

Earnings Release

3Q24

Rio Manso Reservoir



Belo Horizonte, November 4th, 2024 - COPASA MG (B3: CSMG3) hereby announces today its results for the third quarter of 2024 (3Q24). The financial information, except where otherwise indicated, is presented in Brazilian Reais thousands (R\$ thousand) and refers to the Parent Company. All tables in this report are available for download on the Company's Investor Relations website (ir.copasa.com.br).

OPERATIONAL AND FINANCIAL HIGHLIGHTS

- Net revenue of water, sewage, and solid waste totaled **R\$1.78 billion** in 3Q24, up by **9.6%** over 3Q23 (**R\$1.62 billion**).
- Costs and expenses totaled **R\$1.21 billion** in 3Q24, against **R\$1.14 billion** in 3Q23, up by **6.0%**.
- The 3Q23 result was positively impacted, as a result of the agreement signed in a Labor Class Action, with an extraordinary and non-recurring reversal of R\$155.1 million, of which R\$49.9 million in Other Operating Expenses and R\$105.2 million in Financial Expenses.
- The EBITDA totaled **R\$725.7 million** in 3Q24, up by **13.6%** over adjusted EBITDA of 3Q23 (**R\$638.9 million**). The EBITDA Margin was **40.5%** (adjusted Margin of **38.5%** in 3Q23).
- Net income was **R\$368.3 million** in 3Q24, **9.3%** higher than the adjusted net income in 3Q23 (**R\$337.1 million**).
- Shareholder remuneration, in the form of Regular Dividends for 2024, will be **50%** of the adjusted Net Income.
- Regular Dividends for 2024 (until September/2024) totaled **R\$452.2 million**: IoE of **R\$362.2 million** and Dividends of **R\$90.1 million**.
- The EGM held on April 26th, 2024, approved the distribution of **R\$300.0 million** as Extraordinary Dividends.
- Net debt reached **R\$5.15 billion** in September 2024 and the Net Debt/EBITDA ratio was **1.8x**.
- Investments made by the Parent Company, from January to September, including capitalizations, totaled **R\$1.56 billion**, increasing by **30.7%** from the same period in 2023.
- In 3Q24, water volume measured reached **175.6 million m³**, while sewage volume came to **120.5 million m³** (up by **3.5%** and **3.6%**, respectively, over 3Q23) (consolidated data).
- The delinquency rate (ratio between the balance of accounts receivable overdue between 90 and 359 days and the total amount billed in the last 12 months) reached **2.97%** in September 2024, one of the lowest indexes in the last 7 years. In September 2023 it was **3.07%**.
- The loss rate in COPASA MG's distribution reached **38.4%** in September 2024 (**38.9%** in September 2023).
- The Parent Company's index of "employees per thousand water and sewage connections" fell by **3.0%**, from **1.27** in September 2023 to **1.23** in September 2024.
- The capacity level of the reservoirs of the Paraopeba system is **52.4%**.

Conference Call

November 5th, 2024 (Tuesday)
11 a.m. (Brasilia) 9 a.m. (New York) 2 p.m. (London)
Link: [Click here](#)

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1. Operating Performance

1.1. Operational Data

The main operational data of the parent company (COPASA MG) comparing 3Q24 with the other reference periods is as follows:

COPASA MG Data (Parent Company)	3Q24	3Q23	3Q24 vs. 3Q23	2Q24	3Q24 vs. 2Q24	3Q22	3Q23 vs. 3Q22
Water							
Connections (1,000 units)	4,589	4,564	0.6%	4,562	0.6%	4,508	1.2%
Units (1,000 units)	5,557	5,522	0.6%	5,526	0.6%	5,455	1.2%
Population Served (1,000 inhabitants)	11,555	11,608	-0.5%	11,524	0.3%	11,600	0.1%
Distributed Volume (1,000 m ³)	289,022	275,688	4.8%	284,796	1.5%	267,476	3.1%
Measured Volume (1,000 m ³)	172,736	166,970	3.5%	172,438	0.2%	161,411	3.4%
Network Extension (km)	64,370	62,848	2.4%	63,871	0.8%	61,989	1.4%
Water Metering Index (%)	99.4	100.0	-0.6 p.p.	99.9	-0.5 p.p.	99.9	0.1 p.p.
Loss Index ¹ (%)	38.4	38.9	-0.5 p.p.	38.7	-0.3 p.p.	39.8	-0.9 p.p.
Loss Index ² (L/connectionsxday)	257.0	252.2	1.9%	259.0	-0.8%	252.4	-0.1%
Sewage							
Connections (1,000 units)	3,177	3,121	1.8%	3,153	0.8%	3,056	2.1%
Units (1,000 units)	4,068	3,972	2.4%	4,033	0.9%	3,891	2.1%
Population Served (1,000 inhabitants)	8,557	8,481	0.9%	8,523	0.4%	8,406	0.9%
Measured Volume (1,000 m ³)	119,252	115,157	3.6%	119,877	-0.5%	110,866	3.9%
Treated Volume (1,000 m ³)	83,531	89,606	-6.8%	89,459	-6.6%	73,551	21.8%
Network Extension (km)	32,506	31,985	1.6%	32,308	0.6%	31,194	2.5%

(1) Difference between the distributed volume and the measured volume, divided by the distributed volume in the last twelve months.

(2) Difference between the volume distributed and the volume measured, divided by the number of served connections and the number of days in the period in the last twelve months.

The main operational data of the subsidiary COPANOR comparing 3Q24 with the other reference periods is as follows:

COPANOR Data	3Q24	3Q23	3Q24 vs. 3Q23	2Q24	3Q24 vs. 2Q24	3Q22	3Q23 vs. 3Q22
Water							
Connections (1,000 units)	117	113	3.1%	116	1.2%	111	2.2%
Units (1,000 units)	120	117	2.9%	119	1.2%	114	2.0%
Population Served (1,000 inhabitants)	226	225	0.4%	225	0.3%	225	0.1%
Distributed Volume (1,000 m ³)	3,952	3,919	0.9%	4,019	-1.7%	4,235	-7.5%
Measured Volume (1,000 m ³)	2,845	2,622	8.5%	2,743	3.7%	2,538	3.3%
Network Extension (km)	3,114	2,846	9.4%	3,104	0.3%	2,701	5.3%
Sewage							
Connections (1,000 units)	55	54	1.9%	55	0.4%	54	0.5%
Units (1,000 units)	57	56	1.7%	56	0.3%	55	0.3%
Population Served (1,000 inhabitants)	108	107	0.4%	107	0.6%	108	-0.3%
Measured Volume (1,000 m ³)	1,267	1,205	5.1%	1,256	0.9%	1,193	1.1%
Network Extension (km)	1,549	1,547	0.1%	1,584	-2.2%	1,542	0.4%

The main operational data of the parent company (COPASA MG) and the subsidiary (COPANOR) comparing 3Q24 with the other reference periods is as follows:

Consolidated Data (COPASA MG + COPANOR)	3Q24	3Q23	3Q24 vs. 3Q23	2Q24	3Q24 vs. 2Q24	3Q22	3Q23 vs. 3Q22
Water							
Connections (1,000 units)	4,706	4,677	0.6%	4,678	0.6%	4,619	1.3%
Units (1,000 units)	5,677	5,638	0.7%	5,645	0.6%	5,569	1.2%
Population Served (1,000 inhabitants)	11,781	11,833	-0.4%	11,749	0.3%	11,825	0.1%
Distributed Volume (1,000 m ³)	292,975	279,606	4.8%	288,815	1.4%	271,711	2.9%
Measured Volume (1,000 m ³)	175,581	169,592	3.5%	175,181	0.2%	163,949	3.4%
Network Extension (km)	67,485	65,694	2.7%	66,975	0.8%	64,690	1.6%
Sewage							
Connections (1,000 units)	3,232	3,175	1.8%	3,208	0.8%	3,110	2.1%
Units (1,000 units)	4,125	4,028	2.4%	4,090	0.9%	3,947	2.1%
Population Served (1,000 inhabitants)	8,665	8,588	0.9%	8,630	0.4%	8,513	0.9%
Measured Volume (1,000 m ³)	120,519	116,363	3.6%	121,133	-0.5%	112,059	3.8%
Network Extension (km)	34,055	33,532	1.6%	33,892	0.5%	32,735	2.4%

1.1.1. Consumption Period and Measured Volume – Based on 90 days

The Company presents below a table with the consumption period and the Real and Adjusted volume measured for 90 days of billing to allow a comparative analysis between 3Q24 and the other periods:

Consumption Period and Volume COPASA MG	3Q24	3Q23	3Q24 vs. 3Q23	2Q24	3Q24 vs. 2Q24	3Q22	3Q23 vs. 3Q22
Consumption Period							
Consumption Days (quarter)	92.7	93.9	-1.3%	93.5	-0.9%	92.7	1.3%
Water Volume (1,000 m³)							
Measured Volume – Real ¹	172,827	166,970	3.5%	172,438	0.2%	161,411	3.4%
Measured Volume – Adjusted ²	167,793	160,035	4.8%	165,983	1.1%	156,794	2.1%
Sewage Volume (1,000 m³)							
Measured Volume – Real ¹	121,470	115,157	5.5%	119,877	1.3%	110,866	3.9%
Measured Volume – Adjusted ²	117,932	110,374	6.8%	115,390	2.2%	107,695	2.5%

(1) Represent the volume actually measured, considering the real billing schedule for each period.

(2) Represent the adjusted volume, considering a theoretical 90-day schedule for all comparative periods.

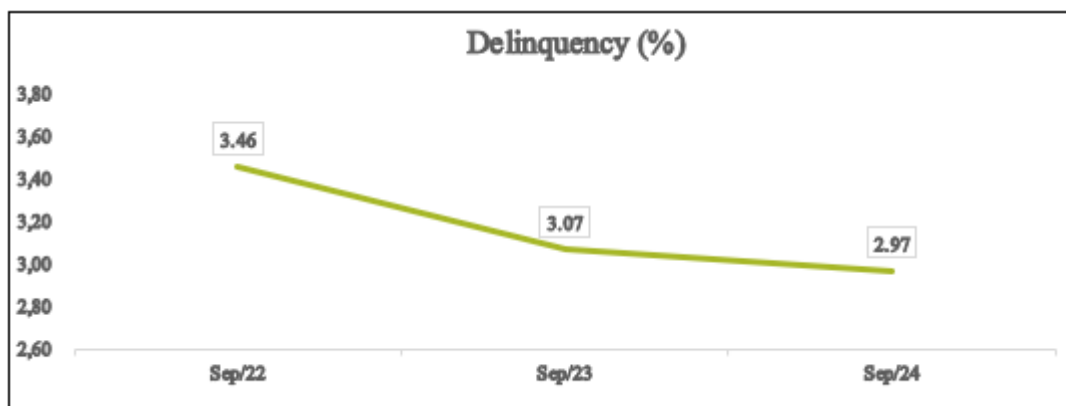
1.2. Customer Base

The quarterly information about the customer base, measured volume and billing by consumer category (Residential, Social Residential, Commercial, Industrial and Public) are highlighted in the following table:

Consolidated Data (COPASA MG + COPANOR)	Units per Category (%)			Measures Volume per Category (%)			Billings per Category (%)		
	3Q24	3Q23	3Q22	3Q24	3Q23	3Q22	3Q24	3Q23	3Q22
Water and Sewage (Quarterly Average)									
Residential	79.1%	77.9%	77.7%	74.3%	73.5%	73.0%	68.1%	67.8%	67.8%
Residential Social	10.5%	11.6%	11.8%	10.3%	11.4%	11.9%	5.0%	5.5%	5.7%
Commercial	9.2%	9.2%	8.6%	9.2%	9.0%	8.2%	15.5%	15.4%	13.9%
Industrial	0.6%	0.6%	0.6%	2.1%	2.1%	2.1%	4.1%	4.0%	4.0%
Public	0.6%	0.7%	1.3%	4.1%	4.0%	4.8%	7.3%	7.3%	8.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

1.3. Delinquency

According to the following chart, the delinquency rate, i.e., the ratio between the balance of accounts receivable overdue between 90 and 359 days and the total billed amount in the last 12 months, of 3.07% in September 2023, reached 2.97% in September 2024. This result is due to the resumption and intensification of collection actions and debt renegotiation campaigns.



