

# Earnings Release

## 4Q24 and 2024

Rio Manso Reservoir



**Belo Horizonte, March 24<sup>th</sup>, 2025** - COPASA MG (B3: CSMG3) hereby announces today its results for the fourth quarter of 2024 (4Q24) and the full year of 2024. 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](http://ir.copasa.com.br)).

### OPERATIONAL AND FINANCIAL HIGHLIGHTS

- Net revenue of water, sewage, and solid waste totaled **R\$1.76 billion** in 4Q24, in line with the value observed in 4Q23.
- Costs and expenses totaled **R\$1.27 billion** in 4Q24.
- The EBITDA totaled **R\$640.6 million** in 4Q24, with a margin of **36.0%**. In the year, adjusted EBITDA was **R\$2.79 billion** (adjusted margin of **39.7%**).
- Net income was **R\$271.9 million** in 4Q24. For the year, the amount was **R\$1.32 billion**.
- Regular Dividends for 2024 totaled **R\$605.8 million**.
- Net debt reached **R\$5.37 billion** in December 2024 and the Net Debt/EBITDA ratio was **1.9x**.
- Investments made by the Parent Company in 2024, including capitalizations, totaled **R\$2.17 billion**, increasing by **33.2%** from the same period in 2023.
- In December 2024, the number of water economies (consumer units) reached **5.70 million** (**5.64 million** in December 2023) and that of sewage reached **4.14 million** (**4.05 million** in December 2023) (consolidated data).
- In 4Q24, water volume measured reached **177.0 million m<sup>3</sup>**, while sewage volume came to **122.0 million m<sup>3</sup>** (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 **2.92%** in December 2024, the lowest indexes observed for the month since September 2016 (**2.97%** in 12/2023).
- The loss rate in COPASA MG's distribution reached **38.1%** in December 2024 (**38.6%** in December 2023).
- The Parent Company's index of "employees per thousand water and sewage connections" went from **1.23** (December 2023) to **1.22** (December 2024).
- The capacity level of the reservoirs of the Paraopeba system is **83%**.

#### Conference Call

March 25<sup>th</sup>, 2025 (Tuesday)  
11 a.m. (Brasilia) 10 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 4Q24 with the other reference periods is as follows:

COPASA MG Data (Parent Company)	4Q24	4Q23	4Q24 vs. 4Q23	3Q24	4Q24 vs. 3Q24	4Q22	4Q23 vs. 4Q22
<b>Water</b>							
Connections (1,000 units)	4,607	4,566	0.9%	4,589	0.4%	4,524	0.9%
Units (1,000 units)	5,578	5,526	0.9%	5,557	0.4%	5,474	0.9%
Population Served (1,000 inhabitants)	11,576	11,566	0.1%	11,555	0.2%	11,623	-0.5%
Distributed Volume (1,000 m <sup>3</sup> )	281,762	285,822	-1.4%	289,022	-2.5%	261,329	9.4%
Measured Volume (1,000 m <sup>3</sup> )	174,046	178,164	-2.3%	172,736	0.8%	164,233	8.5%
Network Extension (km)	64,850	63,063	2.8%	64,370	0.7%	61,986	1.7%
Water Metering Index- Billed Units (%)	99.9	99.9	0.0p.p.	99.9	0.0p.p.	99.9	0.0p.p.
Loss Index <sup>1</sup> (%)	38.1	38.6	-0.5p.p.	38.4	-0.3p.p.	39.4	-0.8p.p.
Loss Index <sup>2</sup> (L/connectionsxday)	253.2	252.2	0.4%	257.0	-1.5%	251.3	0.3%
<b>Sewage</b>							
Connections (1,000 units)	3,191	3,140	1.6%	3,177	0.4%	3,068	2.3%
Units (1,000 units)	4,087	3,996	2.3%	4,068	0.4%	3,908	2.2%
Population Served (1,000 inhabitants)	8,585	8,496	1.0%	8,557	0.3%	8,431	0.8%
Measured Volume (1,000 m <sup>3</sup> )	120,653	122,507	-1.5%	119,252	1.2%	113,040	8.4%
Treated Volume (1,000 m <sup>3</sup> )	86,456	103,210	-16.2%	83,531	3.5%	83,365	23.8%
Network Extension (km)	32,650	32,107	1.7%	32,506	0.4%	31,864	0.8%

(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 4Q24 with the other reference periods is as follows:

COPANOR Data	4Q24	4Q23	4Q24 vs. 4Q23	3Q24	4Q24 vs. 3Q24	4Q22	4Q23 vs. 4Q22
<b>Water</b>							
Connections (1,000 units)	118	114	2,7%	117	0,5%	112	2,6%
Units (1,000 units)	121	118	2,6%	120	0,5%	115	2,4%
Population Served (1,000 inhabitants)	227	223	1,7%	226	0,4%	225	-1,1%
Distributed Volume (1,000 m <sup>3</sup> )	4,126	4,182	-1,3%	3,952	4,4%	4,235	-1,3%
Measured Volume (1,000 m <sup>3</sup> )	2,939	2,980	-1,4%	2,845	3,3%	2,627	13,5%
Network Extension (km)	3,129	2,882	8,5%	3,114	0,5%	2,751	4,8%
<b>Sewage</b>							
Connections (1,000 units)	56	54	3,3%	55	2,2%	54	1,3%
Units (1,000 units)	58	56	3,1%	57	2,1%	55	1,1%
Population Served (1,000 inhabitants)	110	106	3,9%	108	2,6%	107	-1,0%
Measured Volume (1,000 m <sup>3</sup> )	1,337	1,350	-1,0%	1,267	5,5%	1,230	9,7%
Network Extension (km)	1,550	1,559	-0,6%	1,549	0,0%	1,576	-1,1%

The main consolidated operational data, comparing 4Q24 with the other reference periods is as follows:

Consolidated Data (COPASA MG + COPANOR)	4Q24	4Q23	4Q24 vs. 4Q23	3Q24	4Q24 vs. 3Q24	4Q22	4Q23 vs. 4Q22
<b>Water</b>							
Connections (1,000 units)	4,724	4,681	0.9%	4,706	0.4%	4,636	1.0%
Units (1,000 units)	5,698	5,644	1.0%	5,677	0.4%	5,589	1.0%
Population Served (1,000 inhabitants)	11,803	11,789	0.1%	11,781	0.2%	11,849	-0.5%
Distributed Volume (1,000 m <sup>3</sup> )	285,888	290,004	-1.4%	292,975	-2.4%	265,565	9.2%
Measured Volume (1,000 m <sup>3</sup> )	176,985	181,144	-2.3%	175,581	0.8%	166,860	8.6%
Network Extension (km)	67,979	65,946	3.1%	67,485	0.7%	64,736	1.9%
<b>Sewage</b>							
Connections (1,000 units)	3,247	3,194	1.7%	3,232	0.5%	3,122	2.3%
Units (1,000 units)	4,144	4,052	2.3%	4,125	0.5%	3,963	2.2%
Population Served (1,000 inhabitants)	8,695	8,603	1.1%	8,665	0.3%	8,539	0.7%
Measured Volume (1,000 m <sup>3</sup> )	121,990	123,857	-1.5%	120,519	1.2%	114,270	8.4%
Network Extension (km)	34,200	33,666	1.6%	34,055	0.4%	33,440	0.7%

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

Water volume measured (real) reduced by 2.3% and sewage volume measured (real) by 1.5% year on year in 4Q24, due to (i) an atypical consumption in 4Q23 because of the intense heat wave seen at the time across much of Brazil resulting from the occurrence of El Niño; and (ii) the lower consumption period year on year in 4Q24.

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	4Q24	4Q23	4Q24 vs. 4Q23	3Q24	4Q24 vs. 3Q24	4Q22	4Q23 vs. 4Q22
<b>Consumption Period</b>							
Consumption Days (quarter)	92.3	93.1	-0.9%	92.7	-0.5%	92.4	0.8%
<b>Water Volume (1,000 m<sup>3</sup>)</b>							
Measured Volume – Real <sup>1</sup>	174,046	178,164	-2.3%	172,736	0.8%	164,233	8.5%
Measured Volume – Adjusted <sup>2</sup>	169,801	172,232	-1.4%	167,705	1.3%	159,967	7.7%
<b>Sewage Volume (1,000 m<sup>3</sup>)</b>							
Measured Volume – Real <sup>1</sup>	120,653	122,507	-1.5%	119,252	1.2%	113,040	8.4%
Measured Volume – Adjusted <sup>2</sup>	117,710	118,428	-0.6%	115,779	1.7%	110,103	7.6%

(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 (%)		
	4Q24	4Q23	4Q22	4Q24	4Q23	4Q22	4Q24	4Q23	4Q22
<b>Water and Sewage (Quarterly Average)</b>									
Residential	79.7%	79.3%	78.6%	74.6%	74.7%	74.0%	68.2%	68.8%	68.5%
Residential Social	9.9%	10.3%	11.0%	10.1%	10.5%	11.2%	4.9%	5.2%	5.5%
Commercial	9.2%	9.2%	8.6%	9.2%	8.9%	8.2%	15.5%	15.0%	13.9%
Industrial	0.6%	0.6%	0.6%	2.1%	2.0%	2.0%	4.1%	3.9%	3.9%
Public	0.6%	0.6%	1.3%	4.0%	3.9%	4.6%	7.3%	7.1%	8.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

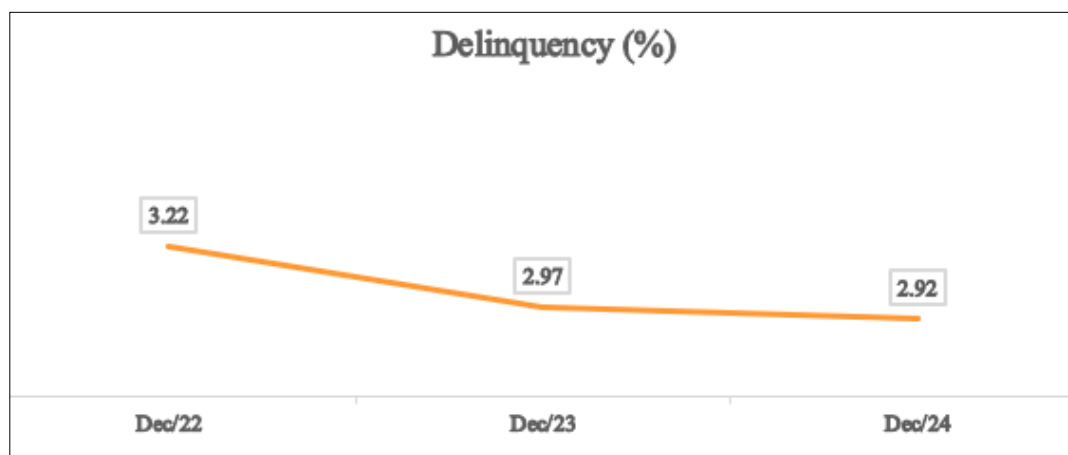
## 1.3. Distributed and Measured Volume – Annual Data

The volumes for the fiscal years ended in 2024, 2023 and 2022 are as follows:

Distributed and Measured Volume	2024	2023	2024 X 2023	2022	2023 X 2022
<b>COPASA</b>					
<b>Water</b>					
Distributed Volume (1,000 m <sup>3</sup> )	1,134,083	1,095,866	3.5%	1,050,531	4.3%
Measured Volume (1,000 m <sup>3</sup> )	680,769	665,441	2.3%	632,762	5.2%
<b>Sewage</b>					
Measured Volume (1,000 m <sup>3</sup> )	471,419	458,892	2.7%	436,712	5.1%
Treated Volume (1,000 m <sup>3</sup> )	356,952	363,959	-1.9%	310,984	17.0%
<b>COPANOR</b>					
<b>Water</b>					
Distributed Volume (1,000 m <sup>3</sup> )	16,195	16,120	0.5%	16,951	-4.9%
Measured Volume (1,000 m <sup>3</sup> )	11,205	10,686	4.9%	9,911	7.8%
<b>Sewage</b>					
Measured Volume (1,000 m <sup>3</sup> )	5,094	4,917	3.6%	4,671	5.3%
<b>COPASA+COPANOR</b>					
<b>Water</b>					
Distributed Volume (1,000 m <sup>3</sup> )	1,150,278	1,111,985	3.4%	1,067,482	4.2%
Measured Volume (1,000 m <sup>3</sup> )	691,974	676,127	2.3%	642,673	5.2%
<b>Sewage</b>					
Measured Volume (1,000 m <sup>3</sup> )	476,513	463,808	2.7%	441,383	5.1%

## 1.4. Delinquency

The delinquency rate, which corresponds to the ratio between the balance of accounts receivable overdue between 90 and 359 days and the total amount billed in the last 12 months, remained on the decline, with intensified collection actions. The rate, which was 3.22% in December 2022 and 2.97% in December 2023, reached 2.92%, the lowest ever since September 2016, when the historical series began. The performance of the delinquency rate in the last 3 (three) fiscal years is as follows:



## 1.5. Coverage Ratios

In December 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 December 2024 the Company reported global coverage ratio for collected and treated sewage of 77.3% (75.0% in December 2023).

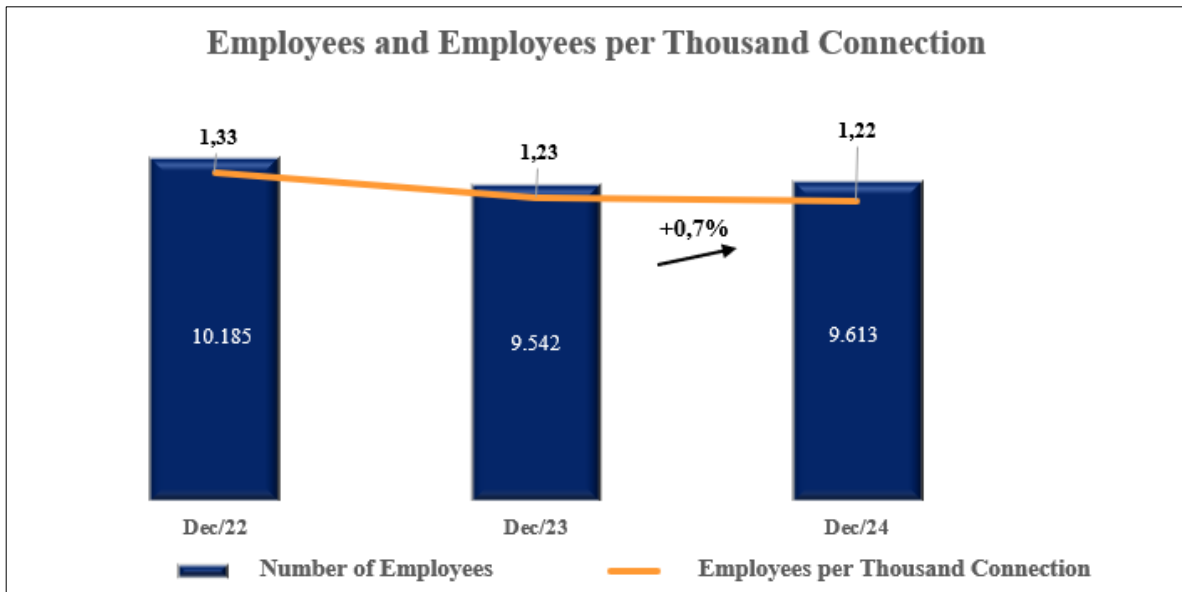
COPASA MG's robust 2025-2029 Investment Program of R\$16.9 billion, as detailed in item 6 of this Release, aims to make the investments necessary to maintain quality, regularity and monitoring of population growth referring to the already universalized water services, and expand investments focused on 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.

