	210.4	5.2
Debentures 9th Issue – 1st series	106.05% on DI	-	6/11/2024	199.5	5.0
Debentures 11th Issue – 3rd series	4.49%	IPCA	3/17/2031	163.4	4.0
Debentures 8th Issue – 2nd series	108.0% on DI	-	6/21/2023	155.1	3.8
Debentures 9th Issue – 2nd series	107.25% on CDI	-	6/11/2026	151.1	3.8
Debentures 4th Issue – 1st series	TJLP + 1.67%	-	7/15/2027	145.5	3.6
Credit Note ("CCB")	DI + 2.75%	-	6/13/2022	132.7	3.3
Debentures 11th Issue – 1st series	DI + 1.65%	-	3/13/2026	128.6	3.2
Leasing - Right of Use	5.97%	-	2/28/2026	95.1	2.4
Debentures 2nd Issue – 2nd series	9.19%	IPCA	9/15/2024	88.0	2.2
Debentures 4th Issue – 2nd series	7.44%	IPCA	7/15/2027	87.5	2.2
Debentures 7th Issue – 2nd series*	4.79%	IPCA	11/15/2038	70.5	1.7
Debentures 2nd Issue – 3rd series	TJLP + 1.92%	-	9/15/2024	53.1	1.3
Debentures 7th Issue – 1st series*	5.20%	IPCA	11/15/2038	45.8	1.1
Debentures 2nd Issue – 1st series	TJLP + 1.92%	-	9/15/2024	39.8	1.0
Debentures 7th Issue – 4th series*	6.57%	IPCA	11/15/2038	33.0	0.8
BNDES - AVANÇAR	3.56% to 3.96%	IPCA	6/15/2040	26.4	0.7
Debentures 7th Issue – 3rd series*	6.97%	IPCA	11/15/2038	21.5	0.5
BNDES	TJLP + 1.82%	-	1/15/2023	12.2	0.3
KfW Bank	1.35%	EURO	12/30/2032	9.9	0.2
Banco Itaú PSI	3.00% to 6.00%	-	1/15/2025	9.8	0.2
Banco do Brasil - PSI	3.00% to 6.00%	-	4/15/2024	7.4	0.2
Total				4,036.1	100.0

* IPCA as a variable component of the TLP

Debt Breakdown by Maturity



3. REGULATIONS

2020 Tariff Review

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

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

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

Portion A Cost Variation Account (CVA)

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

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

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

Up to March 2021, the Company's CVA ascertained in a managerial way a positive balance of BRL 8.0 million that Sanepar shall recover via tariff.

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

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

EBITDA - BRL million *	1H21
EBITDA	1,104.6
(+) Non-manageable items	8.0
Electricity	13.3
Treatment material	6.7
Fee and charges	(12.0)
(=) Adjusted EBITDA with non-manageable items	1,112.6
% EBITDA Margin with non-manageable items	44.5

* Information not reviewed by independent auditors.

1st Phase of the 2nd Periodic Tariff Review (“RTP”) and the Deferral of the 1st RTP

On 01/04/2021, AGEPAR promoted the opening of Public Consultation No. 001/2021, referring to the first phase of the second RTP and submitted nine Technical Notes opened for contributions until 02/17/2021. On 03/31/2021, the Agency held Public Hearing No. 001/2021 to discuss the Technical Notes already updated after the contributions of the Public Consultation. On 04/14/2021, AGEPAR's Board of Directors, at the Extraordinary Meeting No. 012/2021, decided to approve the new tariff repositioning of 5.7701%, as a result of the 1st Phase of the 2nd RTP. The repositioned tariff will take effect 30 days after its approval.

Also, in the 1st Phase of the 2nd RTP, AGEPAR updated the calculation rule in relation to the amortization of the portion of the deferral from the 1st RTP. In the final calculation, the deferred debt balance was estimated based on the balance of the differences between the Required Revenue and Verified Revenue projected up to May / 2021 and resulted in the amount of BRL 1,708.8 million. This amount was integrated into the tariff through a fixed-value compensation portion over the tariff cycle (2021 - 2024) of BRL 0.459 per m³, calculated based on the equality of a cash flow discounted by the regulatory WACC.