1.4. Coverage Ratios

In September 2024, the coverage ratio of COPASA MG's water services, within its coverage area, is above 99%, as also verified in previous years, being higher, therefore, than that required by the New Sanitation Sector Framework, showing that the Company has already reached universalization before the deadline set for 2033.

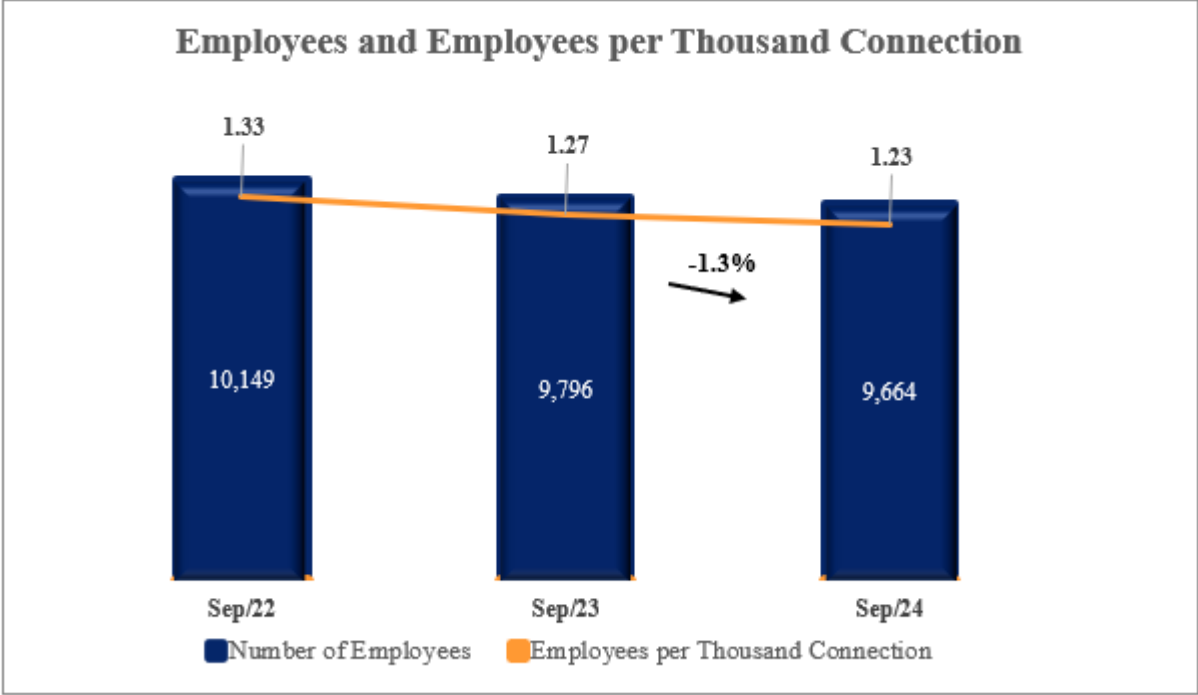
As for sewage, in September 2024 the Company reported global coverage ratio for collected and treated sewage of 77.1% (75.0% in December 2023). COPASA MG's robust 2024-2028 Investment Program of R\$9.8 billion, as detailed in item 5 of this Release, aims to make the investments necessary to maintain quality, regularity and monitoring of population growth referring to the already universalized water services, and expand investments focused on increasing collection networks and sewage treatment, with the goal of universalizing sewage services, as established by the New Sanitation Sector Framework, that is, 90% of the population supplied with collection network and sewage treatment by 2033.

The Company's coverage ratios for water and sewage are much superior than those verified for the national average. According to data disclosed by the National Sanitation Information System (SNIS), in January 2024, the ratio of global service with water network, at a national level, was 84.9%, for the reference year 2022, and the percentage of sewage treatment reached 52.2%, showing the superiority of COPASA MG's indicators.

1.5. Staff Management

1.5.1. Employees and Employees per Connection

The number of employees in the Parent Company fell by 1.3% from September 2023, to 9,664 employees in September 2024. This reduction allowed for an improvement in the rate “number of employees per thousand connections of water and sewage”, as shown in the chart below:



As for COPANOR, the headcount was 493 in September 2024, and the rate of employees per thousand connections was 2.83.

2. Financial Performance

2.1. Revenues

The table below shows gross revenue, deductions (PIS/Cofins), and net revenue from water, sewage, and solid waste in the comparative periods:

Gross Revenue, Deductions and Net Revenue	3Q24	3Q23	3Q24 vs. 3Q23	2Q24	3Q24 vs. 2Q24	3Q22	3Q23 vs. 3Q22
Gross Revenue – Water	1,296,166	1,172,825	10.5%	1,262,261	2.7%	1,010,569	16.1%
Gross Revenue – Sewage	659,651	611,125	7.9%	655,311	0.7%	505,406	20.9%
Gross Revenue – Solid Waste	1,354	1,325	2.2%	1,500	-9.7%	577	129.6%
Gross Revenue – Water, Sewage and Solid Waste	1,957,171	1,785,275	9.6%	1,919,072	2.0%	1,516,552	17.7%
PIS/Cofins	(181,135)	(165,239)	9.6%	(177,604)	2.0%	(140,350)	17.7%
Net Revenue – Water, Sewage and Solid Waste	1,776,036	1,620,036	9.6%	1,741,468	2.0%	1,376,202	17.7%

Net revenue from water, sewage and solid waste totaled R\$1.78 billion in 3Q24, as shown below:

Net Revenue	3Q24	3Q23	3Q24 vs. 3Q23	2Q24	3Q24 vs. 2Q24	3Q22	3Q23 vs. 3Q22
Net Direct Revenue - Water	1,157,683	1,050,449	10.2%	1,128,051	2.6%	895,083	17.4%
Net Direct Revenue - Sewage	595,212	551,273	8.0%	591,375	0.6%	456,890	20.7%
Net Direct Revenue - Water and Sewage	1,752,895	1,601,722	9.4%	1,719,426	1.9%	1,351,973	18.5%
Net Indirect Revenue - Water	18,537	13,834	34.0%	17,412	6.5%	21,990	-37.1%
Net Indirect Revenue - Sewage	3,416	3,317	3.0%	3,313	3.1%	1,734	91.3%
Net Indirect Revenue - Water and Sewage	21,953	17,151	28.0%	20,725	5.9%	23,724	-27.7%
Net Revenue - Solid Waste	1,188	1,163	2.1%	1,317	-9.8%	506	129.8%
Net Revenue - Water, Sewage and Solid Waste	1,776,036	1,620,036	9.6%	1,741,468	2.0%	1,376,203	17.7%

Next, the Company's comments on the main factors that influenced net revenue from water supply and sewage services, year on year in 3Q24:

- impacts of the tariff increase applied on January 1st, 2024, with an average tariff effect of 4.21%, as authorized by Arsae-MG;
- an increase of 3.5% in the measured volume of water and 3.6% in the measured volume of sewage; and
- migration of units from the social to the residential category, due to re-registrations, resulting in a 1.2 p.p. increase in the concentration of residential units regarding the total units served, with an impact on the average revenue per unit compared to 3Q23 (see item 1.2 - Customer Base of this Release).

2.2. Costs and Expenses

The following table shows the costs of sales and services rendered, sales and administrative expenses in the comparative periods:

Costs and Expenses	3Q24	3Q23	3Q24 vs. 3Q23	2Q24	3Q24 vs. 2Q24	3Q22	3Q23 vs. 3Q22
Manageable Costs	799,743	749,128	6.8%	782,737	2.2%	679,095	10.3%
Personnel ¹	401,365	408,895	-1.8%	407,060	-1.4%	357,590	14.3%
Outsourced Services	207,612	182,244	13.9%	194,185	6.9%	163,877	11.2%
Rio Manso PPP	23,277	23,415	-0.6%	23,054	1.0%	23,967	-2.3%
Materials	17,165	19,532	-12.1%	17,794	-3.5%	23,910	-18.3%
Provision for Doubtful Accounts (PDA)	55,737	33,660	65.6%	55,584	0.3%	51,113	-34.1%
Tariff Transfers to Municipalities	72,855	68,689	6.1%	71,826	1.4%	51,241	34.1%
Sundry Operational Costs	21,732	12,693	71.2%	13,234	64.2%	7,397	71.6%
Non-Manageable Costs	209,667	181,288	15.7%	199,349	5.2%	148,908	21.7%
Electricity	163,724	156,625	4.5%	150,616	8.7%	122,488	27.9%
Telecommunication	5,091	5,029	1.2%	5,024	1.3%	4,215	19.3%
Treatment and Laboratory Materials	30,038	28,817	4.2%	33,148	-9.4%	28,713	0.4%
Fuels and Lubricants	10,814	7,395	46.2%	10,561	2.4%	10,920	-32.3%
Tax Credits	-	(16,578)	n.m.	-	n.m.	(17,428)	-4.9%
Capital Costs	200,433	193,007	3.8%	193,743	3.5%	178,805	7.9%
Depreciation and Amortization	200,433	193,007	3.8%	193,743	3.5%	178,805	7.9%
Charge for Usage of Water Resources	-	18,112	n.m.	-	n.m.	7,421	144.1%
Total Costs and Expenses	1,209,843	1,141,535	6.0%	1,175,829	2.9%	1,014,229	12.6%
Total Costs and Expenses (without Depreciation and Amortization)	1,009,410	948,528	6.4%	982,086	2.8%	835,424	13.5%

(1) Includes pension plan obligations.

Below, the Company presents the comments on the items that make up the costs and expenses that presented the most significant variations, year on year in 3Q24:

2.2.1. Manageable Costs

2.2.1.1. Personnel

The reduction seen in this account was 1.8%, mainly explained by the net effect of the following factors:

- impacts in salaries, vacation pay, and Christmas bonuses, among other benefits arising from the 2023 Collective Bargaining Agreement (ACT), whose reference date is November, based on the INPC (4.14%);
- salary increase of 2% in February 2024, corresponding to one salary range granted to about 65% of the total workforce, as a result of the aforementioned ACT;
- an increase of R\$2.7 million in healthcare expenses due to higher usage of the Health Plan by employees;
- an increase of R\$6.8 million in capitalizable expenses;
- a reduction of 1.3% in the number of employees;
- decrease of R\$4.6 million in the provisions for Profit Sharing; and
- a reduction of R\$4.0 million in overtime hours worked due to a reassessment of work schedules.