## 1.6. Staff Management

### 1.6.1. Employees and Employees per Connection

The Company closed 2024 with 9,613 employees, a slight increase of 0.7% from a year ago, as shown in the chart below. This growth was mainly due to one-off hires, considering the end of the validity period of the public competition process (April 2024), being lower than the increased number of water and sewage connections (+1.2%). As a result, the “number of employees per thousand connections” indicator moved down from 1.23 in December 2023 to 1.22 in December 2024.



As for COPANOR, the headcount was 490 in December 2024, and the rate of employees per thousand connections was 2.78.



## 2. Quarterly 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	4Q24	4Q23	4Q24 vs. 4Q23	3Q24	4Q24 vs. 3Q24	4Q22	4Q23 vs. 4Q22
Gross Revenue – Water	1,286,850	1,274,996	0.9%	1,296,166	-0.7%	1,013,426	25.8%
Gross Revenue – Sewage	651,929	662,063	-1.5%	659,651	-1.2%	516,216	28.3%
Gross Revenue – Solid Waste	1,279	1,404	-8.9%	1,354	-5.5%	747	87.9%
<b>Gross Revenue – Water, Sewage and Solid Waste</b>	<b>1,940,058</b>	<b>1,938,463</b>	<b>0.1%</b>	<b>1,957,171</b>	<b>-0.9%</b>	<b>1,530,389</b>	<b>26.7%</b>
PIS/Cofins	(179,539)	(179,399)	0.1%	(181,135)	-0.9%	(141,630)	26.7%
<b>Net Revenue – Water, Sewage and Solid Waste</b>	<b>1,760,519</b>	<b>1,759,064</b>	<b>0.1%</b>	<b>1,776,036</b>	<b>-0.9%</b>	<b>1,388,759</b>	<b>26.7%</b>

Net revenue from water, sewage and solid waste totaled R\$1.76 billion in 4Q24, as shown below:

Net Revenue	4Q24	4Q23	4Q24 vs. 4Q23	3Q24	4Q24 vs. 3Q24	4Q22	4Q23 vs. 4Q22
Net Direct Revenue - Water	1,151,985	1,142,516	0.8%	1,157,683	-0.5%	896,403	27.5%
Net Direct Revenue - Sewage	587,628	598,138	-1.8%	595,212	-1.3%	467,283	28.0%
<b>Net Direct Revenue - Water and Sewage</b>	<b>1,739,613</b>	<b>1,740,654</b>	<b>-0.1%</b>	<b>1,752,895</b>	<b>-0.8%</b>	<b>1,363,686</b>	<b>27.6%</b>
Net Indirect Revenue - Water	15,789	14,500	8.9%	18,537	-14.8%	23,240	-37.6%
Net Indirect Revenue - Sewage	3,994	2,679	49.1%	3,416	16.9%	1,177	127.6%
<b>Net Indirect Revenue - Water and Sewage</b>	<b>19,783</b>	<b>17,179</b>	<b>15.2%</b>	<b>21,953</b>	<b>-9.9%</b>	<b>24,417</b>	<b>-29.6%</b>
<b>Net Revenue - Solid Waste</b>	<b>1,123</b>	<b>1,231</b>	<b>-8.8%</b>	<b>1,188</b>	<b>-5.5%</b>	<b>656</b>	<b>87.7%</b>
<b>Net Revenue - Water, Sewage and Solid Waste</b>	<b>1,760,519</b>	<b>1,759,064</b>	<b>0.1%</b>	<b>1,776,036</b>	<b>-0.9%</b>	<b>1,388,759</b>	<b>26.7%</b>

Net revenue from water, sewage, and solid waste was flat in the comparative periods. The impacts arising from the tariff increase authorized by Arsae-MG implemented on January 01, 2024, with an Average Tariff Effect (ETM) of 4.21%, and the higher average revenue per unit, arising from the migration of clients from the social to the residential category, were neutralized by the drop in the billed volume due to atypical factors seen in 4Q23, as described in item 1.1.1 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	4Q24	4Q23	4Q24 vs. 4Q23	3Q24	4Q24 vs. 3Q24	4Q22	4Q23 vs. 4Q22
<b>Manageable Costs</b>	<b>844,118</b>	<b>809,995</b>	<b>4.2%</b>	<b>799,743</b>	<b>5.5%</b>	<b>719,956</b>	<b>12.5%</b>
Personnel <sup>1</sup>	421,858	436,328	-3.3%	401,365	5.1%	394,660	10.6%
Outsourced Services	245,028	181,919	34.7%	207,612	18.0%	158,347	14.9%
Rio Manso PPP	24,855	23,715	4.8%	23,277	6.8%	23,675	0.2%
Materials	18,764	18,735	0.2%	17,165	9.3%	19,726	-5.0%
Provision for Doubtful Accounts (PDA)	39,486	47,309	-16.5%	55,737	-29.2%	53,980	-12.4%
Tariff Transfers to Municipalities	73,738	79,241	-6.9%	72,855	1.2%	51,118	55.0%
Sundry Operational Costs	20,389	22,748	-10.4%	21,732	-6.2%	18,450	23.3%
<b>Non-Manageable Costs</b>	<b>216,440</b>	<b>192,868</b>	<b>12.2%</b>	<b>209,667</b>	<b>3.2%</b>	<b>149,297</b>	<b>29.2%</b>
Electricity	160,840	159,418	0.9%	163,724	-1.8%	116,857	36.4%
Telecommunication	4,685	5,122	-8.5%	5,091	-8.0%	4,253	20.4%
Treatment and Laboratory Materials	36,989	33,047	11.9%	30,038	23.1%	36,921	-10.5%
Fuels and Lubricants	13,926	12,059	15.5%	10,814	28.8%	9,053	33.2%
Tax Credits	-	(16,778)	-100.0%	-	-	(17,787)	-5.7%
<b>Capital Costs</b>	<b>206,506</b>	<b>196,581</b>	<b>5.0%</b>	<b>200,433</b>	<b>3.0%</b>	<b>184,399</b>	<b>6.6%</b>
Depreciation and Amortization	206,506	196,581	5.0%	200,433	3.0%	184,399	6.6%
<b>Charge for Usage of Water Resources</b>	<b>-</b>	<b>(19,239)</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>5,234</b>	<b>n.m.</b>
<b>Total Costs and Expenses</b>	<b>1,267,064</b>	<b>1,180,205</b>	<b>7.4%</b>	<b>1,209,843</b>	<b>4.7%</b>	<b>1,058,886</b>	<b>11.5%</b>
<b>Total Costs and Expenses (without Depreciation and Amortization)</b>	<b>1,060,558</b>	<b>983,624</b>	<b>7.8%</b>	<b>1,009,410</b>	<b>5.1%</b>	<b>874,487</b>	<b>12.5%</b>

(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 4Q24:

### 2.2.1. Manageable Costs

#### 2.2.1.1. Personnel

The reduction seen in this account was 3.3%, mainly explained by the following factors:

- an extraordinary payment, in 4Q23, of R\$8.0 million in the meal program, according to the Collective Bargaining Agreement (ACT) of that year;
- a reduction of R\$5.3 million in overtime hours worked due to a reassessment of work schedules;
- decrease of R\$4.9 million in the provisions for Profit Sharing; and
- an increase of R\$7.5 million in capitalizable expenses.

Such reductions were partly offset by the following factors:

- increase in salaries, vacation pay, and Christmas bonus, among other benefits arising from the Collective Bargaining Agreements in 2023 (4.14%) and 2024 (4.62%), whose reference date is November, based on the variation of the National Consumer Price Index (INPC), with a monthly average impact of 4.46% on these lines;
- 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 ACT of 2023; and
- an increase of R\$4.1 million in healthcare expenses due to higher usage of the Health Plan by employees.

### 2.2.1.2. Outsourced Services

This line rose by 34.7%, mainly due to price adjustments/increases, increased demand, expansion of services, and better performance by contractors, with emphasis on the following variations:

- an increase of R\$6.9 in water truck services;
- an increase of R\$6.6 million in technical and professional services;
- an increase of R\$6.0 million in meter reading and bill delivery services;
- an increase of R\$5.4 million in IT services;
- an increase of R\$3.9 million in expenses with conservation and maintenance of assets and systems;
- an increase of R\$3.5 in contracted transportation services;
- an increase of R\$2.6 million in cleaning, surveillance, messenger, and receptionist services; and
- an increase of R\$2.3 million in maintenance, cut, and reconnection services.

The table below shows the sum of personnel costs and outsourced services. As observed, the total amounts reported in 4Q24 varied by 7.9% from 4Q23:

Personnel + Outsourced Services	4Q24	4Q23	4Q24 vs. 4Q23	3Q24	4Q24 vs. 3Q24
Personnel (a)	421,858	436,328	-3.3%	401,365	5.1%
Outsourced Services (b)	245,027	181,919	34.7%	207,612	18.0%
<b>Total (a) + (b)</b>	<b>666,885</b>	<b>618,247</b>	<b>7.9%</b>	<b>608,977</b>	<b>9.5%</b>

### 2.2.1.3. Rio Manso PPP

The 4.8% increase in this line was mainly due to the 4.5% contractual adjustment that occurred in April 2024, based on the IPCA index.

### 2.2.1.4. Materials

The variation in this item was in line in the comparative periods.

### 2.2.1.5. Provision for Doubtful Accounts (PDA)

The amount of this item was 16.5% lower year on year in 4Q24, as a result of an increase in the recovery of written-off accounts of R\$33 million, net of the increase in the provision totaling R\$25 million, due to the rise in revenues and the annual review of the provision matrix, carried out in June 2024.

### 2.2.1.6. Tariff Transfers to Municipalities

The 6.9% reduction in this line recorded year on year in 4Q24 was chiefly due to adjustments arising from amendments to concession agreements entered into with the municipalities of Patos de Minas and Divinópolis. As for Patos de Minas, the monthly transfer was terminated, with a R\$1.1 million impact in the quarter. In the case of Divinópolis, the transfer percentage reduced from 4% to 1.25% (and from a monthly to an annual basis), resulting in a R\$1.6 million impact in 4Q24. Additionally, there was an additional payment of R\$10.0 million to the Belo Horizonte municipal fund, to align the transfer rules set by the regulator to the Cooperation Agreement signed with the Municipality.

These reductions offset the increase in transfers arising from the higher net revenue, as well as the increase of 23 new municipal sanitation funds authorized to receive such transfer.

### **2.2.1.7. Sundry Operating Costs**

The 10.4% YoY decrease in sundry operating costs, comparing 4Q24 with 4Q23, was mainly due to a reduction 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 increase was 0.9% year on year in 4Q24. The factors leading to higher expenses with this input were: (i) an increase of about 3.4% in electric power consumption; (ii) a 7.32% increase applied by CEMIG in May 2024 to energy tariffs, levied on the captive market; and (iii) the difference in tariff flag application for the comparative periods: in 4Q24, the yellow and red flags were applied, while the flag remained green throughout 4Q23 – being partly offset by the reduction in electricity expenses due to the increase to 26 units migrated to the Free Market in 4Q24 (16 units in December 2023).

### **2.2.2.2. Treatment and Laboratory Materials**

The 11.9% YoY increase in this item was mainly due to the rise in the price of some inputs.

### **2.2.2.3. Fuels and Lubricants**

The 15.5% increase was mainly due to higher equipment usage at operational units (generators), impacting higher fuel consumption, and an increase in fuel prices in 4Q24 compared to 4Q23.

### **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. Thus, all inputs used in the Company's production process (materials, services, electricity, fuels, depreciations, and amortizations, among others) began to be accounted for at the net values of these credits.

## **2.2.3. Depreciation and Amortization**

The 5.0% YoY increase in the depreciation and amortization line in 4Q24 was mainly due to incorporations in PP&E and intangible assets, partially offset by the change in the allocation of tax credits.