The deferral comes from Sanepar's 1st RTP, on which occasion the Company was authorized by AGEPAR, through Homologatory Resolution No. 003, of April 12, 2017, to apply the index of tariff repositioning of 25.63% as of April 17, 2017, as provided for in article 3:

"Art. 3 - Define that the application of the tariff review approved according to article 2 of this Resolution will be deferred in eight years, and the first installment will correspond, in the year of 2017, to an average repositioning of 8.53%, and the remainder in seven installments of 2.11%, plus the corresponding financial correction and economic correction, which will be applied by the weighted average rate of daily financing calculated in the Special Settlement and Custody System (SELIC), under the terms defined in the Technical Note approved in article 1 of this Resolution ”.

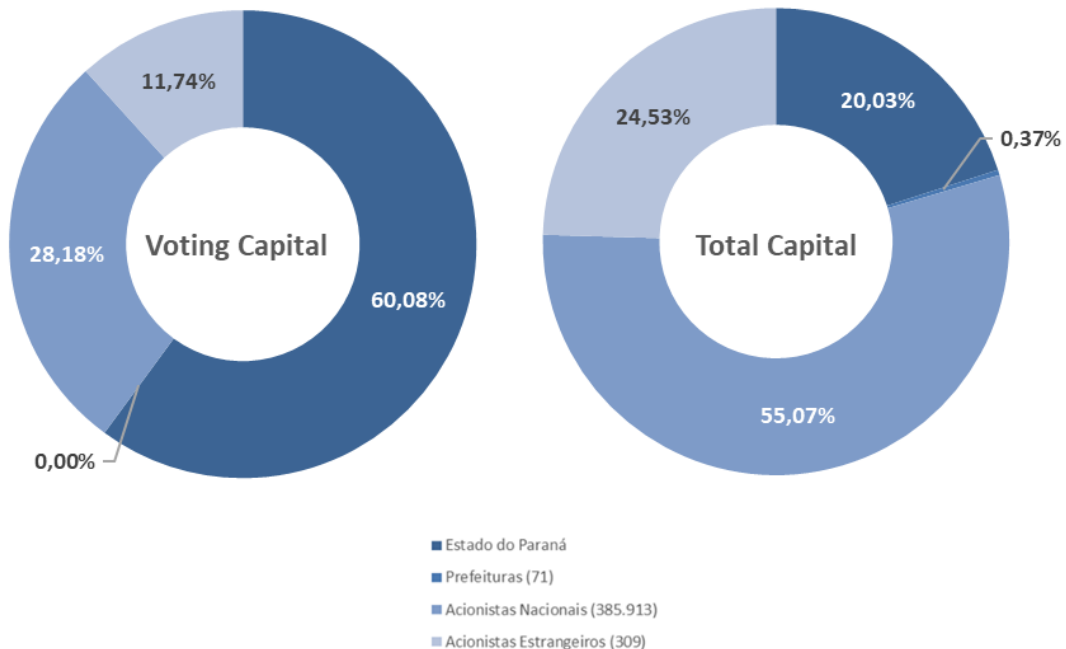
In relation to accounting records, in analogy to Technical Guideline OCPC 08 - Recognition of Certain Assets and Liabilities in the General Purpose Accounting-Financial Reports of Electricity Distributors

issued in accordance with Brazilian and International Accounting Standards, the Company does not record in the Financial statements the amounts receivable arising from the deferral, considering that: (i) the realization or enforceability of these amounts would depend on a future event not fully controllable by the entity - future billing of water and sewage services; (ii) it is not practicable to know, when the right to receive arises, who are the debtors of these amounts; and (iii) the effective receipt of these amounts will only occur with the maintenance of the concessions.

