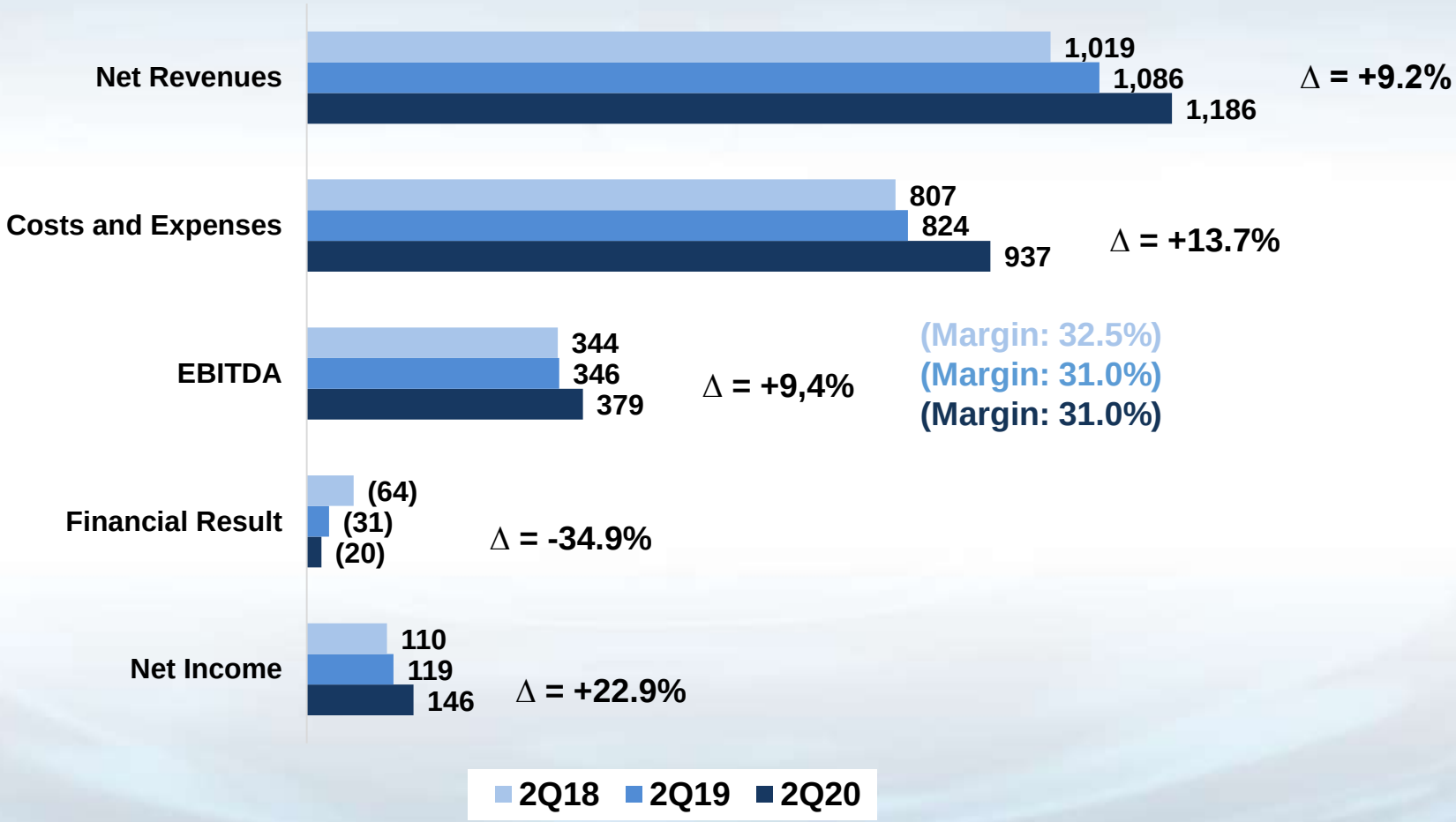
2Q20 EARNINGS PRESENTATION
3 AUGUST 2020

COPASA

FINANCIAL HIGHLIGHTS
Parent Company - Quarterly

(BRL million)