### 2.3. Other Operating Revenues (Expenses)

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

Other Operating Revenues (Expenses)	4Q24	4Q23	4Q24 vs. 4Q23	3Q24	4Q24 vs. 3Q24	4Q22	4Q23 vs. 4Q22
<b>Other Operating Revenues</b>	<b>13,614</b>	<b>11,599</b>	<b>17.4%</b>	<b>3,574</b>	<b>280.9%</b>	<b>33,118</b>	<b>-65.0%</b>
Contractual Fines Revenue	3,188	2,326	37.1%	3,065	4.0%	1,692	37.5%
Donations and Subsidies for Investments	1,610	1,312	22.7%	1,904	-15.4%	821	59.8%
Disposal of PP&E Items	1,744	4,328	-59.7%	2,789	-37.5%	1,005	330.6%
Reversal of Non-Deductible Provision	858	4,239	-79.8%	2	n.m.	11,922	-64.4%
Recovery of Written-off Accounts	-	-	n.m.	-	n.m.	9,329	-100.0%
Other Revenues	6,214	(606)	n.m.	3,572	74.0%	8,349	n.m.
<b>Other Operating Expenses</b>	<b>(72,440)</b>	<b>(108,839)</b>	<b>-33.4%</b>	<b>(52,794)</b>	<b>37.2%</b>	<b>(13,859)</b>	<b>685.3%</b>
Provisions for Lawsuits	(38,829)	(46,117)	-15.8%	(18,097)	114.6%	11,500	n.m.
Arsae-MG Fee	(15,109)	(14,203)	6.4%	(15,109)	0.0%	(13,265)	7.1%
Expenses with Environmental preservation	(9,251)	(11,574)	-20.1%	(7,241)	27.8%	(6,371)	81.7%
Taxes and Tributes	(2,918)	(2,420)	20.6%	(3,412)	-14.5%	(6,867)	-64.8%
Actuarial Liability	(2,764)	(1,789)	54.5%	(2,640)	4.7%	3,256	n.m.
Environmental Fines	(417)	(4,886)	-91.5%	(2,674)	-84.4%	(783)	524.0%
Other Expenses	(3,152)	(27,850)	-88.7%	(3,621)	-13.0%	(1,329)	1995.6%
<b>Other Operating Revenues (Expenses)</b>	<b>(58,826)</b>	<b>(97,240)</b>	<b>-39.5%</b>	<b>(49,220)</b>	<b>19.5%</b>	<b>19,259</b>	<b>n.m.</b>

### 2.4. Equity Pick-up (Subsidiary COPANOR)

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

Summarized Statement of COPANOR	4Q24	4Q23	4Q24 vs. 4Q23	3Q24	4Q24 vs. 3Q24	4Q22	4Q23 vs. 4Q22
Net Revenue from Sales and/or Services	16,506	18,856	-12.5%	16,221	1.8%	12,290	53.4%
Construction Revenue	7,176	5,386	33.2%	8,885	-19.2%	6,486	-17.0%
Other Operating Revenues	137	42	226.2%	24	470.8%	379	-88.9%
Operating Costs and Expenses	(19,917)	(19,124)	4.1%	(18,231)	9.2%	(16,851)	13.5%
Construction Costs	(7,176)	(5,386)	33.2%	(8,885)	-19.2%	(6,486)	-17.0%
Other Operating Expenses	(381)	(1,096)	-65.2%	(412)	-7.5%	(1,895)	-42.2%
Net Financial Revenues (Expenses)	1,546	1,569	-1.4%	1,586	-2.5%	1,541	1.8%
<b>Net Income (Loss)</b>	<b>(2,109)</b>	<b>246</b>	<b>n.m.</b>	<b>(812)</b>	<b>159.7%</b>	<b>(4,536)</b>	<b>n.m.</b>

## 2.5. Financial Result

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

Financial Revenues (Expenses)	4Q24	4Q23	4Q24 vs. 4Q23	3Q24	4Q24 vs. 3Q24	4Q22	4Q23 vs. 4Q22
<b>Financial Revenues</b>	<b>82,908</b>	<b>84,791</b>	<b>-2.2%</b>	<b>129,596</b>	<b>-36.0%</b>	<b>64,072</b>	<b>32.3%</b>
Monetary and Foreign Exchange Variation	8,843	6,716	31.7%	43,619	-79.7%	15,584	-56.9%
Interest	8,153	13,090	-37.7%	12,739	-36.0%	11,944	9.6%
Real Gains from Financial Investments	29,975	37,185	-19.4%	37,880	-20.9%	17,554	111.8%
Capitalization of Financial Assets/Other	35,937	27,800	29.3%	35,358	1.6%	18,990	46.4%
<b>Financial Expenses</b>	<b>(192,249)</b>	<b>(106,824)</b>	<b>80.0%</b>	<b>(180,510)</b>	<b>6.5%</b>	<b>(141,470)</b>	<b>-24.5%</b>
Monetary and Foreign Exchange Variation	(88,295)	(30,763)	187.0%	(78,282)	12.8%	(39,271)	-21.7%
Charges on Financing and Legal Provisions	(103,766)	(75,806)	36.9%	(102,049)	1.7%	(102,196)	-25.8%
Sundry	(188)	(255)	-25.9%	(179)	5.6%	(3)	8400.0%
<b>Financial Result</b>	<b>(109,341)</b>	<b>(22,033)</b>	<b>396.3%</b>	<b>(50,914)</b>	<b>114.8%</b>	<b>(77,398)</b>	<b>-71.5%</b>

The Net Financial Result was a negative R\$109.4 million in 4Q24, compared to a negative R\$22.0 million reported in 4Q23, due to the following factors:

- higher foreign exchange variation expenses, resulting from the nearly 6% appreciation of the euro against the real in the quarter, with the foreign currency (euro) debt balance accounting for 20.2% of total debt in December 2024 (14.3% in 4Q23); and
- higher gross debt of the Company in the last 12 months.

## 2.6. Taxes on Income

Taxes on Income	4Q24	4Q23	4Q24 vs. 4Q23	3Q24	4Q24 vs. 3Q24	4Q22	4Q23 vs. 4Q22
Earnings before Taxes on Income	323,179	459,832	-29.7%	473,005	-31.7%	267,199	72.1%
<b>Income and Social Contribution Taxes</b>	<b>(51,249)</b>	<b>(104,583)</b>	<b>-51.0%</b>	<b>(104,738)</b>	<b>-51.1%</b>	<b>1,083</b>	<b>n.m.</b>
<b>Effective Rate</b>	<b>15.86%</b>	<b>22.74%</b>	<b>-6.8p.p.</b>	<b>22.14%</b>	<b>-6.2p.p.</b>	<b>0.41%</b>	<b>22.3p.p.</b>

The drop in income taxes mostly refers to the lower taxable income recorded in 4Q24, linked to the higher tax benefit of Interest on Equity declared this quarter, which was reflected in a lower effective rate year on year in 4Q24.

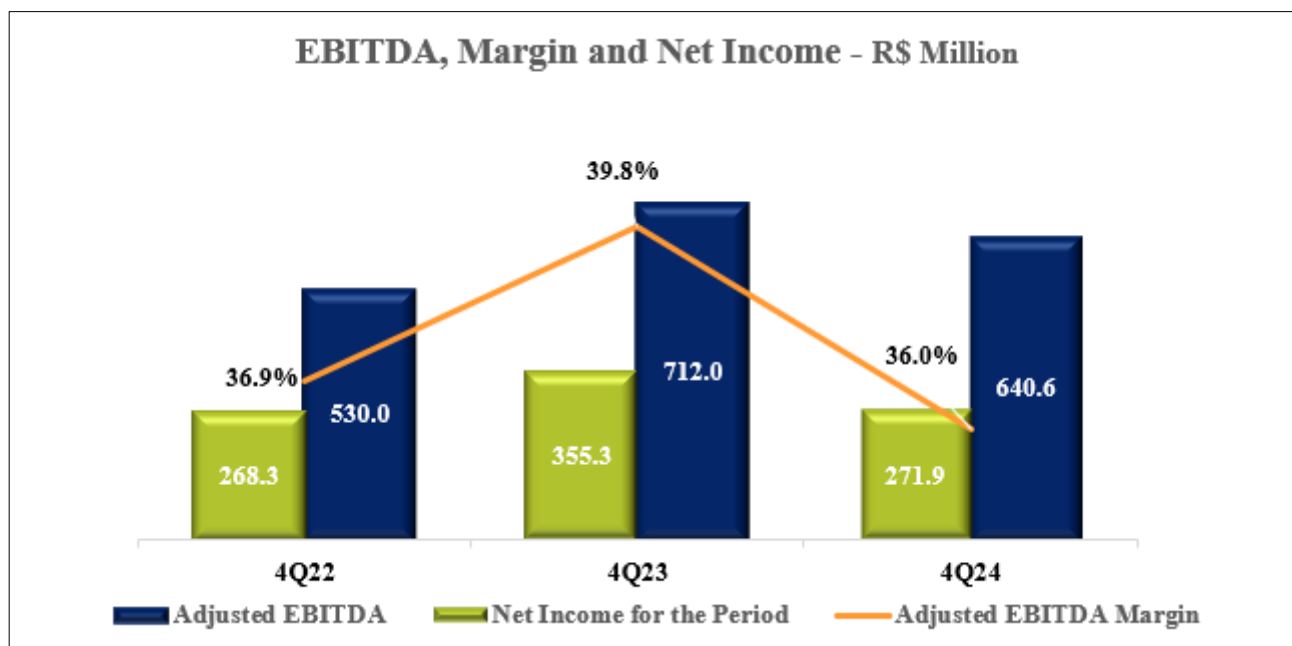
## 2.7. Net Income and Adjusted Net Income

Below, the net income table in the comparative periods:

Net Income and Earnings per Share	4Q24	4Q23	4Q24 vs. 4Q23	3Q24	4Q24 vs. 3Q24	4Q22	4Q23 vs. 4Q22
<b>Result before Financial Result and Taxes</b>	<b>432,520</b>	<b>481,866</b>	<b>-10.2%</b>	<b>523,919</b>	<b>-17.4%</b>	<b>344,597</b>	<b>39.8%</b>
Net Financial Result	(109,341)	(22,034)	396.2%	(50,914)	114.8%	(77,398)	-71.5%
<b>Earnings before Taxes on Income</b>	<b>323,179</b>	<b>459,832</b>	<b>-29.7%</b>	<b>473,005</b>	<b>-31.7%</b>	<b>267,199</b>	<b>72.1%</b>
Taxes on Income	(51,249)	(104,583)	-51.0%	(104,738)	-51.1%	1,083	n.m.
<b>Statutory Net Income</b>	<b>271,930</b>	<b>355,249</b>	<b>-23.5%</b>	<b>368,267</b>	<b>-26.2%</b>	<b>268,282</b>	<b>32.4%</b>
<b>Net Earnings per Share (R\$)</b>	<b>0.72</b>	<b>0.94</b>	<b>-23.5%</b>	<b>0.97</b>	<b>-26.2%</b>	<b>0.71</b>	<b>32.4%</b>

## 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	4Q24	4Q23	4Q24 vs. 4Q23	3Q24	4Q24 vs. 3Q24	4Q22	4Q23 vs. 4Q22
<b>Net Income for the Period</b>	<b>271,930</b>	<b>355,250</b>	<b>-23.5%</b>	<b>368,267</b>	<b>-26.2%</b>	<b>268,282</b>	<b>32.4%</b>
(+) Taxes on Income	51,249	104,583	-51.0%	104,738	-51.1%	(1,083)	n.m.
(+) Financial Result	109,341	22,033	396.3%	50,914	114.8%	77,398	-71.5%
(+) Depreciation and Amortization	206,506	196,581	5.0%	200,433	3.0%	184,399	6.6%
(+) Taxes on Income, Financial Result and Depreciation/Amortization of COPANOR	1,565	1,306	19.9%	1,333	17.5%	958	36.3%
<b>(=) EBITDA</b>	<b>640,591</b>	<b>679,753</b>	<b>-5.8%</b>	<b>725,685</b>	<b>-11.7%</b>	<b>529,954</b>	<b>28.3%</b>
<b>EBITDA Margin<sup>1</sup></b>	<b>36.0%</b>	<b>38.0%</b>	<b>-2.0p.p.</b>	<b>40.5%</b>	<b>-4.5p.p.</b>	<b>36.9%</b>	<b>1.1p.p.</b>
<b>Adjustments – Non-Recurring Item<sup>2</sup></b>		<b>32,239</b>					
<b>(=) Adjusted EBITDA</b>	<b>640,591</b>	<b>711,992</b>	<b>-10.0%</b>	<b>725,685</b>	<b>-11.7%</b>	<b>529,954</b>	<b>34.3%</b>
<b>Adjusted EBITDA Margin</b>	<b>36.0%</b>	<b>39.8%</b>	<b>-3.8p.p.</b>	<b>40.5%</b>	<b>-4.5p.p.</b>	<b>36.9%</b>	<b>2.9p.p.</b>

(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) Nonrecurring items in 4Q23: (i) Indemnification for Contractual Delinquency: +R\$33,853; and (ii) Labor Lawsuits filed by Retirees: (R\$1,614).

### 3. Annual Financial Performance

#### 3.1. 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	2024	2023	2024 vs. 2023	2022	2023 vs. 2022
Gross Revenue – Water	5,065,569	4,737,671	6.9%	3,925,082	20.7%
Gross Revenue – Sewage	2,607,904	2,449,552	6.5%	1,992,070	23.0%
Gross Revenue – Solid Waste	5,590	5,523	1.2%	2,406	129.6%
<b>Gross Revenue – Water, Sewage and Solid Waste</b>	<b>7,679,063</b>	<b>7,192,746</b>	<b>6.8%</b>	<b>5,919,558</b>	<b>21.5%</b>
PIS/Cofins	(710,664)	(665,675)	6.8%	(548,069)	21.5%
<b>Net Revenue – Water, Sewage and Solid Waste</b>	<b>6,968,399</b>	<b>6,527,071</b>	<b>6.8%</b>	<b>5,371,489</b>	<b>21.5%</b>

Net revenue from water, sewage and solid waste totaled R\$7.0 billion in 2024, up 6.8% over 2023, as shown in the table below:

Net Revenue	2024	2023	2024 vs. 2023	2022	2023 vs. 2022
Net Direct Revenue - Water	4,528,070	4,221,902	7.3%	3,473,639	21.5%
Net Direct Revenue - Sewage	2,352,588	2,211,564	6.4%	1,800,694	22.8%
<b>Net Direct Revenue - Water and Sewage</b>	<b>6,880,658</b>	<b>6,433,466</b>	<b>7.0%</b>	<b>5,274,333</b>	<b>22.0%</b>
Net Indirect Revenue - Water	68,768	77,365	-11.1%	88,088	-12.2%
Net Indirect Revenue - Sewage	14,067	11,382	23.6%	6,969	63.3%
<b>Net Indirect Revenue - Water and Sewage</b>	<b>82,835</b>	<b>88,747</b>	<b>-6.7%</b>	<b>95,057</b>	<b>-6.6%</b>
<b>Net Revenue - Solid Waste</b>	<b>4,906</b>	<b>4,858</b>	<b>1.0%</b>	<b>2,099</b>	<b>131.4%</b>
<b>Net Revenue - Water, Sewage and Solid Waste</b>	<b>6,968,399</b>	<b>6,527,071</b>	<b>6.8%</b>	<b>5,371,489</b>	<b>21.5%</b>

The Company's comments on the main factors that influenced net revenues from water, sewage and solid waste in the comparative periods are listed below:

- impacts of the tariff increase applied on January 1<sup>st</sup>, 2024, with an average tariff effect of 4.21%, as authorized by Arsae-MG; and
- an increase of 2.5% in the measured volume of water and sewage, together.