2.2.1.2. Outsourced Services

The increase was 13.9%, mainly due to price adjustments/increases and increased demand, as well as the expansion of services and better performance by contractors, highlighting the following variations:

- an increase of R\$6.8 million in IT services, due to the contracting of new software licenses and technical support services;
- an increase of R\$4.4 million in meter reading and bill delivery services;
- an increase of R\$3.0 million in cleaning, surveillance, messenger, and receptionist services;
- an increase of R\$3.0 in contracted transportation services;
- an increase of R\$2.4 million in expenses with conservation and maintenance of assets and systems;
- an increase of R\$2.3 million in maintenance, cut, and reconnection services; and
- an increase of R\$2.3 million in expenses with collection and billing services.

The table below shows the sum of personnel costs and outsourced services. As observed, the total amounts reported in 3Q24 varied by 3.0% from 3Q23, which is lower than the inflation recorded in the last 12 months and the salary adjustments during the period:

Personnel + Outsourced Services	3Q24	3Q23	3Q24 vs. 3Q23	2Q24	3Q24 vs. 2Q24
Personnel (a)	401,365	408,895	-1.8%	407,060	-1.4%
Outsourced Services (b)	207,612	182,244	13.9%	194,185	6.9%
Total (a) + (b)	608,977	591,139	3.0%	601,245	1.3%

2.2.1.3. Rio Manso PPP

The 0.6% decrease in this line was due to lower electricity costs, due to savings from the migration of part of the consumption to the Free Market, despite the 4.5% contractual adjustment that occurred in April 2024, based on the IPCA index.

2.2.1.4. Materials

This item fell by 12.1%, mainly due to lower expenses related to conservation and maintenance materials for operational systems.

2.2.1.5. Provision for Doubtful Accounts (PDA)

The amount of this item is 65.6% higher in 3Q24, in relation to 3Q23, mainly due to the increase in accounts receivable as a result of the increase in revenue, the recovery of written-off accounts, as well as the reflection of the annual review of the provision matrix, carried out in June 2024.

2.2.1.6. Tariff Transfers to Municipalities

The increase in the amounts related to tariff transfer was due to the increase in revenue, associated with the increase in the number of municipal sanitation funds qualified to receive such transfer.

2.2.1.7. Sundry Operating Costs

The 71.2% YoY increase in sundry operating costs, comparing 3Q24 with 3Q23, was mainly due to an increase in expenses linked to tax incentives incurred by the Company under the National Culture Support Program (Programa Nacional de Apoio à Cultura), as well as an increase in expenses related to transportation, travel, and accommodation.

2.2.2. Non-Manageable Costs

2.2.2.1. Electricity

The 4.51% YoY increase in electricity expenses in 3Q24 was mainly due to the net effect of the following factors:

- an increase of approximately 6.1% in the Company's electricity consumption;
- an increase of 7.327% applied by Cemig to the electricity tariffs, levied on the captive market, effective from May 2024;
- difference in tariff flag application for the periods compared: in 3Q24, the yellow flag was applied in August and the green flag was applied in other months, while the green flag was applied throughout 3Q23;
- reduction in electricity expenses due to the increase in the number of units migrated to the Free Market, from 11 units in September 2023 to 26 units in September 2024, with the Company reaching 50% of its electricity consumption under this category; and
- start of energy acquisition from photovoltaic sources from January 2024, reaching 15% of the Company's total consumption in September 2024, reducing expenses with this input.

2.2.2.2. Treatment and Laboratory Materials

The 4.2% YoY increase in this item was mainly due to the rise in the price of some inputs, associated with the increased number of laboratory analyses carried out.

2.2.2.3. Fuels and Lubricants

The 46.2% increase was mainly due to higher equipment usage at operational units (generators), impacting higher fuel consumption, and an increase in fuel prices in 3Q24 compared to 3Q23.

2.2.2.4. Tax Credits

Starting from 2024, the Tax Credit account has recorded a zero balance due to the completion of the automatic accounting process of PIS/Cofins tax credits from depreciation and amortization expenses, which began to be accounted for directly in each expense account.

2.2.3. Depreciation and Amortization

The 3.8% YoY increase in the depreciation and amortization line in 3Q24 was mainly due to incorporations in PP&E and intangible assets, partially offset by the change in the allocation of tax credits, as described in item 2.2.2.4 of this Release.

2.3. Other Operating Revenues (Expenses)

Other operating revenues and expenses in the comparative periods are as follows:

Other Operating Revenues (Expenses)	3Q24	3Q23	3Q24 vs. 3Q23	2Q24	3Q24 vs. 2Q24	3Q22	3Q23 vs. 3Q22
Other Operating Revenues	11,332	23,526	-51.8%	10,370	9.3%	32,229	-27.0%
Reversal of Non-Deductible Provision	2	5,827	-100.0%	7	-71.4%	13,836	-57.9%
Recovery of Written-off Accounts	-	-	-	-	-	12,002	n.m.
Disposal of PP&E Items	2,789	599	365.6%	1,955	42.7%	727	-17.6%
Other Revenues	8,541	17,100	-50.1%	8,408	1.6%	5,664	201.9%
Other Operating Expenses	(52,794)	(5,025)	950.6%	(40,859)	29.2%	(58,884)	-91.5%
Provisions for Lawsuits	(18,097)	28,962	n.m.	(13,418)	34.9%	(22,429)	n.m.
Arsae-MG Fee	(15,109)	(14,203)	6.4%	(15,109)	0.0%	(13,265)	7.1%
Expenses with Environmental preservation	(7,241)	(11,470)	-36.9%	(2,313)	213.1%	(6,287)	82.4%
Taxes and Tributes	(3,412)	(3,739)	-8.7%	(4,137)	-17.5%	(1,976)	89.2%
Actuarial Liability	(2,640)	(1,656)	59.4%	(2,640)	0.0%	(4,688)	-64.7%
Other Expenses	(6,295)	(2,919)	115.7%	(3,242)	94.2%	(10,239)	-71.5%
Other Operating Revenues (Expenses)	(41,462)	18,501	n.m.	(30,489)	36.0%	(26,655)	n.m.

2.3.1. Other Operating Revenues

The decrease in Other Operating Revenues is primarily due to the reduction in Reversals of Non-Deductible Provisions and in Other Revenues, which are now classified as a reduction of the corresponding cost.

2.3.2. Other Operating Expenses

Other Operating Expenses moved from a negative R\$5.0 million in 3Q23 to a negative R\$52.8 million in 3Q24. In 3Q23, an extraordinary and non-recurring reversal of a provision for labor lawsuit was made, totaling R\$155.1 million, of which R\$49.9 million was accounted for in Other Operating Expenses and R\$105.2 million, related to interest and monetary adjustments, was accounted for in Financial Expenses (see item 2.1 in the [3Q23 Release](#)).

2.4. Equity Pick-up (Subsidiary COPANOR)

Below is the summarized Income Statement of COPANOR for the comparative periods:

Summarized Statement of COPANOR	3Q24	3Q23	3Q24 vs. 3Q23	2Q24	3Q24 vs. 2Q24	3Q22	3Q23 vs. 3Q22
Net Revenue from Sales and/or Services	16,221	15,755	3.0%	15,012	8.1%	12,270	28.4%
Construction Revenue	8,885	2,704	228.6%	9,093	-2.3%	7,375	-63.3%
Other Operating Revenues	24	529	-95.5%	164	-85.4%	(169)	n.m.
Operating Costs and Expenses	(18,231)	(19,629)	-7.1%	(20,171)	-9.6%	(13,287)	47.7%
Construction Costs	(8,885)	(2,704)	228.6%	(9,093)	-2.3%	(7,375)	-63.3%
Other Operating Expenses	(412)	(782)	-47.3%	(347)	18.7%	(244)	220.5%
Net Financial Revenues (Expenses)	1,586	1,525	4.0%	1,555	2.0%	1,537	-0.8%
Net Income (Loss)	(812)	(2,603)	-68.8%	(3,787)	-78.6%	107	n.m.

2.5. Financial Result

Financial revenues and expenses in the comparative periods are as follows:

Financial Revenues (Expenses)	3Q24	3Q23	3Q24 vs. 3Q23	2Q24	3Q24 vs. 2Q24	3Q22	3Q23 vs. 3Q22
Financial Revenues	129,596	77,770	66.6%	86,439	49.9%	57,665	34.9%
Monetary and Foreign Exchange Variation	43,619	15,920	174.0%	8,598	407.3%	12,129	31.3%
Interest	12,739	13,499	-5.6%	21,990	-42.1%	12,117	11.4%
Real Gains from Financial Investments	37,880	18,491	104.9%	20,093	88.5%	18,342	0.8%
Capitalization of Financial Assets/Other	35,358	29,860	18.4%	35,758	-1.1%	15,077	98.1%
Financial Expenses	(180,510)	12,984	n.m.	(205,138)	-12.0%	(89,445)	n.m.
Monetary and Foreign Exchange Variation	(78,282)	(23,738)	229.8%	(122,589)	-36.1%	(18,839)	26.0%
Charges on Financing and Legal Provisions	(102,049)	36,905	n.m.	(82,273)	24.0%	(70,529)	n.m.
Sundry	(179)	(183)	-2.2%	(276)	-35.1%	(77)	137.7%
Financial Result	(50,914)	90,754	n.m.	(118,699)	-57.1%	(31,780)	n.m.

The Net Financial Result was a negative R\$50.9 million in 3Q24, compared to a positive R\$90.8 million reported in 3Q23, due to the net effects of the following factors:

- increase in the Real Gains from Financial Investments, given the higher average balance of cash available in 3Q24 compared to 3Q23;
- higher foreign exchange variation expenses, resulting from the nearly 2% appreciation of the euro against the real in the quarter, with the foreign currency (euro) debt balance accounting for 19.3% of total debt in September 2024 (9.3% in 3Q23).
- higher gross debt of the Company in the last 12 months; and
- impacts from the reversal of interest and monetary adjustment of R\$105.2 million in 3Q23 in the Charges on Financing and Legal Provisions line, due to the agreement executed in the Labor Class Action. Under the mentioned agreement, there was also a reversal of R\$49.9 million in Other Operating Expenses (see item 2.1 in the [3Q23 Release](#)).

2.6. Taxes on Income

Taxes on Income	3Q24	3Q23	3Q24 vs. 3Q23	2Q24	3Q24 vs. 2Q24	3Q22	3Q23 vs. 3Q22
Earnings before Taxes on Income	473,005	585,153	-19.2%	414,771	14.0%	303,646	92.7%
Income and Social Contribution Taxes	(104,738)	(148,039)	-29.2%	(89,598)	16.9%	(76,478)	93.6%
Effective Rate	22.14%	25.30%	-3.2 p.p.	21.60%	0.54 p.p.	25.19%	0.11 p.p.

The decline in taxes on income was mainly due to lower taxable income in 3Q24, along with the increase in amounts related to tax incentives this quarter. Regarding the effective rate, the percentage observed in 3Q24 is in line with the Company's recent historical figures.