4. CAPITAL MARKET

4.1 SHAREHOLDING COMPOSITION

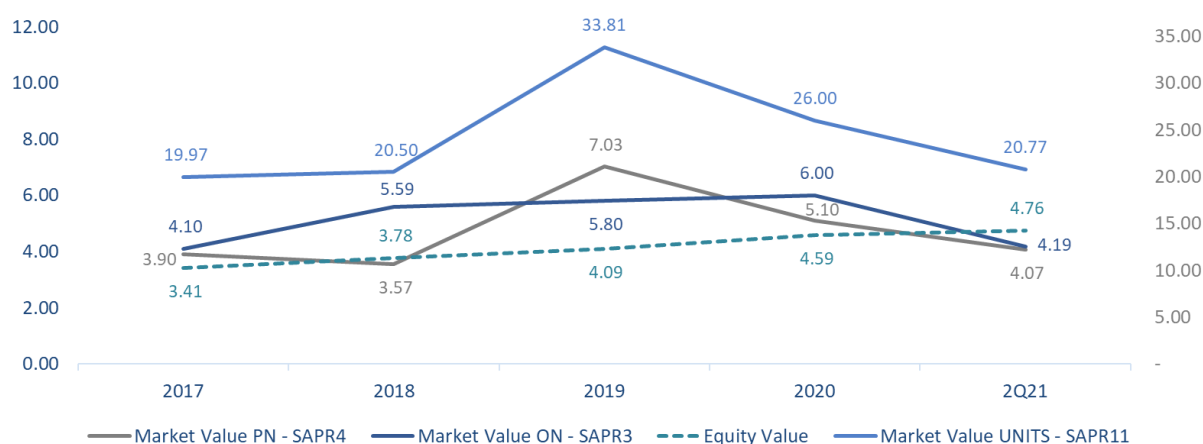
SHAREHOLDERS	Number of Shares			Shareholder Cap (BRL thousands)			% of share	
	ON	PN	Total	ON	PN	Total	Voting Capital	Total Capital
Estado do Paraná	302,657,701	3	302,657,704	801,103	0	801,103	60.08%	20.03%
Municipalities (71)	-	5,572,220	5,572,220		14,749	14,749	0.00%	0.37%
National Shareholders (417,692)	150,043,709	725,898,726	875,942,435	397,150	1,921,377	2,318,526	29.79%	57.96%
Foreign Sharholders (267)	51,033,849	275,999,311	327,033,160	135,081	730,541	865,622	10.13%	21.64%
TOTAIS	503,735,259	1,007,470,260	1,511,205,519	1,333,334	2,666,667	4,000,000	100.00%	100.00%



4.2 SECURITIES

Security	Ticker	Closing Value 2Q20	Closing Value 2Q21	Variation between 2Q20 and 2Q21
Ação Ordinária	SAPR3	R\$ 6.61	R\$ 4.07	-38.43%
Ação Preferencial	SAPR4	R\$ 6.28	R\$ 4.19	-33.28%
UNITS	SAPR11	R\$ 31.51	R\$ 20.77	-34.08%

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



* Adjusted to the split occurred on 06/30/2020

The equity value of each share in 2Q21 was BRL 4.84, while in 2Q20, BRL 4.29 was recorded. The Company's market cap on 06/30/2021 was BRL 6.7 billion.

4.3 PAYOUT

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

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

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

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

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

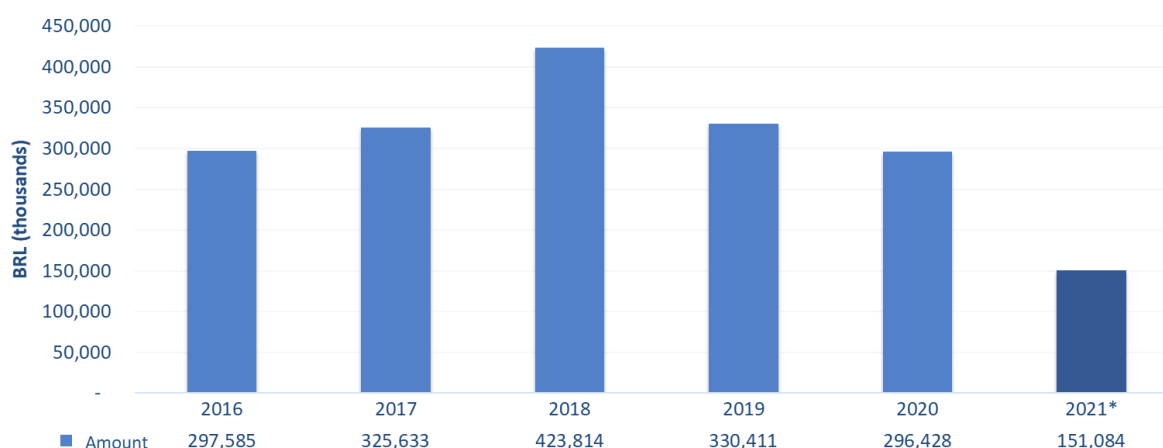
For the first half of 2021, the calculated (gross) value of Interest on Capital, observing the legal limit of the TJLP variation in the period, was BRL 151,083,814.93. This amount is in lieu of Mandatory Dividends, according to the statutory forecast and based on the income calculated in the first half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

Earnings per Share:

Security	Total per Share 2020		IoC 1st Half 2021	
Ação Ordinária	R\$	0.183893607058	R\$	0.09372721015
Ação Preferencial	R\$	0.202282967777	R\$	0.10309993116
Unit	R\$	0.993025478167	R\$	0.50612693478

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

Remuneration to shareholders:



5. OTHER INFORMATION

5.1 CORONAVIRUS (COVID-19) IMPACT

The Company disclosed the impacts of the new coronavirus pandemic (COVID-19) in Explanatory Note No. 31 to the Interim Financial Statements for the 2Q21.