### 3.2. Costs and Expenses

Costs and expenses totaled R\$4.8 billion, increased by 4.5% from 2023. Excluding the amount referring to VSP, accounted for in 2023, total costs and expenses would have increased by 7.2% in the comparison between both periods. The following table shows the costs and expenses in the comparative periods:

Costs and Expenses	2024	2023	2024 vs. 2023	2022	2023 vs. 2022
<b>Manageable Costs</b>	<b>3,193,644</b>	<b>3,108,419</b>	<b>2.7%</b>	<b>2,720,113</b>	<b>14.3%</b>
Personnel <sup>1</sup>	1,628,643	1,631,468	-0.2%	1,495,462	9.1%
Voluntary Separation Program – VSP <sup>2</sup>	(2,108)	115,067	n.m.	-	-
Outsourced Services	837,827	694,302	20.7%	605,939	14.6%
Rio Manso PPP	94,101	91,288	3.1%	96,779	-5.7%
Materials	68,287	73,220	-6.7%	79,957	-8.4%
Provision for Doubtful Accounts (PDA)	214,172	183,658	16.6%	201,935	-9.1%
Tariff Transfers to Municipalities	286,830	262,530	9.3%	194,281	35.1%
Sundry Operational Costs	65,892	56,886	15.8%	45,760	24.3%
<b>Non-Manageable Costs</b>	<b>818,235</b>	<b>707,089</b>	<b>15.7%</b>	<b>631,557</b>	<b>12.0%</b>
Electricity	618,722	578,966	6.9%	523,234	10.7%
Telecommunication	19,799	19,279	2.7%	16,817	14.6%
Treatment and Laboratory Materials	137,021	136,090	0.7%	121,103	12.4%
Fuels and Lubricants	42,693	37,387	14.2%	39,278	-4.8%
Tax Credits	-	(64,633)	-100.0%	(68,875)	-6.2%
<b>Capital Costs</b>	<b>789,234</b>	<b>778,425</b>	<b>1.4%</b>	<b>721,131</b>	<b>7.9%</b>
<b>Depreciation and Amortization</b>	<b>789,234</b>	<b>778,425</b>	<b>1.4%</b>	<b>721,131</b>	<b>7.9%</b>
<b>Charge for Usage of Water Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,717</b>	<b>-100.0%</b>
<b>Total Costs and Expenses</b>	<b>4,801,113</b>	<b>4,593,933</b>	<b>4.5%</b>	<b>4,086,518</b>	<b>12.4%</b>
<b>Total Costs and Expenses (without VSP)</b>	<b>4,803,221</b>	<b>4,478,866</b>	<b>7.2%</b>	<b>4,086,518</b>	<b>9.6%</b>
<b>Total Costs and Expenses (without Depreciation and Amortization)</b>	<b>4,011,879</b>	<b>3,815,508</b>	<b>5.1%</b>	<b>3,365,387</b>	<b>13.4%</b>

(1) Includes pension plan obligations.

(2) Refers to expenses with the Voluntary Separation Program (VSP) in 2023, with 736 employees joining. Total costs, recognized in profit/loss for that year, were R\$115.1 million, with a R\$2.1 million reversal in 2024.

The following section presents the Company's comments on the items that make up selling and service costs, and selling and administrative expenses (excluding construction costs) with the most significant changes:

#### 3.2.1. Manageable Costs

##### 3.2.1.1. Personnel (Excluding VSP)

Personnel expenses decreased by 0.2% in 2024 over 2023. The most significant changes were:

- 3.1% decline in the monthly average number of employees year on year in 2024, due to the Voluntary Separation Program (VSP) implemented in 2023, with dismissals in a grouped manner starting July of that year.
- a reduction of R\$9.9 million in overtime hours worked due to a reassessment of work schedules and other initiatives focusing on reducing this cost;
- decrease of R\$13.3 million in the provisions for Profit Sharing due to the Company's reduced net income between the comparative periods; and
- an increase of R\$21.5 million in capitalizable expenses, migrating from the Funding to the CAPEX line.

It is worth mentioning that such reductions were partially offset by (i) impacts on salaries, vacation pay, Christmas bonus and other benefits arising from the Collective Bargaining Agreement (ACT) referring to

November 2023 and November 2024, based on the accumulated INPC of 4.14% and 4.62%, respectively; (ii) a salary increase of 2% in February/2024, corresponding to one salary range, granted to approximately 65% of the total workforce, as a result of the 2023 ACT; and (iii) an increase of R\$11.1 million in spending on the Health Program.

### 3.2.1.2. Outsourced Services

This line increased by 20.7%. The items with the most significant variations in the period were:

- an increase of R\$25.1 million in expenses with professional technical services;
- an increase of R\$18.3 million in expenses with IT services;
- an increase of R\$16.2 million in cleaning, surveillance, messenger, and receptionist services due to the new contracts and contractual adjustments;
- an increase of R\$14.5 million in water truck services, resulting from increased demand and higher prices and contractual adjustments;
- an increase of R\$11.1 million in meter reading and bill delivery services, resulting from the expansion of services;
- an increase of R\$9.6 million in maintenance, cut, and reconnection services; and
- an increase of R\$8.9 million in expenses with conservation and maintenance of assets and systems and administrative services.

### 3.2.1.3. Rio Manso PPP

The 3.1% rise recorded in this line was due to the 4.5% contractual adjustment in April 2024, with adjustment based on the Extended National Consumer Price Index (IPCA), partly offset by lower electricity expenses, due to savings from the migration of part of the consumption to the Free Market as of March 2024.

### 3.2.1.4. Materials

This item declined by 6.7%, mostly due to lower expenses referring to the conservation and maintenance of operating system assets, partly offset by higher expenses with vehicle parts, accessories and components.

### 3.2.1.5. Provision for Doubtful Accounts

This item increased by 16.6%, with net effect of:

- the 6.8% increase in net revenue year on year in 2024;
- the lower nominal sales balance in 2024, referring to the recovery of written-off accounts, net of write-offs of accounts overdue for over 360 days, with a debt effect of R\$27.7 million in the 2 (two) comparative periods, due to the lower use of mass collection campaigns by Management in the last fiscal year;
- the higher balance of overdue accounts receivable, from December 2023 to December 2024, in the amount of R\$41.8 million (a 6.3% variation);
- the application of a new provision matrix in June 2024, which is yearly reviewed, with a slight concentration of overdue accounts seen in older debt ranges, in relation to last year's matrix; and

- lower delinquency – the ratio between the balance of accounts receivable overdue between 90 and 359 days and the total amount billed in the last 12 months – in the period, moving down from 2.97% in December 2023 to 2.92% in December 2024, owing to continuous collection actions.

#### 3.2.1.6. Tariff Transfers to Municipalities

The 9.3% increase in this line was mainly due to increased tariff transfer values, due to the 6.8% increase in revenue and the increase in the number of municipal sanitation funds qualified to receive such transfer.

According to [Technical note GRT 06/2023](#) issued by Arsae-MG, within the scope of the tariff increase applied in January 2024, 13 new municipal sanitation funds were included with the right to the transfers, totaling 307 qualified municipalities (294 in the same period of 2023). It is worth noting that the amounts transferred to the municipal sanitation funds are recognized in the tariff.

This line was also affected by the events described in item 2.2.1.6, related to the municipalities of Patos de Minas, Divinópolis, and Belo Horizonte.

#### 3.2.1.7. Sundry Operating Costs

The 15.8% increase seen year on year in 2024 was due to higher expenses with transportation fares, travel and accommodations, as well as other lines in a pulverized manner.

### 3.2.2. Non-Manageable Costs

#### 3.2.2.1. Electricity

The 6.9% increase in electric power expenses year on year in 2024 was mainly due to the net effect of the following factors:

- an increase of 5.8% in the Company's electricity consumption;
- increase of 13.27% applied by Cemig to the electricity tariffs, levied on the captive market, effective from June 2023, and 7.32% effective from May 2024;
- elimination of the 3% in the subsidy applied to the electric energy tariffs of the concessionaires providing public water supply and sewage services, applicable to the captive market, effective from June 2022;
- exclusion of ICMS from the PIS/COFINS credit tax base, as of May 2023;
- resumption of collection of the ICMS tax on the Tariff for the Use of the Electricity Transmission System (TUST) and the Tariff for the Use of the Electricity Distribution System (TUSD), as of February 2023;
- increased expenses with the application of flags, due to the application of additional tariffs from more expensive flags in part of 2024, while the flag remained green, i.e. cheaper, throughout 2023;
- reduction in electricity expenses due to the increase in the number of units migrated to the Free Market, with 8 (eight) units in January 2023 and 26 (twenty-six) units in December 2024, with the Company reaching, under this category, 49% in electricity consumption; and
- R\$6.5 million reduction in electricity expenses from the units that migrated to photovoltaic sources.

It is worth noting that the units utilizing the Free Market and photovoltaic sources – both with a more affordable unit cost per KWh consumed – have been seeing an increase in relation to the total utilization of this input. The energy coming from the Free Market, which accounted for 38% of the energy consumed by the Company in

December 2023, accounted for 49% in December 2024. As for photovoltaic sources, with utilization starting in 2024, reached 13% of the total energy consumed in December 2024.

### 3.2.2.2. Fuels and Lubricants

The 14.2% rise was mainly due to the increase in fuel prices year on year in 2024, coupled with the higher utilization of generators at the operational units, leading to increased consumption.

### 3.2.2.3. Tax Credits

As described in item 2.2.2.4 of this Release, the accounting for of tax credits changed in 2024.

### 3.2.3. Depreciation and Amortization

The 1.4% increase in the depreciation and amortization line year on year in 2024 was due to incorporations in PP&E and intangible assets, partially offset by changes in the accounting of the Pis/Cofins tax credits, which were separately reported in profit/loss until 2023, but are now accounted for under depreciation as from 2024.

## 3.3. Other Operating Revenues (Expenses)

Other Operating Revenues (Expenses) in the comparative periods are as follows:

Other Operating Revenues (Expenses)	2024	2023	2024 vs. 2023	2022	2023 vs. 2022
<b>Other Operating Revenues</b>	<b>43,200</b>	<b>67,060</b>	<b>-35.6%</b>	<b>135,017</b>	<b>-50.3%</b>
Contractual Fines Revenue	11,146	6,291	77.2%	5,137	22.5%
Donations and Subsidies for Investments	7,140	3,412	109.3%	2,407	41.8%
Disposal of PP&E Items	6,789	7,048	-3.7%	4,481	57.3%
Reversal of Non-Deductible Provision	1,229	28,277	-95.7%	62,031	-54.4%
Recovery of Written-off Accounts <sup>1</sup>	-	-	n.m.	42,798	-100.0%
Other Revenues	16,896	22,032	-23.3%	18,163	21.3%
<b>Other Operating Expenses</b>	<b>(200,497)</b>	<b>(193,490)</b>	<b>3.6%</b>	<b>(151,312)</b>	<b>27.9%</b>
Provisions for Lawsuits	(74,382)	(37,026)	100.9%	(29,389)	26.0%
Arsae-MG Fee	(60,437)	(56,813)	6.4%	(53,060)	7.1%
Expenses with Environmental preservation	(20,736)	(39,750)	-47.8%	(20,686)	92.2%
Taxes and Tributes	(14,079)	(13,306)	5.8%	(15,553)	-14.4%
Actuarial Liability	(10,684)	(6,756)	58.1%	(10,806)	-37.5%
Environmental Fines	(8,950)	(8,202)	9.1%	(3,133)	161.8%
Other Expenses	(11,229)	(31,637)	-64.5%	(18,685)	69.3%
<b>Total</b>	<b>(157,297)</b>	<b>(126,430)</b>	<b>24.4%</b>	<b>(16,295)</b>	<b>675.9%</b>

(1) As of 1Q23, the amounts in the Recovery of Written-Off Accounts line started to be credited directly to the Impairment of Receivables line.

### 3.3.1. Other Operating Income

The 35.6% decrease year on year in 2024, was due to a reduction of tariff refund amounts during the 2024 fiscal year, compared to 2023.

### 3.3.2. Other Operating Expenses

Other operating expenses increased by 3.6% year on year in 2024. We underline that there were 2 (two) factors that impacted results in 2023:

- extraordinary reversal and nonrecurring provision of R\$59.0 million, due to the agreement executed in the Labor Class Action; and

- judicial agreement aiming to settle the suit for indemnification filed in 2021, claiming economic and financial imbalance in construction contracts entered into with COPASA MG, with a R\$33.8 million impact on the result.

### 3.4. Equity Pick-up (Subsidiary COPANOR)

The equity pick-up recognized in 2024 refers to the wholly-owned subsidiary Copanor and was negative by R\$9.5 million (negative by R\$18.3 million in 2023).

Summarized Statement of COPANOR	2024	2023	2024 vs. 2023	2022	2023 vs. 2022
Net Revenue from Sales and/or Services	61,915	65,230	-5.1%	47,292	37.9%
Construction Revenue	29,634	13,433	120.6%	17,040	-21.2%
Other Operating Revenues	330	641	-48.5%	1,851	-65.4%
Operating Costs and Expenses	(75,918)	(71,515)	6.2%	(62,652)	14.1%
Construction Costs	(29,634)	(13,433)	120.6%	(17,040)	-21.2%
Other Operating Expenses	(1,775)	(11,873)	-85.1%	(2,831)	319.4%
Net Financial Revenues (Expenses)	5,943	(831)	n.m.	5,177	n.m.
<b>Net Income (Loss)</b>	<b>(9,505)</b>	<b>(18,348)</b>	<b>-48.2%</b>	<b>(11,163)</b>	<b>64.4%</b>

### 3.5. Financial Result

Below is a table with the Financial Result:

Financial Revenues (Expenses)	2024	2023	2024 vs. 2023	2022	2023 vs. 2022
<b>Financial Revenues</b>	<b>370,265</b>	<b>327,502</b>	<b>13.1%</b>	<b>272,601</b>	<b>20.1%</b>
Monetary and Foreign Exchange Variation	62,919	48,451	29.9%	78,858	-38.6%
Interest	55,525	49,679	11.8%	47,783	4.0%
Real Gains from Financial Investments	111,111	125,863	-11.7%	86,368	45.7%
Capitalization of Financial Assets/Other	140,710	103,509	35.9%	59,592	73.7%
<b>Financial Expenses</b>	<b>(697,742)</b>	<b>(329,589)</b>	<b>111.7%</b>	<b>(484,160)</b>	<b>-31.9%</b>
Monetary and Foreign Exchange Variation	(327,456)	(120,051)	172.8%	(157,209)	-23.6%
Charges on Financing and Legal Provisions	(369,519)	(208,097)	77.6%	(326,687)	-36.3%
Sundry	(767)	(1,441)	-46.8%	(264)	445.8%
<b>Financial Result</b>	<b>(327,477)</b>	<b>(2,087)</b>	<b>n.m.</b>	<b>(211,559)</b>	<b>-99.0%</b>

The Net Financial Result was R\$327.5 million in 2024 and R\$2.1 million in 2023, due to the following reasons:

- exchange rate variation on foreign currency (Euro) loans, owing to the strong depreciation of the BRL in 2024;
- reversal of extraordinary and nonrecurring expenses in 2023, due to the agreement signed within the scope of the Labor Class Action, which led to the accounting for of a creditor amount of R\$108.9 million, referring to interest and monetary restatement, under Financial Expenses;
- the increase in the Company's gross debt; and
- higher basic interest rates and inflation measured by the Extended National Consumer Price Index (IPCA) year on year in 2024.