2.7. Net Income and Adjusted Net Income

Below, the net income table in the comparative periods:

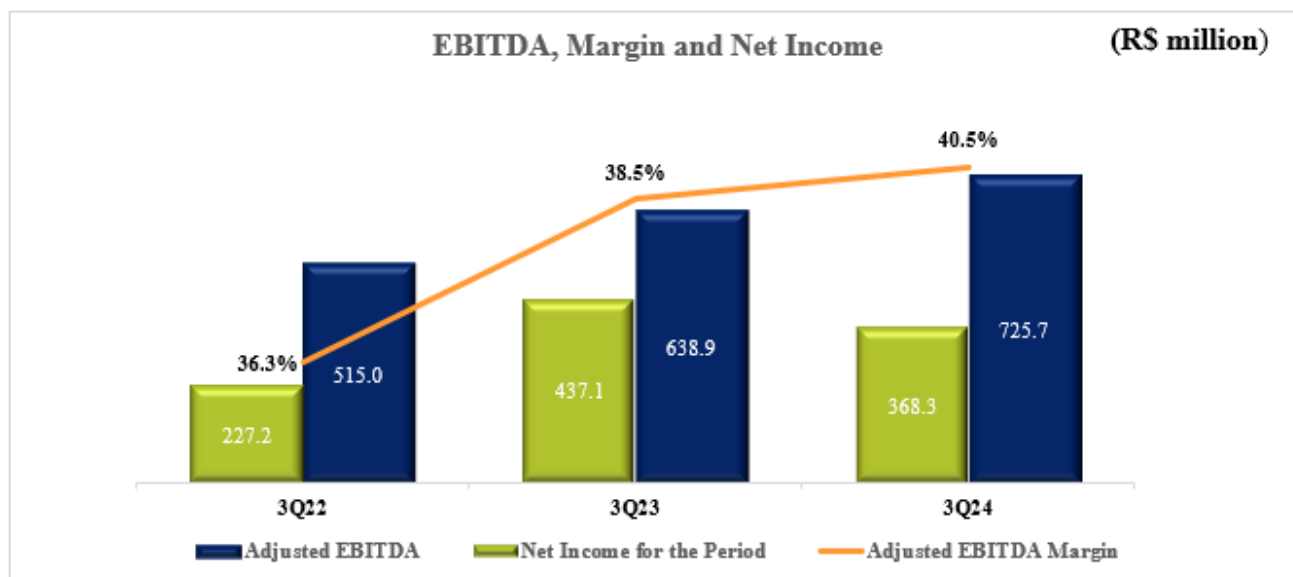
Net Income and Earnings per Share	3Q24	3Q23	3Q24 vs. 3Q23	2Q24	3Q24 vs. 2Q24	3Q22	3Q23 vs. 3Q22
Result before Financial Result and Taxes	523,919	494,399	6.0%	533,470	-1.8%	335,426	47.4%
Net Financial Result	(50,914)	90,754	-156.1%	(118,699)	-57.1%	(31,780)	-385.6%
Earnings before Taxes on Income	473,005	585,153	-19.2%	414,771	14.0%	303,646	92.7%
Taxes on Income	(104,738)	(148,039)	-29.2%	(89,598)	16.9%	(76,478)	93.6%
Statutory Net Income	368,267	437,114	-15.8%	325,173	13.3%	227,168	92.4%
Net Earnings per Share (R\$)	0.97	1.15	-15.8%	0.86	13.3%	0.60	92.4%

Due to a settlement reached in a Labor Class Action, the Net Income reported in 3Q23 was impacted by the extraordinary and non-recurring reversals of R\$49.9 million (Other Operating Expenses) and R\$105.2 million (Financial Expenses), as well as the effects from these reversals (mainly tax effects). For better comparability between the quarters, the table below shows the Statutory Net Income reported in 3Q24, compared to the amount adjusted for non-recurring events in 3Q23, which would reflect an increase of 9.3%:

Adjusted Net Income	3Q24	3Q23	3Q24 vs. 3Q23
Statutory Net Income	368,267	437,114	-15.8%
Non-Recurring Items, Net of Taxes on Income	-	(100,053)	
Adjusted Net Income	368,267	337,061	9.3%

2.8. EBITDA and EBITDA Margin

EBITDA is a non-accounting measure adopted by COPASA MG, calculated according to CVM Resolution 156/2022, consisting, as shown below, of net income plus taxes on income, financial result, depreciation/amortization, and these same items of the subsidiary COPANOR.



The table below shows the reconciliation of Net Income to EBITDA in the comparative periods.

EBITDA	3Q24	3Q23	3Q24 vs. 3Q23	2Q24	3Q24 vs. 2Q24	3Q22	3Q23 vs. 3Q22
Net Income for the Period	368,267	437,114	-15.8%	325,173	13.3%	227,168	92.4%
(+) Taxes on Income	104,738	148,039	-29.2%	89,598	16.9%	76,478	93.6%
(+) Financial Result	50,914	(90,754)	n.m.	118,699	-57.1%	31,780	n.m.
(+) Depreciation and Amortization	200,433	193,007	3.8%	193,743	3.5%	178,805	7.9%
(+) Taxes on Income, Financial Result and Depreciation/Amortization of COPANOR	1,333	1,349	-1.2%	1,330	0.2%	770	75.2%
(=) EBITDA	725,685	688,755	5.4%	728,543	-0.4%	515,001	33.7%
EBITDA Margin¹	40.5%	41.5%	-1.0 p.p.	41.5%	-1.0 p.p.	36.3%	5.2 p.p.
Adjustments – Non-Recurring Item²							
(+) Reversal of Provision Referring to Labor Lawsuit	-	(49,872)	n.m.	-	n.m.	-	n.m.
(=) Adjusted EBITDA	725,685	638,883	13.6%	726,435	-0.1%	515,001	24.1%
Adjusted EBITDA Margin	40.5%	38.5%	2.0 p.p.	41.4%	-0.9 p.p.	36.3%	2.2 p.p.

(1) The Company changed the calculation method of the EBITDA margin, which is now calculated by dividing the EBITDA by the sum of the net revenue from water, sewage, and solid waste of the Parent Company and its subsidiary COPANOR.

(2) The adjustment in 2Q24 refers to the reversal of provision for VSP, of R\$2.1 million. The adjustment amount in 3Q23 refers to the reversal of the provision due to the final settlement in the records of Class Actions established in individual enforcement proceedings, as detailed in item 2.1 of the [3Q23 Release](#).

3. Shareholder Compensation

3.1. Dividend Policy Revision

The Dividend Policy in force was approved by the Extraordinary Shareholders' Meeting held on April 28th, 2023, as content summarized below:

Regular Dividends:

- Regular Dividends shall be in the form of Dividends or Interest on Equity (IoE).
- Declared IoE shall be considered as mandatory minimum legal dividend.
- The percentage of Adjusted Net Income (Net Income after reducing or increasing the amounts specified in items I, II, and III of article 202 of Federal Law 6,404/1976) to be distributed as Regular Dividends shall be defined, by the Board of Directors, upon approval of the corporate budget for the fiscal year, always observing the following parameters:
 - the mandatory legal minimum;
 - the maximum limit of 50% (fifty percent).
- The declaration of Regular Dividends, which is the responsibility of the Board of Directors, shall occur every quarter, whereby the payment will occur within 60 (sixty) days from the date in which they were declared, except for the amounts referring to the fourth quarter, which shall be defined at the Annual Shareholders' Meetings (ASM) that approves the Financial Statements for the fiscal year.

Extraordinary Dividends:

- There may be distributions, according to analysis by the Board of Directors and approval at the EGM, and the following must be observed:
 - The general guidelines, including (i) compliance with the public interest that justified the creation of COPASA MG; and (ii) the guarantee of resources, in its Investment Plan, to meet the provisions of Federal Law 11,445/2007 and Federal Law 14,026/2020, in particular, regarding the universalization of basic sanitation services and other established qualitative and quantitative goals.
 - The legal, regulatory, statutory, and financial restrictions, as well as covenants.

3.2. Dividends and Interest on Equity Declared

Below is the information on the amounts declared as shareholder payout. The distributions made were preceded by internal studies and projections that indicated that the distribution of earnings does not affect the investment plan, liquidity, as well as compliance with covenants in the next few years, considering the Company's leverage level.

3.2.1. Regular Dividends - 2024

For the year 2024, as approved by the Board of Directors at a meeting held on December 15th, 2023, the distribution of Regular Dividends will correspond to 50% of net income, adjusted in accordance with article 202 of Federal Law No. 6,404/1976, as Interest on Equity (IoE) and/or dividends.

Below is a table with the distributions of Regular Dividends for 2024:

Reference	Corporate Event and Date	Cut-off Date	Amount	Value per share (R\$)	Payment Date
1Q24 IoE	BoDM 03.20.2024	03.25.2024	117,596	0.31013057	05.17.2024
1Q24 Dividends	BoDM 03.20.2024	03.25.2024	54,831	0.14460453	05.17.2024
2Q24 IoE	BoDM 06.20.2024	06.25.2024	120,127	0.31680701	08.19.2024
2Q24 Dividends	BoDM 06.20.2024	06.25.2024	25,747	0.06790250	08.19.2024
3Q24 IoE	BoDM 09.12.2024	09.18.2024	124,437	0.32817333	09.30.2024
3Q24 Dividends	BoDM 09.12.2024	09.18.2024	9,488	0.02502186	09.30.2024
Declared Total (Jan to Sep/2024)			452,226	1.19263982	

3.2.2. Extraordinary Dividends - Earnings Retention Reserve on 12/2023

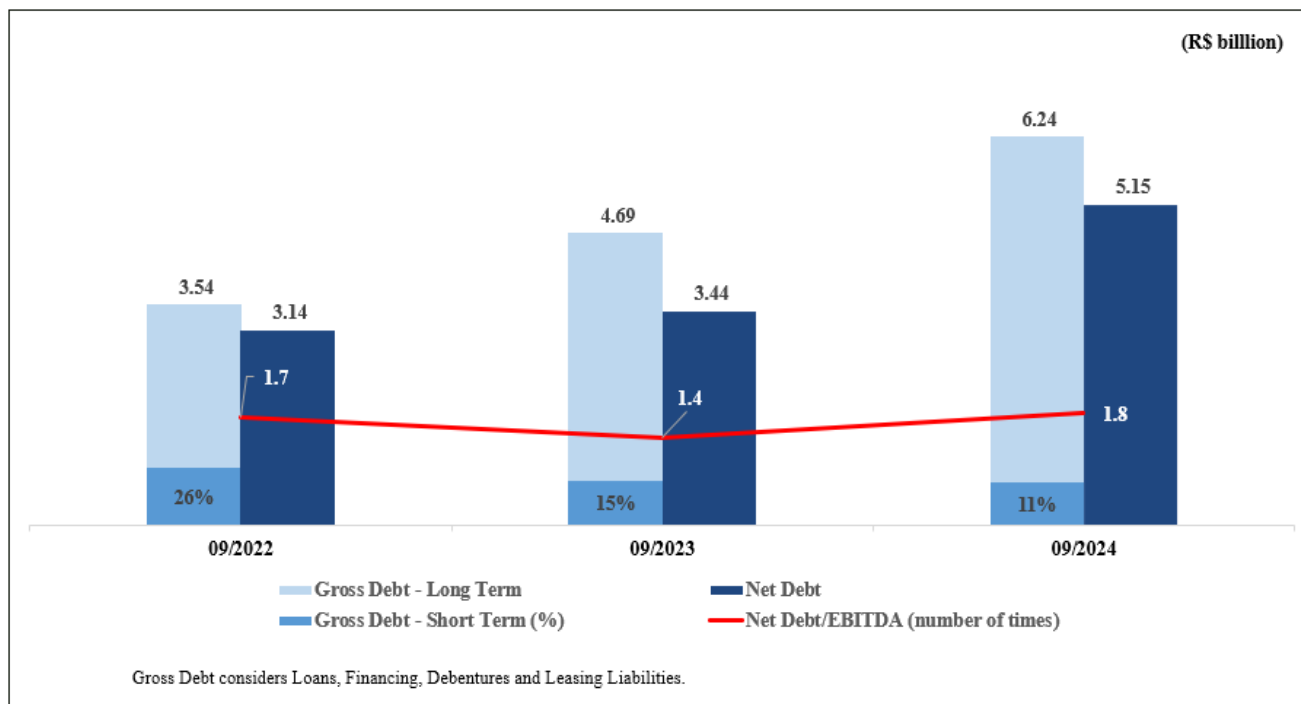
According to the Dividend Policy in force, the [EGM held on April 26th, 2024](#) approved the distribution of Extraordinary Dividends totaling R\$300.0 million, using part of the Balance of the Earnings Retention Reserve Account existing in the balance sheet for the year ended on December 31st, 2023, as per the table below:

Reference	Corporate Event and Date	Cut-off Date	Amount	Value per share (R\$)	Payment Date
Extraordinary Dividends	EGM 04.26.2024	04.26.2024	300,000	0.79117798	05.10.2024

4. Indebtedness and Rating

4.1. Gross Debt and Net Debt

According to the chart below, net debt moved up from R\$3.44 billion in September 2023 to R\$5.15 billion in September 2024. The leverage ratio, as measured by the Net Debt/EBITDA ratio in the last 12 months, reached 1.8x in September 2024 (1.4x in September 2023).



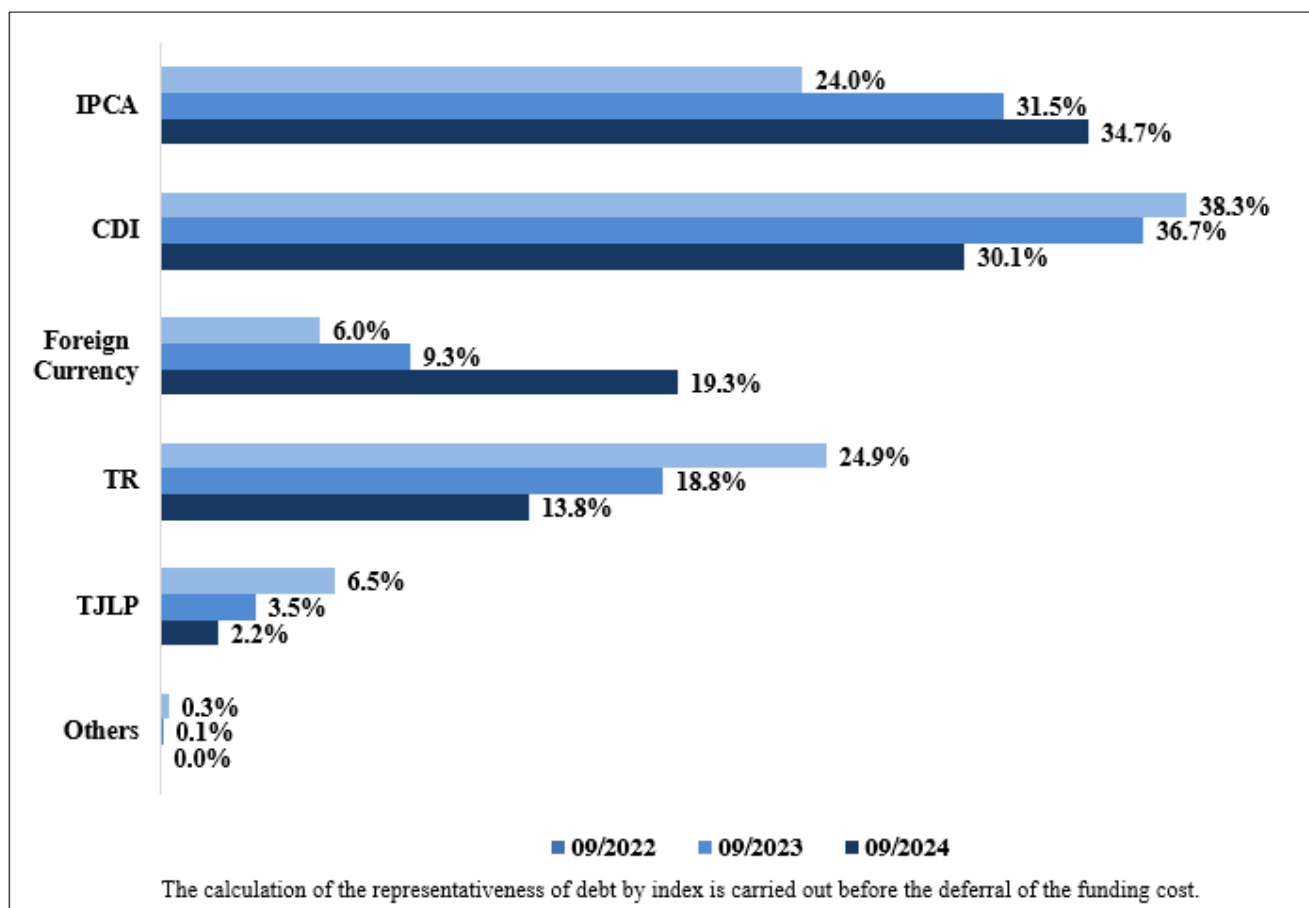
4.2. Average Coupon

Below is the evolution of the average coupon in the comparative periods. The decrease reported in 3Q24 was mainly due to the decline in basic interest rates:

Reference Period	Sep/24	Sep/23	Sep/22
Average Coupon (p.y.)	8.1%	9.4%	9.9%

4.3. Debt Indexers

Below, the Company presents the representative of debt by contractual index in September 2022, 2023 and 2024:



Regarding debt in local currency, the Company has been seeking greater exposure to the IPCA-linked debt, which has been reflected in the indexes. Of the total amount raised (R\$900.0 million), 87% was linked to the IPCA in the 18th Debenture issue, concluded in September 2023. In the 19th Issue, concluded in July 2024 (R\$1.3 billion), 63% was linked to the IPCA.

Indebtedness in foreign currency referred to the debt with the German bank KfW, the European Investment Bank (BEI) and the French Development Agency (AFD), whose balance on September 30th, 2024 was approximately €198 million (corresponding to R\$1.20 billion, considering the euro exchange rate on September 30th, 2024), as detailed in Annex 11.5 - Debt.

This amount represents around 19.3% of total loans and financing in September 2024 (9.3% in September 2023), and this increase was mainly due to the release of resources carried out in the last 12 months, within the scope of financing contracts formalized with KfW, BEI and AFD.

It is worth noting that the accounting impact of the exchange rate variation on foreign currency debt will only impact cash upon the respective maturities.

There is still no hedge mechanism for these operations, but the Company is evaluating the contracting of this protection instrument. It is worth noting that, from the debtor balance in foreign currency, the amount due in the short term totals R\$61.6 million.

4.4. Corporate Ratings

On June 14th, 2024, Fitch Ratings published a [report](#) confirming as AA+(bra) the National Long-Term Rating of the Company and its issues of unsecured debentures, with the Corporate Rating Outlook revised from Stable to Positive.

On July 2nd, 2024, Moody's published a [report](#), confirming a corporate rating of AAA.br for COPASA MG. The corporate rating outlook remained stable.

Below is a table with a summary of the ratings:

Agency	National Scale	Outlook	Date	Report Link
Fitch Ratings	AA+(bra)	Positive	06.14.2024	Report
Moody's	AAA.br	Stable	07.02.2024	Report

5. Investment Program and Fundraising

5.1. Investment Program - 2024

For 2024, the Annual Shareholders' Meeting held on April 26th, 2024, approved the investments expected for water, sewage, and corporate and operating development of the Parent Company, totaling R\$1,670 million, in addition to the capitalization of R\$221.5 million. Regarding COPANOR, expected investments total R\$47.6 million.

According to the table below, the investments made from January to September 2024 (9M24), including interest capitalizations, personnel expenses, materials, and others, within the scope of the Parent Company, totaled R\$1.56 billion, up by 30.7% over the same period in 2023. Including COPANOR, total investments reached R\$1.59 billion (increase of 31.7% compared to 9M23):

Investments (R\$ million)	9M24	9M23	9M22
Water	735.6	473.5	457.1
Sewage	601.4	484.2	325.2
Enterprise and Operational Development	33.4	39.6	37.1
Subtotal	1,370.4	997.3	819.4
Capitalizations ¹	184.6	192.3	120.5
Total - Parent Company (COPASA MG)	1,555.0	1,189.6	939.9
COPANOR (including capitalizations)	36.2	18.4	25.4
Total - COPASA MG and COPANOR	1,591.2	1,208.0	965.3

(1) Amounts referring to the capitalization of interest, personnel expenses, materials, and others, related to works and corporate and operating development

Below is the breakdown of the investments made:

5.1.1. Water Supply Systems

- implementation, expansion, improvements and compliance with contractual commitments related to water supply systems of the municipalities of Barroso, Belo Horizonte, Brumadinho, Capelinha, Contagem, Diamantina, Divinópolis, Esmeraldas, Fronteira, Inhapim, Itamarati de Minas, Montes Claros, Mutum, Nova Resende, Nova Serrana, Patos de Minas, Pouso Alegre, Riacho dos Machados, Ribeirão das Neves, Santa Bárbara, São João Nepomuceno, among others;
- actions aimed at making hydrometering more efficient and to reduce losses, featuring the acquisition of flow macro and micrometers;
- acquisition of operational equipment for renovation and optimization of the water supply system in several operated municipalities;
- replacement of water assets in several municipalities where the Company operates; and
- execution of works for the implementation of Waste Treatment Units (WTUs) in Water Treatment Stations (WTS) in the municipalities of Além Paraíba, Araxá, Carmo do Rio Claro, Diamantina, Lavras, Patos de Minas, São Gotardo, Três Corações, Varginha, among others.