5.2 CREDIT RATINGS

Moody's

On June 29, 2021, Moody's assigned the AAA.br Corporate Rating to Sanepar (previously, the Rating assigned to Sanepar was Aa2.br). At the same time, it assigned the AAA.br rating to the company's 8th issue of debentures – 2nd series and 10th issue of debentures. The outlook is stable.

Fitch

On July 7, 2021, Fitch Ratings upgraded the National Long-Term Rating of Sanepar and its unsecured debenture issues from AA(bra) to AAA(bra). Fitch's corporate rating. The outlook is also stable.

5.3 REGIONALIZATION OF SERVICES

As provided for in Federal Law No. 14,026, of July 15, 2020, the Government of the State of Paraná enacted the Complementary Law No. 237/2021 on July 09, 2021, which institutes the West, East Center and Coastal Center microregions of public water supply and sewage services and their respective governance structures.

Income Statement	2Q21	2Q20	2Q19
Net Operating Revenue	1,273.4	1,150.1	1,099.3
Costs of Services Provided	-499.4	-479.7	-451.4
Gross Profit	774.0	670.4	647.9
Operating Expenses	-289.7	-287.7	-329.4
Commercial	-105.7	-101.4	-89.7
Administrative	-142.2	-168.2	-143.5
Civil, Labor, Tax & Environmental Provisions	-1.4	14.8	-22.5
Retirement and Health Care Plan Provisions	-14.7	-16.7	-14.9
Profit Sharing Program	-23.4	-13.4	-27.2
Other Operating Expenses (Revenues)	-1.5	-1.9	-30.7
Equity Results Method	-0.8	-0.9	-0.9
Income Before Financial Result and Taxes	484.3	382.7	318.5
Financial Result	-60.0	-31.7	-44.6
Financial Revenues	25.1	15.6	15.7
Financial Expenses	-85.1	-47.3	-60.3
Result before taxes on the profit	424.3	351.0	273.9
Income Tax and Social Contribution on the Profit	-92.5	-66.6	-41.3
Net Profit in the Period	331.8	284.4	232.6

Balance Sheet - Assets	JUN/21	DEC/20	DEC/19
Current Assets			
Cash & Cash Equivalent	988.3	874.3	274.1
Accounts Receivable from Customers	872.4	779.4	809.7
Stocks	49.0	53.9	46.1
Taxes to Recover	28.6	6.8	0.3
Linked Deposits	14.2	4.7	2.9
Derivative Financial Instruments	10.7	9.5	-
Other Accounts Receivable	25.9	27.7	37.6
Total Current Assets	1,989.1	1,756.3	1,170.7
Non-current Assets			
Accounts Receivable from Customers	35.7	20.2	19.8
Deferred Income Tax & Social Contribution	652.8	656.5	629.1
Linked Deposits	57.5	56.9	55.7
Judicial Deposits	354.0	320.5	297.8
Derivative Financial Instruments	-	-	2.0
Contractual Financial Assets	556.1	490.1	435.2
Contracts Assets	1,732.4	1,634.8	1,756.7
Other Accounts Receivable	45.0	45.9	48.6
Investments	3.0	2.4	2.7
Fixed Asset	293.4	286.0	297.7
Intangible Asset	8,149.5	7,921.3	7,223.6
Total Non-current Assets	11,879.4	11,434.6	10,768.9
Total Assets	13,868.5	13,190.9	11,939.6