### 3.6. Taxes on Income

Taxes on income are shown in the table below:

Taxes on Income	2024	2023	2024 vs. 2023	2022	2023 vs. 2022
Earnings before Taxes on Income	1,673,006	1,786,272	-6.3%	1,045,954	70.8%
<b>Income and Social Contribution Taxes</b>	<b>(356,086)</b>	<b>(406,926)</b>	<b>-12.5%</b>	<b>(202,592)</b>	<b>100.9%</b>
<b>Effective Rate</b>	<b>21.28%</b>	<b>22.78%</b>	<b>-1.5p.p.</b>	<b>19.37%</b>	<b>3.41p.p.</b>

The 12.5% decrease in taxes on income reported in 2024 compared to 2023, was mainly due to lower taxable income in the period.

### 3.7. Net Income

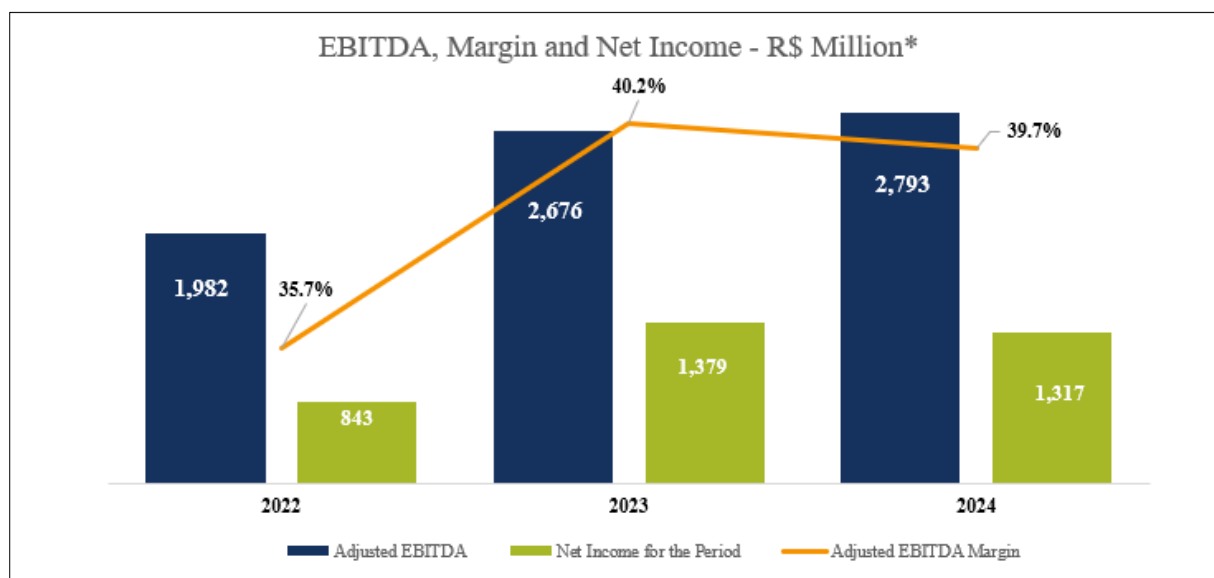
The Company reported a net income of R\$1.32 billion in 2024, compared to the R\$1.38 billion recorded in 2023, as shown in the table below. This drop was mainly due to exchange rate variations (non-cash effect), as a result of the depreciation of the BRL against the Euro.

Net Income and Earnings per Share	2024	2023	2024 vs. 2023	2022	2023 vs. 2022
<b>Result before Financial Result and Taxes</b>	<b>2,000,484</b>	<b>1,788,360</b>	<b>11.9%</b>	<b>1,257,513</b>	<b>42.2%</b>
Net Financial Result	(327,478)	(2,088)	15,583.8%	(211,559)	-99.0%
<b>Earnings before Taxes on Income</b>	<b>1,673,006</b>	<b>1,786,272</b>	<b>-6.3%</b>	<b>1,045,954</b>	<b>70.8%</b>
Taxes on Income	(356,086)	(406,926)	-12.5%	(202,592)	100.9%
<b>Net Income</b>	<b>1,316,920</b>	<b>1,379,346</b>	<b>-4.5%</b>	<b>843,362</b>	<b>63.6%</b>
<b>Net Earnings per Share (R\$)</b>	<b>3.47</b>	<b>3.64</b>	<b>-4.5%</b>	<b>2.22</b>	<b>63.6%</b>

### 3.8. EBITDA and Adjusted EBITDA

Consolidated 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, and amortization of the Parent Company, and the same items of COPANOR.

According to the chart below, in 2024 Adjusted EBITDA was R\$2.80 billion, with an adjusted margin of 39.7%. Net income reached R\$1.32 billion in 2024 (R\$1.38 billion in 2023).



(\*) In 2023 and 2024, the values refer to Adjusted EBITDA and the Adjusted EBITDA Margin.

Below, we present the reconciliation of the Company's net income with EBITDA/Adjusted EBITDA, referring to the fiscal years ended 2024, 2023 and 2022:

EBITDA	2024	2023	2024 vs. 2023	2022	2023 vs. 2022
<b>Net Income for the Period</b>	<b>1,316,920</b>	<b>1,379,346</b>	<b>-4.5%</b>	<b>843,362</b>	<b>63.6%</b>
(+) Taxes on Income	356,086	406,926	-12.5%	202,592	100.9%
(+) Financial Result	327,478	2,088	n.m.	211,559	-99.0%
(+) Depreciation and Amortization	789,234	778,425	1.4%	721,131	7.9%
(+) Taxes on Income, Financial Result and Depreciation/Amortization of COPANOR	5,828	11,980	-51.4%	3,825	213.2%
<b>(=) EBITDA</b>	<b>2,795,546</b>	<b>2,578,765</b>	<b>8.4%</b>	<b>1,982,469</b>	<b>30.1%</b>
<b>EBITDA Margin</b>	<b>39.8%</b>	<b>38.7%</b>	<b>1.1p.p.</b>	<b>35.7%</b>	<b>3p.p.</b>
<b>Adjustments - Non-Recurring Items<sup>1</sup></b>	<b>(2,108)</b>	<b>97,434</b>	<b>n.m.</b>		
<b>(=) Adjusted EBITDA</b>	<b>2,793,438</b>	<b>2,676,199</b>	<b>4.4%</b>	<b>1,982,469</b>	<b>35.0%</b>
<b>Adjusted EBITDA Margin</b>	<b>39.7%</b>	<b>40.2%</b>	<b>-0.4p.p.</b>	<b>35.7%</b>	<b>4.5p.p.</b>

(1) Nonrecurring items in 2023: (i) Voluntary Separation Program (VSP): +R\$115,067; (ii) reversal of provision referring to labor lawsuits: (R\$51,486); and (iii) indemnification for contractual delinquency: +R\$33,853. Non-recurring item in 2024: reversal of expenses with the Voluntary Separation Program (VSP), in the amount of (R\$2.1 million).

## 4. Shareholder Compensation

### 4.1. Dividend Policy Revision

The Dividend Policy in force was approved by the Extraordinary Shareholders' Meeting held on April 28<sup>th</sup>, 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.

### 4.2. 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.

#### 4.2.1. Regular Dividends - 2024

For the year 2024, as approved by the Board of Directors at a meeting held on December 15<sup>th</sup>, 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	<a href="#">BoDM 03.20.2024</a>	03.25.2024	117,596	0.31013057	05.17.2024
1Q24 Dividends	<a href="#">BoDM 03.20.2024</a>	03.25.2024	54,831	0.14460453	05.17.2024
2Q24 IoE	<a href="#">BoDM 06.20.2024</a>	06.25.2024	120,127	0.31680701	08.19.2024
2Q24 Dividends	<a href="#">BoDM 06.20.2024</a>	06.25.2024	25,747	0.06790250	08.19.2024
3Q24 IoE	<a href="#">BoDM 09.12.2024</a>	09.18.2024	124,437	0.32817333	09.30.2024
3Q24 Dividends	<a href="#">BoDM 09.12.2024</a>	09.18.2024	9,488	0.02502186	09.30.2024
<b>Subtotal - Jan to Sep/2024</b>			<b>452,226</b>	<b>1.19263982</b>	
4Q24 IoE	<a href="#">BoDM 12.12.2024</a>	12.23.2024	140,091	0.36945792	(1)
4Q24 Dividends	<a href="#">BoDM 03.21.2025</a>	03.26.2025	13,446	0.03545920	(1)
<b>Subtotal - 4Q24</b>			<b>153,537</b>	<b>0.40491712</b>	
<b>Total Declared - 2024</b>			<b>605,763</b>	<b>1.59755694</b>	

(1) To be defined at the Annual Shareholders' Meeting - ASM that approves the 2024 Financial Statements.

#### 4.2.2. Extraordinary Dividends - Approved in 04/2024

According to the Dividend Policy in force, the [EGM](#) held on April 26<sup>th</sup>, 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 31<sup>st</sup>, 2023, as per the table below:

Reference	Corporate Event and Date	Cut-off Date	Amount	Value per share (R\$)	Payment Date
Extraordinary Dividends	<a href="#">EGM 04.26.2024</a>	04.26.2024	300,000	0.79117798	05.10.2024

#### 4.2.3. Shareholder Compensation - 2025

The Board of Directors' meeting held on December 12<sup>th</sup>, 2024, approved the distribution of Regular Dividends corresponding to 50% of the net income, adjusted according to article 202 of Federal Law 6,404/76, as Interest on Equity (IoE) or dividends.

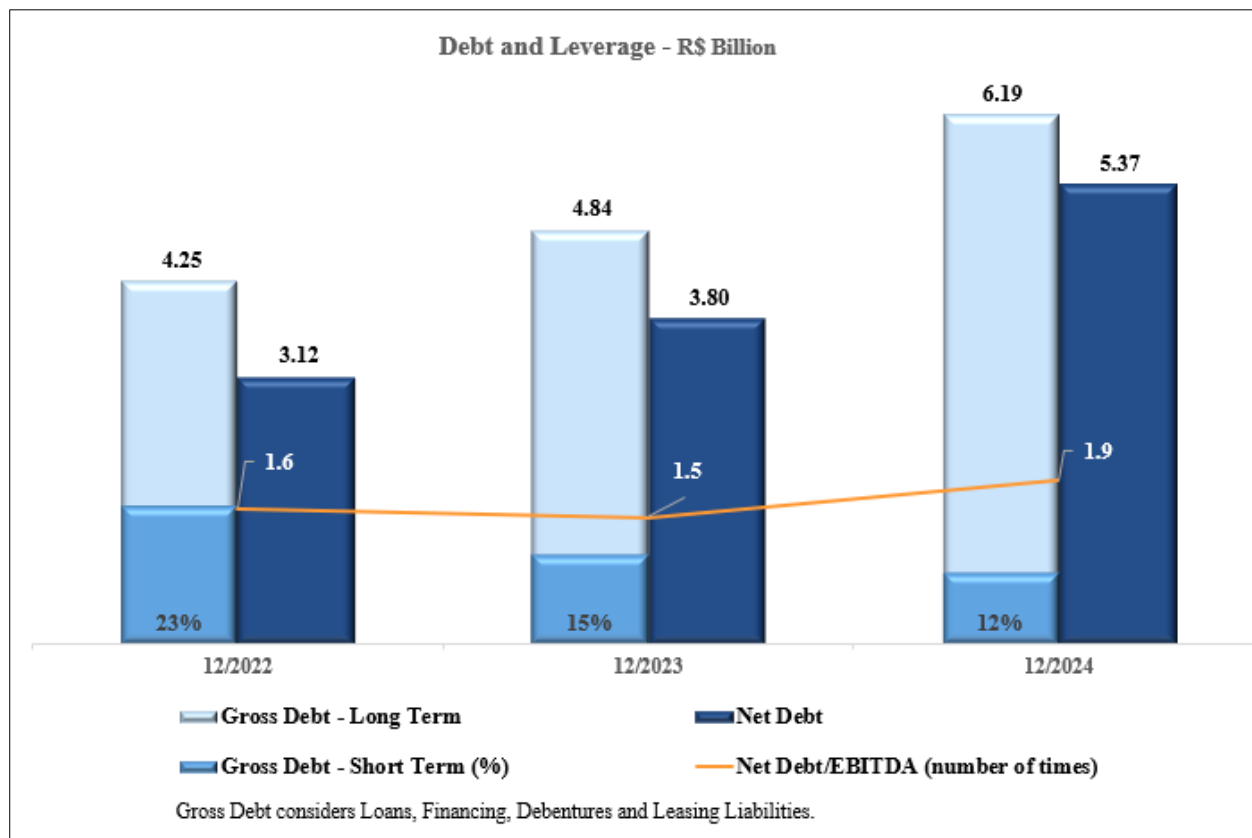
The Board of Directors' meeting held on February 26<sup>th</sup>, 2025 approved the declaration of IoE and dividends for the first quarter of 2025 (1Q25), totaling R\$180.6 million, as per the table below.

Reference	Corporate Event and Date	Cut-off Date	Amount	Value per share (R\$)	Payment Date
1Q25 IoE	<a href="#">BoDM 02.26.2025</a>	03.05.2025	113,334	0.29889232	04.25.2025
1Q25 Dividends	<a href="#">BoDM 02.26.2025</a>	03.05.2025	67,235	0.17731616	04.25.2025

## 5. Indebtedness and Rating

### 5.1. Gross Debt and Net Debt

According to the chart below, net debt moved up from R\$3.80 billion in December 2023 to R\$5.37 billion in December 2024. The leverage ratio, as measured by the Net Debt/EBITDA ratio in the last 12 months, reached 1.9x in December 2024 (1.5x in December 2023).