5.1.2. Sewage Systems

- implementation, expansion, improvements and compliance with contractual commitments related to sewage systems of the municipalities of Abaeté, Além Paraíba, Belo Horizonte, Betim, Botelhos, Buritis, Caldas,

Campanha, Capelinha, Caratinga, Confins, Conselheiro Lafaiete, Congonhas, Contagem, Cruzília, Divinópolis, Frei Lagonegro, Guaxupé, Ibité, Igarapé, Januária, Juatuba, Mateus Leme, Mutum, Paracatu, Patos de Minas, Pedro Leopoldo, Ribeirão das Neves, Sabará, Santa Luzia, Santana do Paraíso, Santos Dumont, São João Nepomuceno, Sarzedo, Ubá, Visconde do Rio Branco, among others;

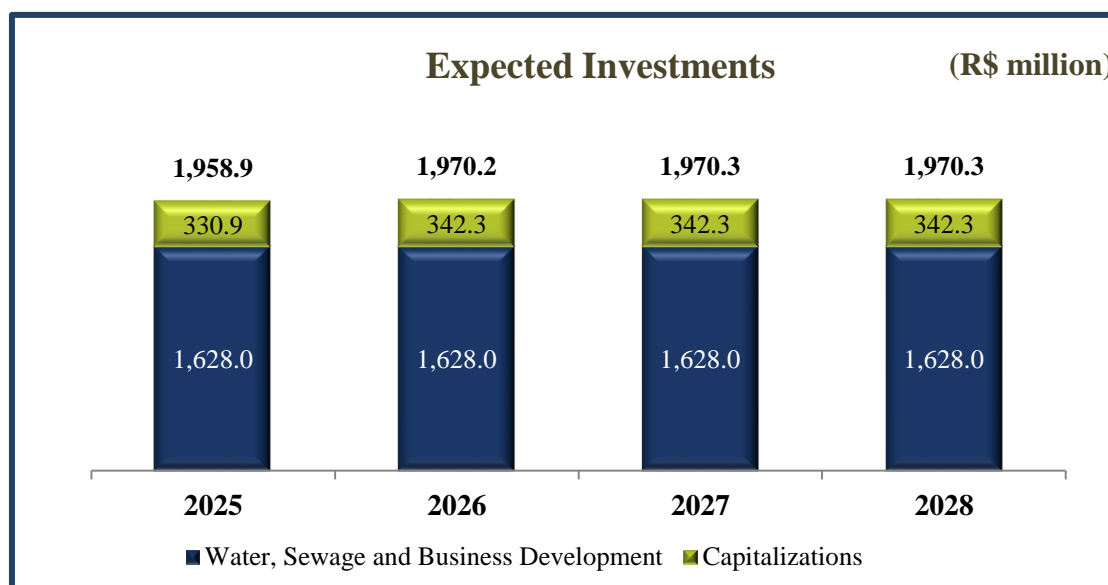
- replacement of sewage assets in several municipalities where the Company operates; and
- acquisition of operational equipment for renovation and optimization of the sewage system in several operated municipalities.

5.1.3. Business and Operational Development

- investments in programs for modernizing information technology infrastructure, operational units, and energy efficiency; and
- investments in programs for research, monitoring, and protection of water resources.

5.2. Investment Program – 2025 to 2028

Below, the Parent Company's Multi-Year Investment Program, for the period from 2025 to 2028, as approved by the Board of Directors on December 15th, 2023:



The investments provided for in the Investment Program aim for the expansion of water supply and sewage systems, extension of networks, water security, fight against losses, corporate development, compliance with regulatory and efficiency goals, concession commitments assumed, and replacement of depreciated assets, aligned with the achievement of the Company's purpose and mission, ensuring its sustainability and continuity. As a result, COPASA MG aims to meet the demand of customers and the granting authority to expand the coverage of the water and sewage supply services.

6. Fundraising

6.1. Contracted Resources

Referring to contracted funds and not yet available, at the end of the third quarter of 2024, the Company had a balance of R\$1.51 billion, as table below. The debt will be recorded when these funds enter the Company.

Funding Lines	Balance to be Released (R\$ million)
Caixa Econômica Federal	154.1
KfW ¹	219.0
BEI ¹	321.8
AFD ¹	819.7
Total Balance to be Released	1,514.6

(1) Funding Lines contracted in Euro, with the balances being converted into Reais (R\$) at the end of September 2024 (€1.0 equivalent to R\$6.0719).

6.2. Debenture Issue

On 07/18/2024, the [Closing Announcement](#) for the 19th Public Issue of simple Debentures was released. The amount raised was R\$1.3 billion, in 2 (two) series, with the 1st series totaling R\$482.0 million, with remuneration linked to the DI rate, plus 0.90% per year, and the 2nd series totaling R\$818.0 million, with remuneration linked to the Extended National Consumer Price Index (IPCA) plus 7.2735% per year. The maturity period for both series is 10 years.

7. Service Concessions

As shown in the table below, in September 2024, COPASA MG (consolidated) had 637 concessions for water services and 308 concessions for sewage services, in which 632 water concessions and 273 sewage concessions were in operation.

Concessions ^{1,2}	09/2024			09/2023		
	Total	Parent Company	COPANOR	Total	Parent Company	COPANOR
Water						
Concession	637	588	49	640	591	49
In Operation	632	583	49	633	584	49
Sewage						
Concession	308	252	56	309	253	56
In Operation	273	231	42	271	229	42

(1) Only one concession/operation is considered per municipality, regardless of whether there is more than one contract, in cases where COPASA MG and COPANOR provide services in the same municipality, or if it is a contract that covers only districts and localities

(2) It Includes expired concessions with 40 municipalities and concession with 1 (one) municipality whose contract was judicially declared null.

As shown in the chart above, there were the following changes in the concessions in the past 12 months, Within the scope of COPASA MG:

- contracts were terminated in the municipalities of São José da Barra (population of 5.5 thousand inhabitants) and São José da Safira (population of 3.2 thousand inhabitants), which had already expired, and Nanuque (population of 35 thousand inhabitants), that was judicially declared null. These municipalities represented, together, 0.34% of the Company's revenue;
- water operations began in the municipalities of Natalândia and Frei Lagonegro, which have a combined urban population of 3.7 thousand inhabitants; and
- sewage operations began in the municipalities of Patis, Nova Resende and Santo Antônio do Itambé, which have a combined urban population of 15.2 thousand inhabitants, and terminated in the municipality of Nanuque.

The table below shows the Company's ten (10) main current concessions as of September 30th, 2024, which together account for approximately 49% of the Company's water and sewage net revenues, as well as their respective expiration periods:

List of the 10 Largest Current Concessions	Expiration
Belo Horizonte	11/2032
Contagem	02/2073
Betim	12/2042
Montes Claros	07/2048
Divinópolis	06/2041
Ribeirão das Neves	05/2034
Patos de Minas	12/2038
Santa Luzia	02/2050
Pouso Alegre	08/2046
Varginha	06/2047

In September 2024, 84% of the Company's water and sewage revenues came from concessions expiring after December 2031. On the same date, concessions from 40 municipalities were expired, in addition to contractual nullity for 1 other municipality, both of which accounted for approximately 4.8% of net revenues from water and sewage.

Under the principle of continuity for the provision of essential public services, these municipalities continue to be served and billed by the Company, both in municipalities with expired concessions and in municipality where contractual nullity was decreed.

7.1. Amendments to Concession Agreements

According to the Notices to the Market disclosed by the Company, 4 (four) Concession Agreements for the provision of water supply and sewage services were amended, as described in the table below, with a change in the regulation model from discretionary to contractual:

Municipality	Net Revenue Representativeness ¹	Expiration	Notice Date
Patos de Minas	1.6%	12/2038	05.09.2024
Divinópolis	2.3%	06/2041	07.31.2024
Visconde do Rio Branco	0.3%	07/2054	08.01.2024
Rio Pomba	0.1%	09/2054	09.10.2024

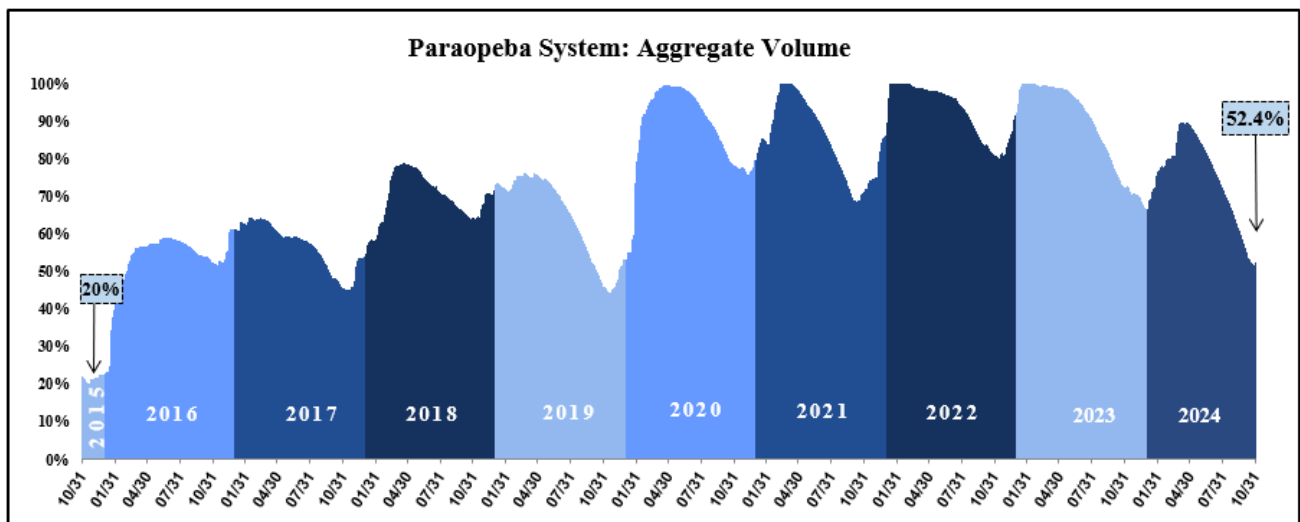
(1) Percentage regarding the Company's total Net Revenue.

8. Water Situation

8.1. Belo Horizonte Metropolitan Area (BHMA)

8.1.1. Rio Manso, Vargem das Flores and Serra Azul

The Paraopeba System is operated in an integrated fashion, ensuring greater operating flexibility for water distribution to balance demand and maintain safe operation levels. Below is the evolution of the levels of this System's reservoirs, which together account for 52% of BHMA's distributed volume. After a period of severe drought, rainfall returned in October 2024, allowing for a slight recovery in the volume of such reservoirs. Accordingly, on October 31th, 2024, the reservoirs had 52.4% of their capacity, as shown below:



Reservoir Level Volume	10/31/2024
Rio Manso	50.5%
Vargem das Flores	43.3%
Serra Azul	59.7%

8.2. Other municipalities in the Minas Gerais State

The Company's activities in the interior of the State are dispersed over several municipalities and different watersheds. Generally speaking, most locations where the Company operates have a local source of water production. Therefore, any water restriction imposed on supply will only impact locally and marginally the Company's total revenues.

On October 31st, 2024, the municipality of Carneirinho, which have around 3,600 water connections, accounting for 0.07% of the Company's total water connections, was rationing water. In October 2023, the district of Bom Jesus de Cardosos (municipality of Urucânia), which have around 800 water connections, accounting for 0.01% of the Company's total water connections, was rationing water.

To minimize the impacts of the water situation, Company uses means, when necessary, that contribute to the regularization of supply in the affected locations, through the use of water trucks, well drilling and investments in alternative collections, according to the options available in each region and the degree of criticality of scarcity in each case. Additionally, awareness campaigns are intensified, aiming for the rational consumption of water.