Balance Sheet - Liabilities	JUN/21	DEC/20	DEC/19
Current Liabilities			
Labor Obligations	69.0	181.4	119.5
Suppliers	199.9	209.4	214.5
Tax Obligations	60.4	72.7	100.8
Loans & Financing	442.0	521.5	357.2
Dividends & IoC - Payable	133.9	206.2	229.3
Concession Contracts	-	-	31.4
Contractual Collateral and Withholding	2.3	2.3	2.2
Revenue to be Appropriated	2.8	4.2	4.2
Derivative Financial Instruments	10.3	8.2	-
Other Bills to Pay	87.9	77.3	56.5
Retirement and Health Care Plan Provisions	80.0	78.1	82.4
Labor Provisions	140.7	87.6	93.4
Total Current Liabilities	1,229.2	1,448.9	1,291.4
Non-current Liabilities			
Suppliers	4.4	4.4	-
Loans & Financing	3,594.1	3,126.1	2,723.2
Taxes and Contributions	-	0.1	0.6
Revenue to be Appropriated	-	0.7	4.9
Derivative Financial Instruments	-	0.0	2.0
Other Bills to Pay	16.0	29.6	42.7
Retirement and Health Care Plan Provisions	1,120.7	1,093.2	1,154.2
Provisions	593.8	544.7	546.7
Total Non-current Liabilities	5,329.0	4,798.8	4,474.3
Total Liabilities	6,558.2	6,247.7	5,765.7
Equity			
Issued Capital Share	3,996.1	3,996.1	2,851.1
Revaluation Reserve	61.6	64.3	69.5
Profit Reserve	2,793.5	2,853.6	3,306.8
Accumulated Profits	430.0	-	-
Equity Valuation Adjustments	4.6	4.7	5.2
Other Statements of Comprehensive Income	24.5	24.5	-58.7
Total Shareholders' Equity	7,310.3	6,943.2	6,173.9
Total Liabilities and Shareholders' Equity	13,868.5	13,190.9	11,939.6

Cash Flow Statement	2Q21	2Q20	2Q19
Cash Flow From Operating Activities			
Net Profit in the Period	331.8	284.4	232.6
Adjustments to reconcile net profit and net cash			
Depreciation & Amortization	97.6	89.4	83.7
Costs of write-offs in fixed and intangible assets	4.5	3.2	2.1
Adjustment to Recoverable Value of Assets	-0.9	-1.0	-0.1
Adjustment to Present Value - Financial Assets	-5.5	-4.4	-4.0
Provision for Losses in credit realizations	25.8	15.2	5.6
Deferred Income Tax & Social Contribution, net	11.9	13.6	-24.0
Civil, Labor, Tax and Environmental Provisions	1.4	-14.8	22.5
Retirement & Health Care Plan	14.7	16.7	14.9
Interest of Financing	57.9	48.1	50.1
Monetary Variations on Financing	20.0	-5.6	5.1
Interest and Monetary Updates on Leasing	8.7	8.5	8.7
Exchange Variations, net	-1.4	0.5	0.0
Financial Derivatives Variation	1.4	-0.4	0.0
Result of Equity Method	0.8	0.9	0.9
Appropriation of costs on the third parties fundraising	1.1	0.6	0.2
Fair Value Adjustment - Investments	0.0	-0.1	0.0
	569.8	454.8	398.3
Variation in Assets & Liabilities			
Accounts Receivable from Customers	-63.6	29.8	-27.5
Taxes and Contributions to recover	-21.7	-40.7	-16.5
Stocks	0.9	-4.8	-0.3
Judicial Deposits	0.0	-9.7	-26.8
Other Credits and Accounts Receivable	0.4	2.4	-4.3
Suppliers	26.7	4.0	24.0
Concession Contracts	0.0	0.0	0.3
Taxes and Contributions	98.2	179.5	81.4
Salaries and Charges Payable	-36.9	18.5	75.1
Contractual Collateral and Withholding	-0.4	0.0	0.0
Revenues to be Appropriated	-1.0	-1.0	-1.1
Income Tax and Social Contribution, paid	-155.1	-146.3	-125.4
Other Accounts to pay	-9.0	-5.7	5.6
	-161.5	26.0	-15.5
Caixa Gerado pelas Atividades Operacionais	408.3	480.8	382.8
Cash Flow from Investments			
Investment in Fixed & Intangible Assets	-293.5	-235.2	-251.3
Investments Application	-1.0	0.0	0.0
Cash Generated by Investment Activities	-294.5	-235.2	-251.3
Cash Flow from Financing Activities			
Financing Obtained	62.9	275.9	378.0
Amortization on Financing	-176.7	-50.3	-51.0
Interest Payments on Financing	-48.7	-50.5	-49.5
Leasing Payments	-19.3	-20.0	-20.7
Costs in the Third Parties Fundraising	0.0	-3.2	-0.3
Linked Deposits	-0.3	0.5	-3.9
Payment of Interest on Equity (IoE)	-267.8	-303.4	-391.2
Cash Generated by Financing Activities	-449.9	-151.0	-138.6
Variation in Cash and Cash Equivalent Balance	-336.1	94.6	-7.1
Cash and Cash Equivalent Initial Balance	1,324.4	789.6	351.8
Cash and Cash Equivalent Final Balance	988.3	884.2	344.7

Earnings Conference Call | 2Q21

Friday, August 13, 2021 | 10:00 am (BRT)

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