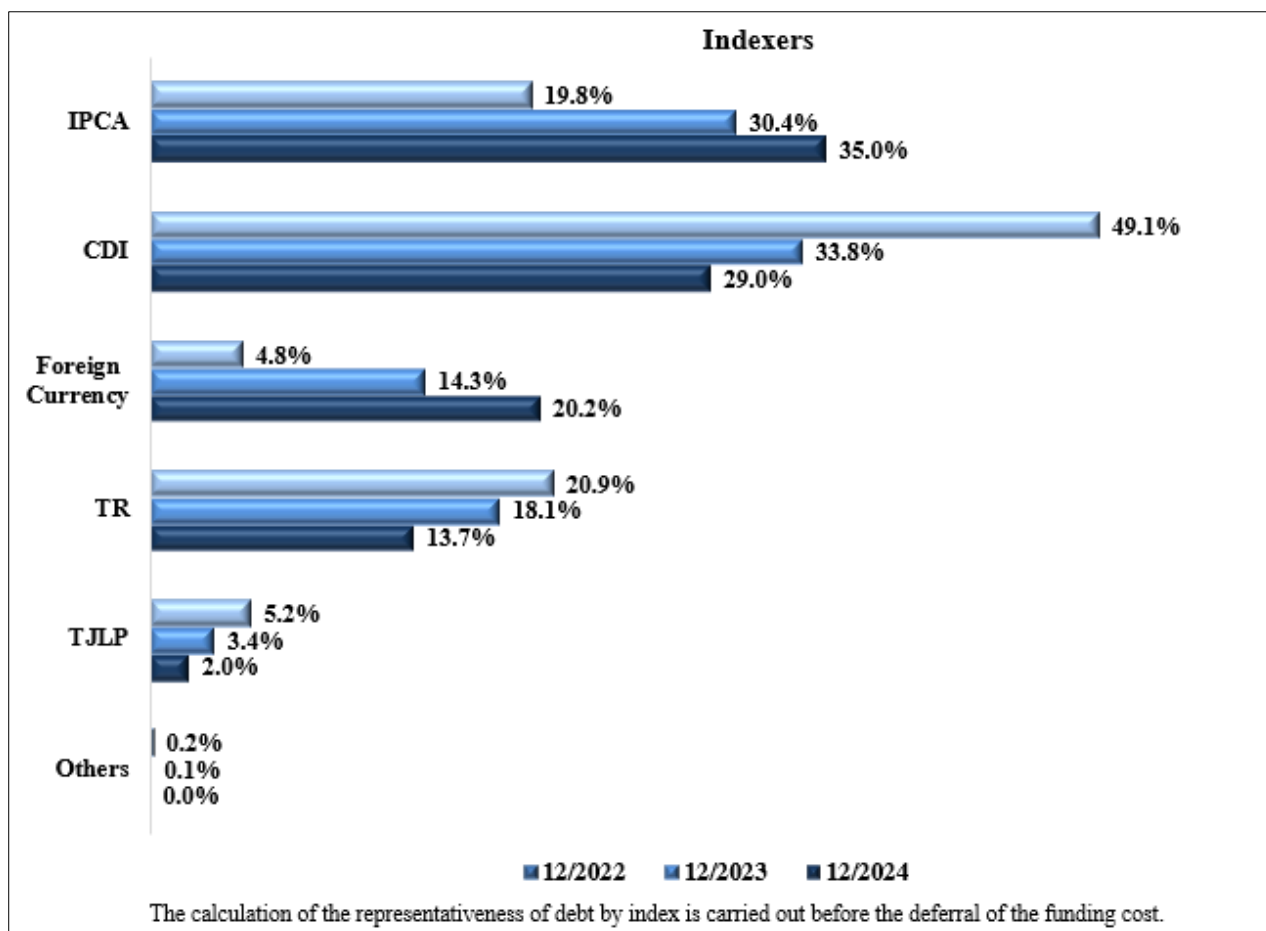
### 5.2. Average Coupon

Below is the evolution of the average coupon in the comparative periods:

Reference Period	Dec/24	Dec/23	Dec/22
Average Coupon (p.y.)	8.4%	8.7%	10.9%

### 5.3. Debt Indexers

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



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 December 31<sup>st</sup>, 2024 was approximately €193 million (corresponding to R\$1.25 billion, considering the euro exchange rate on December 31<sup>st</sup>, 2024), as detailed in Annex 11.6 - Debt.

This amount represents around 20.2% of total loans and financing in December 2024 (14.3% in December 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 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\$62.4 million.

## 5.4. Covenants

The Company was within the limits established for all its contractual and statutory financial covenants for the years ended 2022, 2023 and 2024. Below are the amounts recorded for the Company's statutory covenants in these years:

Statutory Covenants	Limit	2022	2023	2024
Net Debt /EBITDA (number of times)	$\leq 3,0x^{(1)}$	1.6	1.5	1.9
EBITDA/Debt Service	$>1.2$	1.7	1.9	2.4

(1) The Bylaws also establish that this indicator may reach a maximum of 4 times, depending on circumstantial reasons, upon justification and specific approval by the Board of Directors.

Regarding the Total Liabilities/Shareholders' Equity covenant, whose amounts observed in the last 3 (three) fiscal years are shown in the table below, the [Extraordinary General Meeting \(EGM\) held on February 27<sup>th</sup>, 2025](#) approved its exclusion from the [Bylaws](#).

Covenant - Total Liabilities/Shareholders' Equity	Limit	2022	2023	2024
Total Liabilities/Shareholders' Equity	$\leq 1.0x$	0.8	0.9	0.9

## 5.5. Corporate Ratings

On June 14<sup>th</sup>, 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 2<sup>nd</sup>, 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	<a href="#">Report</a>
Moody's	AAA.br	Stable	07.02.2024	<a href="#">Report</a>

## 6. Investment Program and Fundraising

### 6.1. Investment Program - 2024

For 2024, the Annual Shareholders' Meeting held on April 26<sup>th</sup>, 2024, approved the investments expected for water, sewage, and corporate and operating development of the Parent Company, totaling R\$1.67 billion, in addition to the capitalization of R\$221.5 million. Additionally, the Board of Directors, at the meetings held on [October 31<sup>st</sup>, 2024](#) and [December 12<sup>th</sup>, 2024](#), approved supplements of R\$200.0 million and R\$45.0 million, respectively.

According to the table below, the investments made in 2024, including capitalizations, within the scope of the Parent Company, totaled R\$2.17 billion, up by 33.2% higher than the amount invested in 2023. Including COPANOR, total investments reached R\$2.22 billion (increase of 33.9% compared to 2023):

Investments (R\$ million)	2024	2023	2022
Water	1,014.2	680.0	579.4
Sewage	801.3	671.0	449.3
Enterprise and Operational Development	70.9	78.5	100.8
<b>Subtotal</b>	<b>1,886.5</b>	<b>1,429.5</b>	<b>1,129.5</b>
Capitalizations <sup>1</sup>	282.5	198.6	176.1
<b>Total - Parent Company (COPASA MG)</b>	<b>2,169.0</b>	<b>1,628.0</b>	<b>1,305.6</b>
COPANOR	53.9	31.5	39.6
<b>Total - COPASA MG and COPANOR</b>	<b>2,222.9</b>	<b>1,659.5</b>	<b>1,345.2</b>

(1) Referring to capitalizations (interest, personnel expenses, materials and services), as well as other amounts added/related to the Company's assets.

Below is the breakdown of the investments made:

#### 6.1.1. Water Supply Systems

- implementation, expansion, improvements and compliance with contractual commitments related to water supply systems of the municipalities of Barroso, Belo Horizonte, Betim, Brumadinho, Capelinha, Contagem, Curvelo, Diamantina, Divinópolis, Esmeraldas, Fronteira, Inhapim, Itamarati de Minas, João Pinheiro, Juatuba, Montes Claros, Mutum, Nova Lima, Nova Resende, Nova Serrana, Patos de Minas, Pouso Alegre, Riacho dos Machados, Ribeirão das Neves, Santa Bárbara, São João Nepomuceno, Teófilo Otoni, Timóteo, 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, Alfenas, Araxá, Belo Horizonte, Betim, Brumadinho, Carmo do Rio Claro, Cataguases, Diamantina, Florestal, Guaxupé, Itajubá, Lavras, Nova Lima, Patos de Minas, Pouso Alegre, Santana do Riacho, São Gotardo, Timóteo, Três Corações, Varginha, among others.

#### 6.1.2. Sewage Systems

- implementation, expansion, improvements and compliance with contractual commitments related to sewage systems of the municipalities of Abaeté, Além Paraíba, Belo Horizonte, Betim, Brasília de Minas, Buritis, Caldas, Cambuquira, Campanha, Caratinga, Conceição do Pará, Confins, Congonhas, Conselheiro Lafaiete, Contagem,

Cruzília, Divinópolis, Guaxupé, Guimarães, Ibirité, Igarapé, Ipatinga, Ipuiúna, Iturama, Januária, Juatuba, Mateus Leme, Montes Claros, Mutum, Nova Lima, Nova Mógica, Paracatu, Patos de Minas, Pedro Leopoldo, Perdões, Pouso Alegre, Ribeirão das Neves, Sabará, Santa Luzia, Santana do Paraíso, Santos Dumont, São Gotardo, São João Nepomuceno, Sarzedo, Timóteo, Turmalina, Ubá, among others;

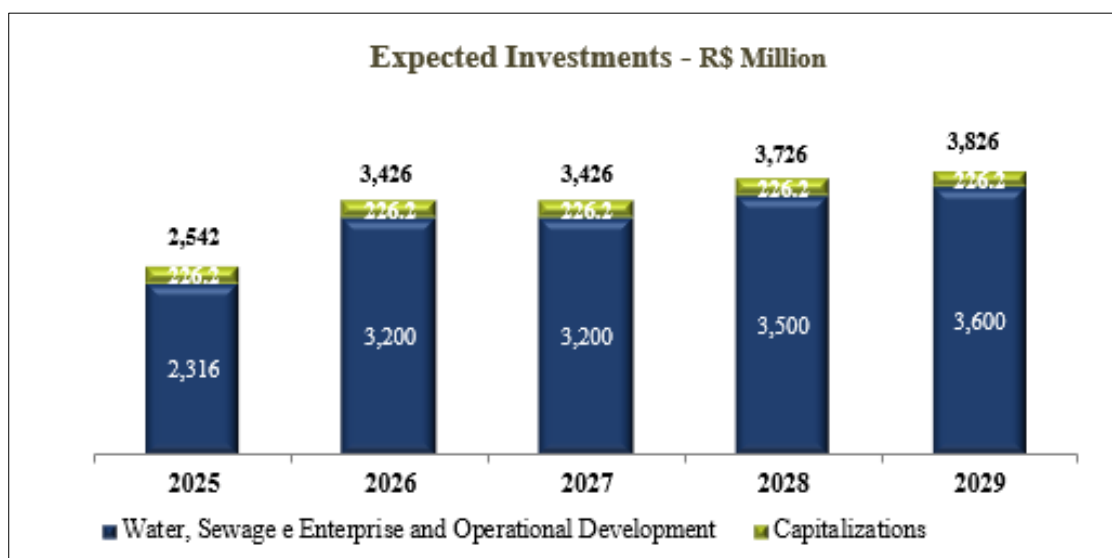
- replacement of sewage assets in several municipalities where the Company operates; and
- acquisition of operational equipment for renovation and optimization of the sewage system in several operated municipalities.

### 6.1.3. 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.

## 6.2. Investment Program – 2025 to 2029

Below, the Parent Company's Multi-Year Investment Program, for the period from 2025 to 2029, as approved by the Board of Directors on December 12<sup>th</sup>, 2024:



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.

## 6.3. Fundraising

### 6.3.1. Contracted Resources

Referring to contracted funds and not yet available, in December 2024, the Company had a balance of R\$1.2 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	114.5
KfW <sup>1</sup>	232.2
AFD <sup>1</sup>	868.9
<b>Total Balance to be Released</b>	<b>1,215.6</b>

(1) Funding Lines contracted in Euro, with the balances being converted into Reais (R\$) at the end of December 2024 (€1.0 equivalent to R\$6.4363).

### 6.3.2. 20<sup>th</sup> Debenture Issue

The Company informs that the [Board of Directors, at a meeting held on March 10<sup>th</sup>, 2025](#), authorized the start of the contracting of a capital market transaction through its 20<sup>th</sup> issue of simple, unsecured debentures, not convertible into shares, for public distribution, under an automatic registration process, aimed at professional investors, under a firm placement guarantee, of up to R\$900.0 million. The resources will basically be used to execute part of the investment program of COPASA.

## 7. Service Concessions

As shown in the table below, in December 2024, COPASA MG (consolidated) had 637 concessions for water services and 308 concessions for sewage services, in which 633 water concessions and 273 sewage concessions were in operation.

Concessions <sup>1,2</sup>	12/2024			12/2023		
	Total	Parent Company	COPANOR	Total	Parent Company	COPANOR
<b>Water</b>						
Concession	637	588	49	638	589	49
In Operation	633	584	49	633	584	49
<b>Sewage</b>						
Concession	308	252	56	309	253	56
In Operation	273	231	42	273	231	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 43 municipalities and concession with 1 (one) municipality whose contract was judicially declared null.

In the last 12 months, the following movements occurred in concessions:

- **Termination of contracts:** water and sewage contracts were terminated in the municipality of Nanuque (population of 35 thousand inhabitants), that was judicially declared null. This municipality represented 0.25% of the Company's revenue.
- **Start of operation:** water operation began in the municipality of Mesquita (urban population of 1.3 thousand inhabitants), and sewage operation began in the municipality of Santo Antônio do Itambé (urban population of 1.3 thousand inhabitants).
- **Contract amendments:** 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 <sup>1</sup>	Expiration	Notice Date
Patos de Minas	1.6%	12/2038	<a href="#">05.09.2024</a>
Divinópolis	2.3%	06/2041	<a href="#">07.31.2024</a>
Visconde do Rio Branco	0.3%	07/2054	<a href="#">08.01.2024</a>
Rio Pomba	0.1%	09/2054	<a href="#">09.10.2024</a>

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

The table below shows the Company's ten (10) main current concessions as of September 30<sup>th</sup>, 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 December 2024, 83% of the Company's water and sewage revenues came from concessions expiring after December 2031. On the same date, concessions from 43 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.