9. Tariff Review

According to the [Notice to the Market](#) disclosed on June 6th, 2024, the Minas Gerais State Water and Sewage Regulatory Agency (Arsae-MG) started the process for the 3rd (third) Periodic Tariff Revision of COPASA MG, to become effective as of 01/01/2026. The aforementioned revision will be carried out in 3 (three) phases, as shown below:

Phases	Topics to be Addressed	Period for the Public Consultation		
		Start	End	Result
1 st Phase Agenda	Guidelines, General Approach, Agenda, and Schedule	Mai/24	Jun/24	Aug/24
2 nd Phase Methodology	Asset Verification Methodology Regulatory Classification of the Accounting Lines Restructuring of the Equilibrium Tariff Revenue Capital Costs	Jul/24	Aug/24	Oct/24
	X Factor Special Programs (PPM, PDI, and FMSB Transfers)	Jan/25	Feb/25	Apr/25
	Tariff Structure and Payment Capacity Assessment Annual Tariff Adjustment Methodology	Apr/25	May/25	Jul/25
	3 rd Phase Results	Aug/25	Sep/25	Nov/25
Process Completion	Publication of the Resolution	until 12.02.2025		
	Application of New Tariffs	01.01.2026		

The links to the main documents disclosed by Arsae-MG regarding the tariff revision are listed below. These documents can be accessed at the following address www.arsae.mg.gov.br/consultas-publicas.

1st Phase:

➤ Final Document after the Public Consultation:

- [Technical Note CRE 03/2024](#).

2nd Phase:

➤ Final Documents after the Public Consultation:

- [Technical Note CRE 08/2024 – Asset Verification Methodology of the 3rd Periodic Tariff Revision](#).
- [Technical Report CRE 02/2024 – Analysis of Contributions from Public Consultation 54/2024 – Asset Verification Methodology](#).

➤ Preliminary Documents before the Public Consultation:

- [Technical Note CRE 04/2024 – Tariff Revenue Restructuring Before the Public Consultation \(PC\)](#).
- [Technical Note CRE 05/2024 – Regulatory Classification Before PC](#).
- [Attachment Technical Note CRE 05/2024 – Regulatory Classification Before PC](#).
- [Technical Note CRE 06/2024 – Capital Cost Before CP](#).
- [Preliminary BRE and BRA Calculations](#).
- [Preliminary JOA](#).
- [Preliminary WACC](#).

10. Material Fact –Água dos Vales Project

According to the [Material Fact](#) of October, 10th, 2024, the Minas Gerais Government, through COPASA MG, opened a public consultation for the Água dos Vales Project, a Public-Private Partnership (PPP) aimed at universalizing basic sanitation in the Jequitinhonha and Mucuri regions of the Minas Gerais State.

The purpose of the Project is to benefit 92 municipalities served by COPASA MG and/or its wholly-owned subsidiary COPANOR, which are part of the Reference Block of Vale do Jequitinhonha, created in 2022 by the Regional Development Ministry, involving a population of over 1 (one) million people. These municipalities are part of the drought polygon and require a specific approach to address their environmental and social needs.

The PPP will delegate to a private operator the responsibility for the investments and management of the water collection, treatment, and distribution systems, as well as the collection and proper disposal of sewage. COPASA MG, as the contracting party, will be responsible for overseeing the execution of investments and compliance with performance goals and indicators.

The technical studies are being conducted by the International Finance Corporation (IFC), a branch of the World Bank and by the National Bank for Economic and Social Development (BNDES), with financial support from Global Infrastructure Facility and PSPInfra, a joint initiative of the Inter-American Development Bank (IDB), BNDES, and IFC.

The public consultation is open from October, 10th, 2024 until November, 25th, 2024 and information about the Project can be accessed through the link aguadosvales.copasa.com.br.

11. Annexes

The financial information of these annexes, except where otherwise indicated, is presented in Brazilian Reais thousands (R\$ thousand) and refers to the Parent Company.

11.1. Quarterly Income Statement

PARENT CO.	3Q24	3Q23	3Q24 vs. 3Q23	2Q24	3Q24 vs. 2Q24	3Q22	3Q23 vs. 3Q22
Operating Revenue from Services							
Water Services	1,176,220	1,064,283	10.5%	1,145,463	2.7%	917,073	16.1%
Sewage Services	598,628	554,590	7.9%	594,688	0.7%	458,624	20.9%
Solid Waste Revenues	1,188	1,163	2.1%	1,317	-9.8%	506	129.8%
Construction Revenues	245,250	239,081	2.6%	197,504	24.2%	225,910	5.8%
Net Operating Revenue from Services	2,021,286	1,859,117	8.7%	1,938,972	4.2%	1,602,113	16.0%
Cost of Services Rendered	(909,824)	(853,062)	6.7%	(879,488)	3.4%	(762,508)	11.9%
Construction Costs	(245,250)	(239,081)	2.6%	(197,504)	24.2%	(225,910)	5.8%
Cost of Services Rendered	(1,155,074)	(1,092,143)	5.8%	(1,076,992)	7.3%	(988,418)	10.5%
Gross Income	866,212	766,974	12.9%	861,980	0.5%	613,695	25.0%
Selling Expenses	(72,543)	(72,772)	-0.3%	(68,410)	6.0%	(59,539)	22.2%
Expected Credit Losses for Trade Receivables	(55,737)	(33,660)	65.6%	(55,584)	0.3%	(51,113)	-34.1%
General and Administrative Expenses	(171,739)	(182,041)	-5.7%	(170,239)	0.9%	(141,069)	29.0%
Other Operating Income	11,332	23,526	-51.8%	10,369	9.3%	32,229	-27.0%
Other Operating Expenses	(52,794)	(5,025)	950.6%	(40,859)	29.2%	(58,884)	-91.5%
Equity Income	(812)	(2,603)	-68.8%	(3,787)	-78.6%	107	n.m.
Operating Income (Expenses)	(342,293)	(272,575)	25.6%	(328,510)	4.2%	(278,269)	-2.0%
Income before Financial Result and Taxes	523,919	494,399	6.0%	533,470	-1.8%	335,426	47.4%
Financial Income	129,596	77,770	66.6%	86,439	49.9%	57,665	34.9%
Financial Expenses	(180,510)	12,984	n.m.	(205,138)	-12.0%	(89,445)	-114.5%
Financial Result	(50,914)	90,754	n.m.	(118,699)	-57.1%	(31,780)	n.m.
Income before Taxes	473,005	585,153	-19.2%	414,771	14.0%	303,646	92.7%
Current Income Tax and Social Contribution	(118,654)	(70,959)	67.2%	(134,993)	-12.1%	(87,280)	-18.7%
Deferred Income Tax and Social Contribution	13,916	(77,080)	n.m.	45,395	-69.3%	10,802	n.m.
Net Income for the Period	368,267	437,114	-15.8%	325,173	13.3%	227,168	92.4%
Number of Outstanding Shares (thousands)	379,181	379,181	-	379,181	-	379,181	-
Earnings per Share (BRL)	0.97	1.15	-15.8%	0.86	13.3%	0.60	92.4%

11.2. Balance Sheet – Assets

ASSETS - PARENT CO.	09/2024	09/2023	09/2024 vs. 09/2023	06/2024	09/2024 vs. 06/2024	09/2022	09/2023 vs. 09/2022
CURRENT							
Cash and Cash Equivalents/Marketable Securities	1,047,402	1,203,526	-13.0%	510,675	105.1%	356,342	237.7%
Trade Accounts Receivable	1,297,670	1,233,234	5.2%	1,300,864	-0.2%	1,038,506	18.8%
Banks and Agreement Applications	7,029	345	1937.4%	4,359	61.3%	4,876	-92.9%
Inventories	99,825	112,244	-11.1%	101,783	-1.9%	109,911	2.1%
Taxes Recoverable	753	12,637	-94.0%	36,234	-97.9%	230,435	-94.5%
Technical Cooperation Agreement	54,892	55,496	-1.1%	52,423	4.7%	42,565	30.4%
Other Assets	38,169	35,765	6.7%	38,345	-0.5%	28,828	24.1%
TOTAL CURRENT ASSETS	2,545,740	2,653,247	-4.1%	2,044,683	24.5%	1,811,463	46.5%
NON-CURRENT							
Achievable in the Long Term:							
Accounts Receivable from Customers	69,649	43,731	59.3%	47,186	47.6%	31,471	39.0%
Financing Guarantee Deposits	33,231	61,926	-46.3%	32,793	1.3%	59,424	4.2%
Deferred Income Tax and Social Contribution	307,177	234,007	31.3%	293,261	4.7%	350,710	-33.3%
Restricted Investments	83,101	74,616	11.4%	80,246	3.6%	76,958	-3.0%
Financial Assets - Concession Contracts	1,286,798	936,483	37.4%	1,210,315	6.3%	819,015	14.3%
Technical Cooperation Agreement	2,556	-	n.m.	4,479	-42.9%	-	n.m.
Other Assets	51,730	43,867	17.9%	36,127	43.2%	79,052	-44.5%
Right of Use - Commercial Leasing	79,622	86,393	-7.8%	84,492	-5.8%	93,598	-7.7%
Contract Assets	2,739,135	2,609,858	5.0%	2,432,653	12.6%	2,049,272	27.4%
Investments	314,904	274,452	14.7%	291,911	7.9%	249,993	9.8%
Intangible Assets	6,100,388	5,539,800	10.1%	5,999,854	1.7%	5,421,953	2.2%
Property, Plant and Equipment	1,728,233	1,442,914	19.8%	1,742,665	-0.8%	1,411,791	2.2%
TOTAL NON-CURRENT ASSETS	12,796,524	11,348,047	12.8%	12,255,982	4.4%	10,643,237	6.6%
TOTAL ASSETS	15,342,264	14,001,294	9.6%	14,300,665	7.3%	12,454,700	12.4%

11.3. Balance Sheet – Liabilities

LIABILITIES - PARENT CO.	09/2024	09/2023	09/2024 vs. 09/2023	06/2024	09/2024 vs. 06/2024	09/2022	09/2023 vs. 09/2022
CURRENT							
Loans and Financing	122,914	119,066	3.2%	123,189	-0.2%	162,604	-26.8%
Debentures	536,460	565,445	-5.1%	524,723	2.2%	729,194	-22.5%
Public-Private Partnership	46,926	48,243	-2.7%	49,220	-4.7%	36,915	30.7%
Contractors and Suppliers	333,501	326,247	2.2%	334,164	-0.2%	257,497	26.7%
Right of Use - Commercial Leasing	47,620	40,539	17.5%	48,207	-1.2%	32,009	26.6%
Taxes, Charges, Contributions and Social and Labor Obligations	67,444	96,891	-30.4%	103,035	-34.5%	75,861	27.7%
Provision for Vacations	207,393	199,010	4.2%	186,463	11.2%	185,093	7.5%
Technical Cooperation Agreement	92	2,370	-96.1%	84	9.5%	7,854	-69.8%
Employees' Profit Sharing	64,229	65,372	-1.7%	41,557	54.6%	43,002	52.0%
Retirement Benefit Liabilities	-	9,828	-100.0%	8,529	-100.0%	9,190	6.9%
Interest on Equity and Dividends	477	119,528	-99.6%	342,484	-99.9%	55,185	116.6%
Tax Installment	-	-	n.m.	-	n.m.	6,623	n.m.
Income, Tax and Social Contribution	-	289	n.m.	-	n.m.	145,345	-99.8%
Other Liabilities	62,174	107,763	-42.3%	69,831	-11.0%	102,972	4.7%
TOTAL CURRENT LIABILITIES	1,489,230	1,700,591	-12.4%	1,831,486	-18.7%	1,849,344	-8.0%
NON-CURRENT							
Loans and Financing	1,809,718	1,062,706	70.3%	1,794,680	0.8%	826,899	28.5%
Debentures	3,691,013	2,849,331	29.5%	2,549,765	44.8%	1,716,834	66.0%
Retirement Benefit Liabilities	95,989	34,370	179.3%	102,743	-6.6%	113,426	-69.7%
Right of Use - Commercial Leasing	32,173	56,750	-43.3%	38,937	-17.4%	73,898	-23.2%
Public-Private Partnership	133,144	173,370	-23.2%	141,467	-5.9%	209,375	-17.2%
Provision for Litigation	138,198	134,857	2.5%	123,119	12.2%	386,498	-65.1%
Other Liabilities	81,676	98,213	-16.8%	86,221	-5.3%	87,424	12.3%
Technical Cooperation Agreement	4,534	-	n.m.	-	n.m.	-	-
TOTAL NON-CURRENT LIABILITIES	5,986,445	4,409,597	35.8%	4,836,932	23.8%	3,414,354	29.1%
SHAREHOLDERS' EQUITY							
Paid-up Capital Stock	3,606,531	3,402,385	6.0%	3,606,531	-	3,402,385	-
Treasury Shares	(8,576)	(8,576)	-	(8,576)	-	(8,576)	-
Profit Reserve	3,721,575	3,856,600	-3.5%	3,721,575	-	3,404,279	13.3%
Retained Earnings	592,784	636,593	-6.9%	358,436	65.4%	429,383	48.3%
Equity Valuation Adjustments	(45,725)	4,104	n.m.	(45,719)	0.0%	(36,469)	n.m.
TOTAL SHAREHOLDERS' EQUITY	7,866,589	7,891,106	-0.3%	7,632,247	3.1%	7,191,002	9.7%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	15,342,264	14,001,294	9.6%	14,300,665	7.3%	12,454,700	12.4%

11.4. Cash Flow

Cash Flow	3Q24	3Q23	2Q24	3Q22
Cash Flow from Operational Activities:				
Net Income (Loss)	368,267	437,114	325,173	227,168
Adjustments to Reconcile net Income and Net Cash:				
Expected Credit Losses for Trade Receivables	55,737	33,660	55,584	51,113
Monetary and Foreign Exchange Variation and Charges, Net	38,749	11,854	119,774	1,544
Interest Income and Expenses	78,909	47,691	78,922	13,958
Deferred Income and Social Contribution Taxes	(13,916)	77,080	(45,395)	(10,802)
(Gain) Loss on the Write-Off of Intangibles and PP&E	(1,447)	58,982	125	(113)
Provision for Retirement Benefits	2,640	14,404	2,640	16,391
Financial Assets	(21,241)	(16,397)	(19,029)	(14,929)
Others	(3,022)	(1,256)	(3,334)	337
Provision for Inventories Loss	(1)	398	106	(1,296)
Adjusted Profit	707,108	612,755	713,781	476,281
Changes in Assets:				
Accounts Receivable from Clients	(59,452)	(64,192)	(60,295)	(66,535)
Inventories	1,902	6,914	369	(1,212)
Taxes to be Recovered	35,481	233,576	-	(74,381)
Other Financial Assets	-	-	-	102
Advancement of Tariff Transfer to Municipalities	2,940	2,626	3,007	1,829
Technical Cooperation Agreement	(546)	(14,473)	(922)	(39)
Other	(1,652)	(3,318)	14,465	5,278
Changes in Liabilities:				
Suppliers	(663)	19,900	32,275	(21,068)
Taxes, Fees, Contributions and Social Security and Labor Obligations	73,007	(87,233)	115,545	157,670
Provision for Vacations and 13 th Salary	20,930	17,234	32,394	16,997
Employees' Profit Sharing	22,672	16,796	(58,035)	(4,804)
Technical Cooperational Agreement	4,542	(4,793)	(395)	(103)
Contingencies	13,891	(1,662)	21	(302)
Retirement Benefit Liabilities	(17,923)	(12,617)	(39)	(11,814)
Payroll Payable - Collective Bargaining Agreement	-	-	-	(10,095)
Voluntary Separation Program - VSP	(2,799)	(44,032)	(11,291)	(14,099)
Others	(8,132)	(4,536)	3,627	44,750
Cash from Operations	791,306	672,945	784,507	498,455
Interest Paid	(111,505)	(121,327)	(89,781)	(118,464)
Interest Paid from the Public Private Partnership	(3,676)	(2,316)	(3,676)	(4,873)
Income Tax (IR) and Social Contribution (CSLL) Payment	(117,165)	(66,507)	(147,447)	(69,889)
Net Cash from Operating Activities	558,960	482,795	543,603	305,229
Cash Flow from Investing Activities:				
Public Private Partnership Payment	(9,209)	(10,769)	(9,210)	(4,448)
Subsidiary Capital Raise (COPANOR)	(23,805)	(23,795)	-	(27,089)
Amount Received from the Sale of PP&E	2,789	599	1,955	727
Purchase of Contract Assets	(403,560)	(333,891)	(318,961)	(293,632)
Purchase of Intangible Assets	(206,927)	(133,592)	(172,865)	(54,536)
Purchase of PP&E	(12,376)	(11,602)	(14,217)	(15,465)
Loan Collateral Deposits	223	2,259	(474)	2,785
Bank and Financial Investments of Agreement	(2,670)	2,084	(4,162)	(1,573)
Marketable Securities	26,231	-	(230,474)	-
Net Cash Used in Investing Activities	(629,304)	(508,707)	(748,408)	(393,231)
Cash Flow from Financing Activities:				
Income from Loans, Financing and Debentures	1,313,230	951,348	420,956	44,810
Amortization of Loans, Financing and Debentures	(181,382)	(315,751)	(156,543)	(296,704)
Payment of Interest on Equity	(273,500)	(120,323)	(148,454)	(49,677)
Payment of Dividends	(193,865)	-	(354,813)	-
Issuance Costs of Securities	(15,288)	(14,080)	-	-
Payment of Leasing	(15,893)	(12,319)	(14,104)	(10,436)
Net Cash Used in Financing Activities	633,302	488,875	(252,958)	(312,007)
Net Increase (Decrease) in Cash and Cash Equivalents	562,958	462,963	(457,763)	(400,009)
Cash and Cash Equivalents at Beginning of the Period	280,201	740,563	737,964	756,351
Cash and Cash Equivalents at End of the Period	843,159	1,203,526	280,201	356,342

11.5. Debt

Debt –Funding Lines Consolidated Data	Index + Fixed Rate (Annual)	Issue Date	Maturity Date	Outstanding Balance	Percentage of the Total ⁴
<u>In National Currency:</u>					
FGTS Funds ¹	TR + 7.30% to TR + 8.50%	08.16.2009	01.16.2043	731,976	11.78%
Finame	2.5% to 8.7%	03.28.2011	01.15.2025	1,004	0.02%
BNDES Loan	TJLP + 1.55% to 1.73%	01.15.2008	05.15.2025	8,126	0.13%
Caixa Debentures - 5th Issue	TR + 9.00%	09.20.2011	09.01.2031	123,116	1.98%
BNDES Debentures - 8th Issue					
1st Series	TJLP + 1.87%	06.15.2015	06.15.2028	35,270	0.57%
2nd Series	IPCA + 8.18%	06.15.2015	06.15.2028	23,351	0.38%
BNDES Debentures - 11th Issue					
1st Series	TJLP + 2.62%	01.15.2017	01.15.2031	90,862	1.46%
2nd Series	IPCA + 8.85%	01.15.2017	01.15.2031	53,812	0.87%
Market Debentures – 12th Issue					
2nd Series	IPCA + 5.2737%	01.15.2018	01.15.2026	43,212	0.70%
Market Debentures – 13th Issue					
3rd Series	IPCA + 6.50%	07.15.2018	07.15.2025	31,406	0.51%
Market Debentures – 14th Issue					
2nd Series	IPCA + 4.30%	06.15.2019	06.15.2026	96,400	1.55%
Market Debentures – 15th Issue					
1st Series	CDI + 1.75%	12.16.2020	12.16.2025	193,209	3.11%
Market Debentures – 16th Issue					
1st Series	IPCA + 5.2306%	09.15.2021	09.15.2031	252,044	4.06%
2nd Series	CDI + 1.30%	09.15.2021	09.15.2026	312,909	5.04%
Market Debentures – 17th Issue					
Single Series	CDI + 1.30%	12.16.2022	12.16.2029	753,384	12.13%
Market Debentures – 18th Issue					
1st Series	CDI + 1.20%	09.15.2023	09.16.2030	114,134	1.84%
2nd Series	IPCA + 7.10%	09.15.2023	09.16.2030	820,973	13.22%
Market Debentures – 19th Issue					
1st Series	CDI + 0.9%	07.15.2024	07.15.2034	493,094	7.94%
2nd Series	IPCA + 7.2735%	07.15.2024	07.15.2034	832,883	13.41%
<u>In Foreign Currency^{2,3}:</u>					
KfW	Euro + 1.41%	12.13.2018	05.15.2034	245,105	3.95%
BEI	Euro + Euribor + 0.55%	12.13.2019	09.20.2033	553,147	8.90%
AFD	Euro + Euribor + 2.69%	12.29.2023	12.20.2043	402,394	6.48%
Issuance Costs of Securities				(51,707)	
(=) Total Loans, Financing and Debentures				6,160,104	
(+) Leasing Liabilities				79,927	
(=) Total Gross Debt (Short + Long Term)				6,240,031	
(-) Cash and Cash Equivalents and Marketable Securities				(1,090,829)	
(=) Net Debt				5,149,202	

(1) FGTS Funds: Brazilian Savings Bank.

(2) Foreign-currency contracts are also subject to an availability rate (0.25% p.a.) on the balance disbursable.

(3) Debts contracted in Euro, whose exchange rate in relation to the Real was R\$6.0719 on 09.30.2024.

(4) The calculation of the representativeness of debt by index is carried out before the deferral of the funding cost.

About COPASA MG

Companhia de Saneamento de Minas Gerais – COPASA MG is a mixed capital company, controlled by the Minas Gerais State, whose stock has been traded since February 2006 in Novo Mercado, the highest corporate governance segment of B3 – Brasil, Bolsa, Balcão, under the ticker CSMG3. COPASA MG’s activities are to plan, execute, expand, remodel and operate public sanitation services, involving water supply, sewage and solid waste services. Together with its subsidiary COPANOR, the Company has concessions in about 75% of the municipalities of the Minas Gerais state, supplying water to approximately 11.8 million people, of which 8.7 million people are also served with sewage services.

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Any information contained in this document regarding COPASA MG’s business prospects, projections and operational and financial goals is considered as assumptions and expectations of the Company’s Management, based on information currently available. They involve risks and uncertainties, as they refer to future events and therefore depend on circumstances that may or may not occur. Changes in macroeconomic policy, legislation or other operating factors may affect the future performance of COPASA MG and lead to results that materially differ from those expressed in such considerations.