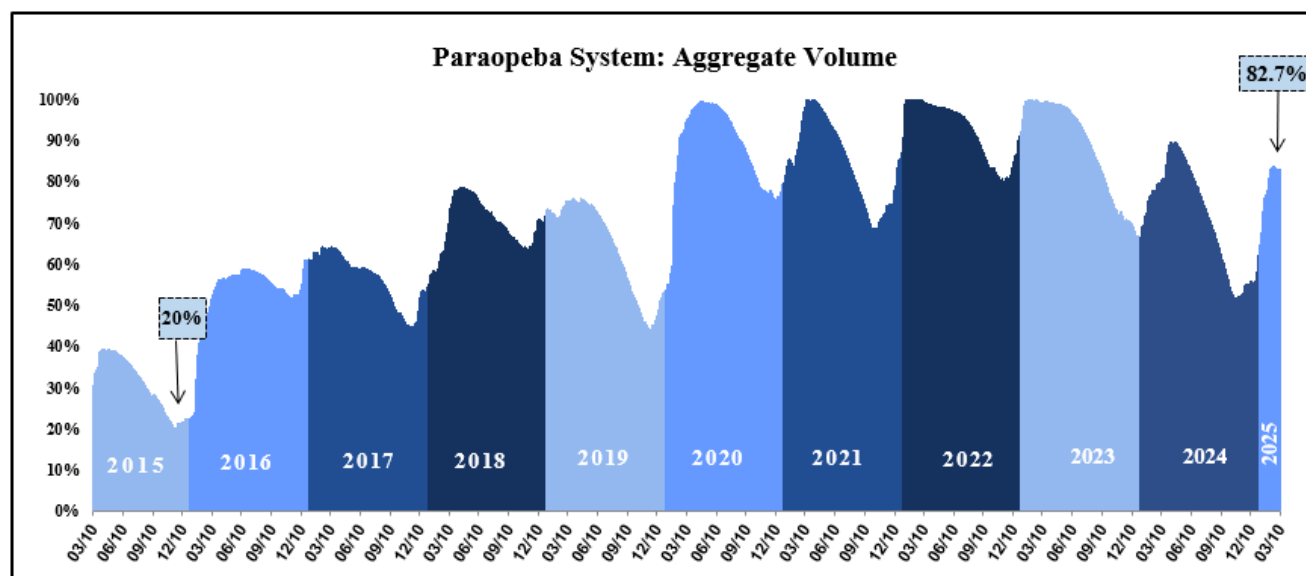
Under the principle of continuity for the provision of essential public services, these municipalities continue to be served and billed by the Company, both in municipalities with expired concessions and in municipality where contractual nullity was decreed.

## 8. Water Situation

### 8.1. Belo Horizonte Metropolitan Area (BHMA)

#### 8.1.1. Paraopeba System (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. On March 10<sup>th</sup>, 2025, the reservoirs had 82.7% of their capacity, as shown below:



### 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.

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.

It is worth noting that, on March 10<sup>th</sup>, 2025, there was no municipality in a rationing water situation.

## 9. Regulatory Environment

### 9.1. Tariff Increase

On November 29<sup>th</sup>, 2024, a [Material Fact](#) was released communicating that the Minas Gerais State Water and Sewage Regulatory Agency (Arsae-MG), through Resolution 197/2024, authorized a 6.42% tariff increase, effective from January 1<sup>st</sup>, 2025.

### 9.2. Third Tariff Review

According to the [Notice to the Market](#) disclosed on June 6<sup>th</sup>, 2024, Arsae-MG started the process for the 3<sup>rd</sup> (third) Periodic Tariff Revision of COPASA MG, to become effective as of January 1<sup>st</sup>, 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 <sup>st</sup> Phase Agenda	Guidelines, General Approach, Agenda, and Schedule	Mai/24	Jun/24	Aug/24
2 <sup>nd</sup> 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 <sup>rd</sup> Phase Results	Final Result – COPASA MG	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](http://www.arsae.mg.gov.br/consultas-publicas).

#### 1<sup>st</sup> Phase (Guidelines, General Approach, Agenda, and Schedule): Consultation and Public Hearing No. 52/2024

➤ **Final Document after the Public Consultation:**

- [Technical Note CRE 03/2024](#).
- [Technical Report CRE 01/2024](#).

#### 2<sup>nd</sup> Phase (1<sup>st</sup> Stage of Methodologies): Consultation and Public Hearing No. 54/2024

➤ **Final Documents after the Public Consultation:**

- [Technical Report CRE 02/2024 – Analysis of contributions – asset verification methodology](#).
- [Technical Note CRE 08/2024 – Asset verification methodology](#).
- [Technical Report CRE 04/2024 – Responses to contributions received](#).
- [Technical Note CRE n° 10/2024 – Revenue reconstruction methodology, RIT and ATE](#).
- [Technical Note CRE n° 11/2024 – Regulatory classification of accounting accounts](#).
- [Technical Note CRE n° 12/2024 – Capital Cost methodology](#).
- [Spreadsheet - Preliminary BRE and BRA Calculations](#).

- [Spreadsheet - Preliminary WACC.](#)

**2<sup>nd</sup> Phase (2<sup>st</sup> Stage of Methodologies): Consultation and Public Hearing No. 60/2025**

- **Preliminary Documents before the Public Consultation:**
  - [Regulations for public consultation and public hearings.](#)
  - [Technical Note CRE 01/2025 – X Factor and tariff incentives.](#)
  - [Technical Note CRE 02/2025 – Special Programs.](#)

## 10. Material Fact

The most recent Material Facts disclosed by the Company are listed below:

- Material Fact released on 02.11.2025 - [Election of a new Chief Financial and Investor Relations Officer](#)
- Material Fact released on 02.19.2025 - [News Published in the Media](#)
- Material Fact released on 02.20.2025 - [Nomination of CEO](#)
- Material Fact released on 03.12.2025 - [Debenture Issue](#)
- Material Fact released on 03.19.2025 - [Official Letter Received from the Controlling Shareholder](#)

## 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.	4Q24	4Q23	4Q24 vs. 4Q23	3Q24	4Q24 vs. 3Q24	4Q22	4Q23 vs. 4Q22
<b>Operating Revenue from Services</b>							
Water Services	1,167,774	1,157,016	0.9%	1,176,220	-0.7%	919,643	25.8%
Sewage Services	591,622	600,816	-1.5%	598,628	-1.2%	468,460	28.3%
Solid Waste Revenues	1,123	1,231	-8.8%	1,188	-5.5%	656	87.7%
Construction Revenues	222,009	212,064	4.7%	245,250	-9.5%	180,637	17.4%
<b>Net Operating Revenue from Services</b>	<b>1,982,528</b>	<b>1,971,127</b>	<b>0.6%</b>	<b>2,021,286</b>	<b>-1.9%</b>	<b>1,569,396</b>	<b>25.6%</b>
Cost of Services Rendered	(948,633)	(908,034)	4.5%	(909,824)	4.3%	(780,381)	16.4%
Construction Costs	(222,009)	(212,064)	4.7%	(245,250)	-9.5%	(180,637)	17.4%
<b>Cost of Services Rendered</b>	<b>(1,170,642)</b>	<b>(1,120,098)</b>	<b>4.5%</b>	<b>(1,155,074)</b>	<b>1.3%</b>	<b>(961,018)</b>	<b>16.6%</b>
<b>Gross Income</b>	<b>811,886</b>	<b>851,029</b>	<b>-4.6%</b>	<b>866,212</b>	<b>-6.3%</b>	<b>608,378</b>	<b>39.9%</b>
Selling Expenses	(78,292)	(69,776)	12.2%	(72,543)	7.9%	(63,648)	9.6%
Expected Credit Losses for Trade Receivables	(39,486)	(47,309)	-16.5%	(55,737)	-29.2%	(53,980)	-12.4%
General and Administrative Expenses	(200,653)	(155,085)	29.4%	(171,739)	16.8%	(160,877)	-3.6%
Other Operating Income	13,614	11,599	17.4%	11,332	20.1%	33,119	-65.0%
Other Operating Expenses	(72,440)	(108,839)	-33.4%	(52,794)	37.2%	(13,859)	685.3%
Equity Income	(2,109)	247	n.m.	(812)	159.7%	(4,536)	-105.4%
<b>Operating Income (Expenses)</b>	<b>(379,366)</b>	<b>(369,163)</b>	<b>2.8%</b>	<b>(342,293)</b>	<b>10.8%</b>	<b>(263,781)</b>	<b>40.0%</b>
<b>Income before Financial Result and Taxes</b>	<b>432,520</b>	<b>481,866</b>	<b>-10.2%</b>	<b>523,919</b>	<b>-17.4%</b>	<b>344,597</b>	<b>39.8%</b>
Financial Income	82,908	84,791	-2.2%	129,596	-36.0%	64,072	32.3%
Financial Expenses	(192,249)	(106,824)	80.0%	(180,510)	6.5%	(141,470)	-24.5%
<b>Financial Result</b>	<b>(109,341)</b>	<b>(22,033)</b>	<b>396.3%</b>	<b>(50,914)</b>	<b>114.8%</b>	<b>(77,398)</b>	<b>-71.5%</b>
<b>Income before Taxes</b>	<b>323,179</b>	<b>459,833</b>	<b>-29.7%</b>	<b>473,005</b>	<b>-31.7%</b>	<b>267,199</b>	<b>72.1%</b>
Current Income Tax and Social Contribution	3,743	(81,746)	-104.6%	(118,654)	-103.2%	18,393	-544.4%
Deferred Income Tax and Social Contribution	(54,992)	(22,837)	140.8%	13,916	n.m.	(17,310)	31.9%
<b>Net Income for the Period</b>	<b>271,930</b>	<b>355,250</b>	<b>-23.5%</b>	<b>368,267</b>	<b>-26.2%</b>	<b>268,282</b>	<b>32.4%</b>
Number of Outstanding Shares (thousands)	379,181	379,181	-	379,181	-	379,181	-
<b>Earnings per Share (BRL)</b>	<b>0.72</b>	<b>0.94</b>	<b>-23.5%</b>	<b>0.97</b>	<b>-26.2%</b>	<b>0.71</b>	<b>32.4%</b>

## 11.2. Annual Income Statement

PARENT CO.	2024	2023	2024 vs. 2023	2022	2023 vs. 2022
<b>Operating Revenue from Services</b>					
Water services	4,596,838	4,299,267	6.9%	3,561,727	20.7%
Sewage services	2,366,655	2,222,946	6.5%	1,807,663	23.0%
Solid waste revenues	4,906	4,858	1.0%	2,099	131.4%
Construction revenues	818,058	798,644	2.4%	741,034	7.8%
<b>Net Operating Revenue from Services</b>	<b>7,786,457</b>	<b>7,325,715</b>	<b>6.3%</b>	<b>6,112,523</b>	<b>19.8%</b>
Cost of services rendered	(3,590,445)	(3,467,177)	3.6%	(3,050,458)	13.7%
Construction costs	(818,058)	(798,644)	2.4%	(741,034)	7.8%
<b>COST OF SERVICES RENDERED</b>	<b>(4,408,503)</b>	<b>(4,265,821)</b>	<b>3.3%</b>	<b>(3,791,492)</b>	<b>12.5%</b>
<b>Gross Income</b>	<b>3,377,954</b>	<b>3,059,894</b>	<b>10.4%</b>	<b>2,321,031</b>	<b>31.8%</b>
Selling expenses	(287,849)	(296,154)	-2.8%	(260,751)	13.6%
Expected credit losses for trade receivables	(214,172)	(183,658)	16.6%	(201,935)	-9.1%
General and administrative expenses	(708,647)	(646,944)	9.5%	(573,374)	12.8%
Other Operating Income	43,200	67,060	-35.6%	135,017	-50.3%
Other Operating Expenses	(200,497)	(193,490)	3.6%	(151,312)	27.9%
Equity income	(9,505)	(18,348)	-48.2%	(11,163)	64.4%
<b>Operating Income (Expenses)</b>	<b>(1,377,470)</b>	<b>(1,271,534)</b>	<b>8.3%</b>	<b>(1,063,518)</b>	<b>19.6%</b>
<b>Income before Financial Result and Taxes</b>	<b>2,000,484</b>	<b>1,788,360</b>	<b>11.9%</b>	<b>1,257,513</b>	<b>42.2%</b>
Financial Income	370,264	327,501	13.1%	272,601	20.1%
Financial Expenses	(697,742)	(329,589)	111.7%	(484,160)	-31.9%
<b>Financial Result</b>	<b>(327,478)</b>	<b>(2,088)</b>	<b>n.m.</b>	<b>(211,559)</b>	<b>-99.0%</b>
<b>Income before Taxes</b>	<b>1,673,006</b>	<b>1,786,272</b>	<b>-6.3%</b>	<b>1,045,954</b>	<b>70.8%</b>
Provision for Income Tax	(371,447)	(305,613)	21.5%	(126,952)	140.7%
Provision for Social Contribution on Net Income	15,361	(101,313)	n.m.	(75,640)	33.9%
<b>NET INCOME FOR THE PERIOD</b>	<b>1,316,920</b>	<b>1,379,346</b>	<b>-4.5%</b>	<b>843,362</b>	<b>63.6%</b>
Number of outstanding shares (thousands)	379,181	379,181	-	379,181	-
<b>EARNINGS PER SHARE (BRL)</b>	<b>3.47</b>	<b>3.64</b>	<b>-4.5%</b>	<b>2.22</b>	<b>63.6%</b>

### 11.3. Balance Sheet – Assets

ASSETS - PARENT CO.	12/2024	12/2023	12/2024 vs. 12/2023	09/2024	12/2024 vs. 09/2024	12/2022	12/2023 vs. 12/2022
<b>CURRENT</b>							
Cash and Cash Equivalents/Marketable Securities	792,704	994,581	-20.3%	1,047,402	-24.3%	1,091,080	-8.8%
Trade Accounts Receivable	1,274,961	1,264,375	0.8%	1,297,670	-1.7%	1,040,394	21.5%
Banks and Agreement Applications	7,625	-	-	7,029	8.5%	11,791	-100.0%
Inventories	98,738	106,706	-7.5%	99,825	-1.1%	112,118	-4.8%
Taxes Recoverable	100,231	36,234	176.6%	753	13210.9%	90,325	-59.9%
Technical Cooperation Agreement	54,963	51,368	7.0%	54,892	0.1%	30,170	70.3%
Other Assets	30,200	36,944	-18.3%	38,169	-20.9%	31,679	16.6%
<b>TOTAL CURRENT ASSETS</b>	<b>2,359,422</b>	<b>2,490,208</b>	<b>-5.3%</b>	<b>2,545,740</b>	<b>-7.3%</b>	<b>2,407,557</b>	<b>3.4%</b>
<b>NON-CURRENT</b>							
Achievable in the Long Term:							
Accounts Receivable from Customers	75,034	56,017	33.9%	69,649	7.7%	34,678	61.5%
Financing Guarantee Deposits	37,712	61,883	-39.1%	33,231	13.5%	61,033	1.4%
Deferred Income Tax and Social Contribution	219,604	236,824	-7.3%	307,177	-28.5%	312,483	-24.2%
Restricted Investments	75,185	75,285	-0.1%	83,101	-9.5%	71,706	5.0%
Financial Assets - Concession Contracts	1,362,892	999,639	36.3%	1,286,798	5.9%	872,921	14.5%
Technical Cooperation Agreement Long Term	2,546	4,479	-43.2%	2,556	-0.4%	2,629	70.4%
Other Assets	52,222	48,083	8.6%	51,730	1.0%	51,092	-5.9%
Right of Use - Commercial Leasing	86,200	86,852	-0.8%	79,622	8.3%	94,275	-7.9%
Contract Assets	3,040,712	2,511,680	21.1%	2,739,135	11.0%	2,057,435	22.1%
Investments	312,535	274,699	13.8%	314,904	-0.8%	245,457	11.9%
Intangible Assets	6,145,857	5,570,519	10.3%	6,100,388	0.7%	5,497,318	1.3%
Property, Plant and Equipment	1,729,020	1,757,823	-1.6%	1,728,233	0.0%	1,467,396	19.8%
<b>TOTAL NON-CURRENT ASSETS</b>	<b>13,139,519</b>	<b>11,683,783</b>	<b>12.5%</b>	<b>12,796,524</b>	<b>2.7%</b>	<b>10,768,423</b>	<b>8.5%</b>
<b>TOTAL ASSETS</b>	<b>15,498,941</b>	<b>14,173,991</b>	<b>9.3%</b>	<b>15,342,264</b>	<b>1.0%</b>	<b>13,175,980</b>	<b>7.6%</b>



## 11.4. Balance Sheet – Liabilities

LIABILITIES - PARENT CO.	12/2024	12/2023	12/2024 vs. 12/2023	09/2024	12/2024 vs. 09/2024	12/2022	12/2023 vs. 12/2022
<b>CURRENT</b>							
Loans and Financing	120,791	113,975	6.0%	122,914	-1.7%	150,328	-24.2%
Debentures	586,987	567,681	3.4%	536,460	9.4%	790,543	-28.2%
Public-Private Partnership	44,631	45,752	-2.5%	46,926	-4.9%	36,792	24.4%
Contractors and Suppliers	351,129	377,766	-7.1%	333,501	5.3%	289,620	30.4%
Right of Use - Commercial Leasing	48,489	47,457	2.2%	47,620	1.8%	35,112	35.2%
Taxes, Charges, Contributions and Social and Labor Obligations	72,795	111,914	-35.0%	67,444	7.9%	98,125	14.1%
Provision for Vacations	149,010	140,157	6.3%	207,393	-28.2%	135,235	3.6%
Technical Cooperation Agreement	98	1,298	-92.4%	92	6.5%	7,978	-83.7%
Employees' Profit Sharing	84,564	85,225	-0.8%	64,229	31.7%	55,237	54.3%
Retirement Benefit Liabilities	6	60	-90.0%	-	-	9,627	-99.4%
Interest on Equity and Dividends	144,028	430,991	-66.6%	477	30094.5%	231,653	86.1%
Other Liabilities	58,274	74,007	-21.3%	62,174	-6.3%	84,001	-11.9%
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,660,802</b>	<b>1,996,283</b>	<b>-16.8%</b>	<b>1,489,230</b>	<b>11.5%</b>	<b>1,924,251</b>	<b>3.7%</b>
<b>NON-CURRENT</b>							
Loans and Financing	1,844,107	1,315,102	40.2%	1,809,718	1.9%	826,609	59.1%
Debentures	3,561,284	2,746,756	29.7%	3,691,013	-3.5%	2,372,440	15.8%
Retirement Benefit Liabilities	-	109,577	-100.0%	95,989	-100.0%	44,296	147.4%
Right of Use - Commercial Leasing	30,755	44,710	-31.2%	32,173	-4.4%	70,797	-36.8%
Public-Private Partnership	124,821	166,148	-24.9%	133,144	-6.3%	206,811	-19.7%
Provision for Litigation	158,345	125,764	25.9%	138,198	14.6%	396,748	-68.3%
Other Liabilities	66,014	95,826	-31.1%	81,676	-19.2%	79,514	20.5%
Technical Cooperation Agreement	4,584	-	-	4,534	1.1%	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>5,789,910</b>	<b>4,603,883</b>	<b>25.8%</b>	<b>5,986,445</b>	<b>-3.3%</b>	<b>3,997,215</b>	<b>15.2%</b>
<b>SHAREHOLDERS' EQUITY</b>							
Paid-up Capital Stock	3,606,531	3,402,385	6.0%	3,606,531	0.0%	3,402,385	0.0%
Treasury Shares	(8,576)	(8,576)	0.0%	(8,576)	0.0%	(8,576)	0.0%
Profit Reserve	4,432,760	4,225,721	4.9%	3,721,575	19.1%	3,856,580	9.6%
Retained Earnings	-	-	-	592,784	-100.0%	-	-
Equity Valuation Adjustments	17,514	(45,705)	-138.3%	(45,725)	-138.3%	4,125	-1208.0%
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>8,048,229</b>	<b>7,573,825</b>	<b>6.3%</b>	<b>7,866,589</b>	<b>2.3%</b>	<b>7,254,514</b>	<b>4.4%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>15,498,941</b>	<b>14,173,991</b>	<b>9.3%</b>	<b>15,342,264</b>	<b>1.0%</b>	<b>13,175,980</b>	<b>7.6%</b>

## 11.5. Cash Flow

Cash Flow	4T24	4T23	2024	2023
<b>Cash Flow from Operational Activities:</b>				
<b>Net Income (Loss)</b>	<b>271,930</b>	<b>355,250</b>	<b>1,316,920</b>	<b>1,379,346</b>
Adjustments to Reconcile net Income and Net Cash:				
Expected Credit Losses for Trade Receivables	39,486	47,309	214,172	183,658
Monetary and Foreign Exchange Variation and Charges, Net	90,381	23,313	282,436	62,672
Interest Income and Expenses	63,594	59,754	297,577	217,150
Deferred Income and Social Contribution Taxes	54,991	22,837	(15,362)	101,313
Participation in the Profit of the Subsidiary	2,109	(247)	9,505	18,348
(Gain) Loss on the Write-Off of Intangibles and PP&E	(1,472)	(41,124)	(2,375)	27,356
Depreciation and Amortization	206,506	196,580	789,234	778,424
Reversal of Provisions	23,353	(3,294)	19,648	(262,551)
Provision for Retirement Benefits	(160)	16,859	7,760	58,871
Financial Assets	(22,182)	(13,802)	(82,229)	(73,341)
Provision for Inventories Loss	433	202	1,085	526
Unclaimed Dividends and IoE	(256)	-	(256)	-
Others	1,584	(1,312)	(7,140)	(3,412)
<b>Adjusted Profit</b>	<b>730,297</b>	<b>662,325</b>	<b>2,830,975</b>	<b>2,488,360</b>
Changes in Assets:				
Accounts Receivable from Clients	(7,058)	(77,046)	(213,117)	(376,919)
Inventories	1,018	5,341	7,577	4,707
Taxes to be Recovered	(99,478)	(23,576)	(63,997)	54,112
Advancement of Tariff Transfer to Municipalities	2,144	(6,523)	11,061	9,497
Technical Cooperation Agreement	(61)	(351)	(1,662)	(23,048)
Other	32,308	732	67,103	(7,011)
Changes in Liabilities:				
Suppliers	17,628	51,519	(26,637)	88,146
Taxes, Fees, Contributions and Social Security and Labor Obligations	97,102	120,413	387,925	330,077
Provision for Vacations and 13 <sup>th</sup> Salary	(58,383)	(58,853)	8,853	4,922
Employees' Profit Sharing	20,335	19,853	(661)	29,988
Technical Cooperation Agreement	56	(1,072)	3,384	(6,680)
Contingencies	(3,206)	(5,799)	12,933	(8,433)
Retirement Benefit Liabilities	6	(26,875)	(21,562)	(78,612)
Voluntary Separation Program - VSP	(3,699)	(35,567)	(22,323)	35,468
Others	(18,545)	3,533	(21,542)	(14,551)
<b>Cash from Operations</b>	<b>710,464</b>	<b>628,054</b>	<b>2,958,310</b>	<b>2,530,023</b>
Interest Paid	(126,282)	(94,737)	(426,823)	(423,638)
Interest Paid from the Public Private Partnership	(2,450)	(2,316)	(12,118)	(11,820)
Income Tax (IR) and Social Contribution (CSLL) Payment	(101,481)	(112,225)	(461,999)	(349,759)
<b>Net Cash from Operating Activities</b>	<b>480,251</b>	<b>418,776</b>	<b>2,057,370</b>	<b>1,744,806</b>
<b>Cash Flow from Investing Activities:</b>				
Public Private Partnership Payment	(10,436)	(10,770)	(40,506)	(36,634)
Subsidiary Capital Raise (COPANOR)	-	-	(47,601)	(47,590)
Amount Received from the Sale of PP&E	1,744	1,026	6,789	3,746
Purchase of Contract Assets	(387,070)	(255,229)	(1,334,522)	(1,046,011)
Purchase of Intangible Assets	(147,996)	(130,706)	(634,720)	(408,273)
Purchase of PP&E	(29,256)	(31,093)	(76,549)	(64,394)
Loan Collateral Deposits	(3,857)	851	29,754	4,605
Bank and Financial Investments of Agreement	(596)	345	(7,625)	11,791
Increase in Securities and Marketable Securities	(358,999)	-	(358,999)	-
Redemptions in Securities and Marketable Securities	400,582	-	196,339	-
<b>Net Cash Used in Investing Activities</b>	<b>(535,884)</b>	<b>(425,576)</b>	<b>(2,267,640)</b>	<b>(1,582,760)</b>
<b>Cash Flow from Financing Activities:</b>				
Income from Loans, Financing and Debentures	6,470	290,223	1,756,387	1,498,361
Amortization of Loans, Financing and Debentures	(159,542)	(163,898)	(683,206)	(906,246)
Payment of Interest on Equity	-	(119,186)	(421,954)	(591,911)
Payment of Dividends	-	(185,535)	(735,561)	(185,535)
Issuance Costs of Securities	(1)	(7,292)	(22,134)	(21,673)
Payment of Leasing	(19,721)	(16,457)	(63,111)	(51,541)
<b>Net Cash Used in Financing Activities</b>	<b>(172,794)</b>	<b>(202,145)</b>	<b>(169,579)</b>	<b>(258,545)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(228,427)</b>	<b>(208,945)</b>	<b>(379,849)</b>	<b>(96,499)</b>
<b>Cash and Cash Equivalents at Beginning of the Period</b>	<b>843,159</b>	<b>1,203,526</b>	<b>994,581</b>	<b>1,091,080</b>
<b>Cash and Cash Equivalents at End of the Period</b>	<b>614,732</b>	<b>994,581</b>	<b>614,732</b>	<b>994,581</b>

## 11.6. Debt

Debt –Funding Lines Consolidated Data	Index + Fixed Rate (Annual)	Issue Date	Maturity Date	Outstanding Balance	Percentage of the Total <sup>4</sup>
<b><u>In National Currency:</u></b>					
FGTS Funds <sup>1</sup>	TR + 7.30% to TR + 8.50%	08.16.2009	01.16.2043	723,254	11.74%
Finame	2.5% to 8.7%	03.28.2011	01.15.2025	251	0.00%
BNDES Loan	TJLP + 1.55% to 1.73%	01.15.2008	05.15.2025	5,097	0.08%
Caixa Debentures - 5th Issue	TR + 9.00%	09.20.2011	09.01.2031	118,737	1.93%
<b>BNDES Debentures - 8th Issue</b>					
1st Series	TJLP + 1.87%	06.15.2015	06.15.2028	33,037	0.54%
2nd Series	IPCA + 8.18%	06.15.2015	06.15.2028	22,099	0.36%
<b>BNDES Debentures - 11th Issue</b>					
1st Series	TJLP + 2.62%	01.15.2017	01.15.2031	87,593	1.42%
2nd Series	IPCA + 8.85%	01.15.2017	01.15.2031	52,410	0.85%
<b>Market Debentures – 12th Issue</b>					
2nd Series	IPCA + 5.2737%	01.15.2018	01.15.2026	44,382	0.72%
<b>Market Debentures – 13th Issue</b>					
3rd Series	IPCA + 6.50%	07.15.2018	07.15.2025	32,350	0.52%
<b>Market Debentures – 14th Issue</b>					
2nd Series	IPCA + 4.30%	06.15.2019	06.15.2026	72,518	1.18%
<b>Market Debentures – 15th Issue</b>					
1st Series	CDI + 1.75%	12.16.2020	12.16.2025	154,654	2.51%
<b>Market Debentures – 16th Issue</b>					
1st Series	IPCA + 5.2306%	09.15.2021	09.15.2031	258,842	4.20%
2nd Series	CDI + 1.30%	09.15.2021	09.15.2026	273,949	4.45%
<b>Market Debentures – 17th Issue</b>					
Single Series	CDI + 1.30%	12.16.2022	12.16.2029	753,807	12.23%
<b>Market Debentures – 18th Issue</b>					
1st Series	CDI + 1.20%	09.15.2023	09.16.2030	114,198	1.85%
2nd Series	IPCA + 7.10%	09.15.2023	09.16.2030	832,435	13.51%
<b>Market Debentures – 19th Issue</b>					
1st Series	CDI + 0.9%	07.15.2024	07.15.2034	493,602	8.01%
2nd Series	IPCA + 7.2735%	07.15.2024	07.15.2034	844,277	13.70%
<b><u>In Foreign Currency<sup>2,3</sup>:</u></b>					
KfW	Euro + 1.41%	12.13.2018	05.15.2034	234,163	3.80%
BEI	Euro + Euribor + 0.55%	12.13.2019	09.20.2033	591,991	9.61%
AFD	Euro + Euribor + 2.69%	12.29.2023	12.20.2043	419,109	6.80%
Issuance Costs of Securities				(49,584)	
<b>(=) Total Loans, Financing and Debentures</b>				<b>6,113,169</b>	
(+) Leasing Liabilities				79,354	
<b>(=) Total Gross Debt (Short + Long Term)</b>				<b>6,192,523</b>	
(-) Cash and Cash Equivalents and Marketable Securities				(820,054)	
<b>(=) Net Debt</b>				<b>5,372,469</b>	

(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\$6.4363 on 12.31.2024.

(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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