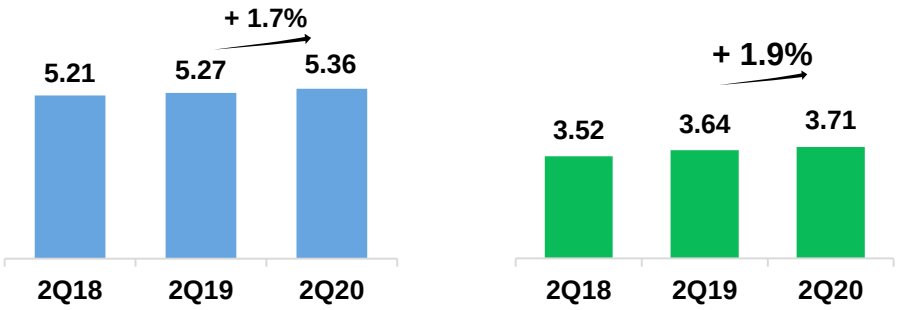


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WATER AND SEWAGE REVENUE

Net Revenue (BRL million)	2Q18	2Q19	Var (%)	2Q20	Var (%)
Water	657.0	693.2	5.5%	752.4	8.5%
Sewage	361.8	392.6	8.5%	432.9	10.3%
Solid Waste	0.6	0.5	-12.9%	0.5	-5.7%
Water, Sewage and Solid Waste	**1,019.4**	**1,086.3**	**6.6%**	**1,185.8**	**9.2%**

Units (Consolidated – Million)



Measured Volume (Consolidated – Million M³)



Other Factors

✓**Tariff Adjustment: +8.38% (August/2019).**

✓**Upgrade of Social tariff customers, resulting in an increase in quarterly revenue of +BRL 18.5 million.**

✓**1.3% increase in the number of consumption days.**

✓**Change in the tariff level in 7 locations, migrating from EDC to EDT, due to the start of sewage treatment. Monthly increase of BRL 2 million.**

✓**BRL 9.9 million reduction in indirect water and sewage revenue (COVID measures);**

✓**Negative impact of BRL 22.8 million due to adjustments in consumption to be invoiced (estimated) for the quarter.**

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MANAGEABLE COSTS
Parent Company

(BRL million)

Breakdown	2Q18	2Q19		2Q20	
Personnel	324.2	336.4	+3.8%	341.7	+1.6%
Outsourced Services (exclud. non manageable)	115.6	111.6	-3.5%	102.4	-8.2%
Rio Manso PPP	20.1	18.8	-6.3%	21.5	+14.2%
Material (exclud. non manageable)	12.5	13.9	+11.4%	14.6	+5.0%
Provision for Doubtful Accounts (PDA)	62.9	47.1	-25.2%	136.1	+189.2%
Tariff Transfers to Municipalities	22.8	24.3	+6.5%	30.6	+26.0%
Sundry Operational Costs	7.9	13.2	+67.1%	5.4	-59.1%
Subtotal	**566.0**	**565.3**	**-0.1%**	**652.3**	**+15.4%**

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NON MANAGEABLE COSTS AND OTHERS
Parent Company

(BRL million)

Breakdown	2Q18	2Q19		2Q20	
Non Manageable Costs					
Electricity	93.7	106.3	+13.5%	105.2	-1.0%
Telecommunication	2.9	3.5	+19.9%	2.9	-16.7%
Treatment Chemicals	16.3	19.6	+19.6%	24.7	+26.3%
Fuels and Lubricants	6.7	6.3	-6.6%	6.1	-3.4%
Tax Credit	(26.1)	(28.9)	+10.8%	(13.7)	-52.5%
Subtotal	**93.6**	**106.8**	**+17.2%**	**125.2**	**+14.0%**
Others					
Charge for Usage of Water Resources	6.3	3.6	-42.5%	0.1	-97.6%
Depreciation and Amortization	141.3	148.4	+5.0%	159.5	+7.5%
Total Costs and Expenses	**807.2**	**824.1**	**+2.1%**	**937.0**	**+13.7%**

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OTHER REVENUES (EXPENSES), EPS AND EQUITY INCOME
Parent Company - Quarterly

(BRL million)

OTHER ITEMS	2Q18	2Q19	2Q19 vs. 2Q18	2Q20	2Q20 vs. 2Q19
Other Operational Revenues	32.5	19.1	-41.1%	26.4	37.9%
Other Operational Expenses	(32.0)	(74.9)	134.2%	(45.4)	-39.3%
Employees' Profit Sharing (EPS)	(7.0)	(7.5)	7.8%	(9.3)	23.3%
Equity Income	(2.6)	(1.7)	-33.7%	(2.0)	19.4%
TOTAL	**(9.0)**	**(65.0)**	**n.m.**	**(30.3)**	**n.m.**

CAPEX
Finished and Projected Investments

Projected Investments for 2020:

- COPASA: BRL 816 million
- Copanor : BRL 37 million

Finished Investments (BRL million)	1H20
Water	63
Sewage	86
Others	36
COPASA	**184**
COPANOR	10
COPASA + COPANOR	**194**

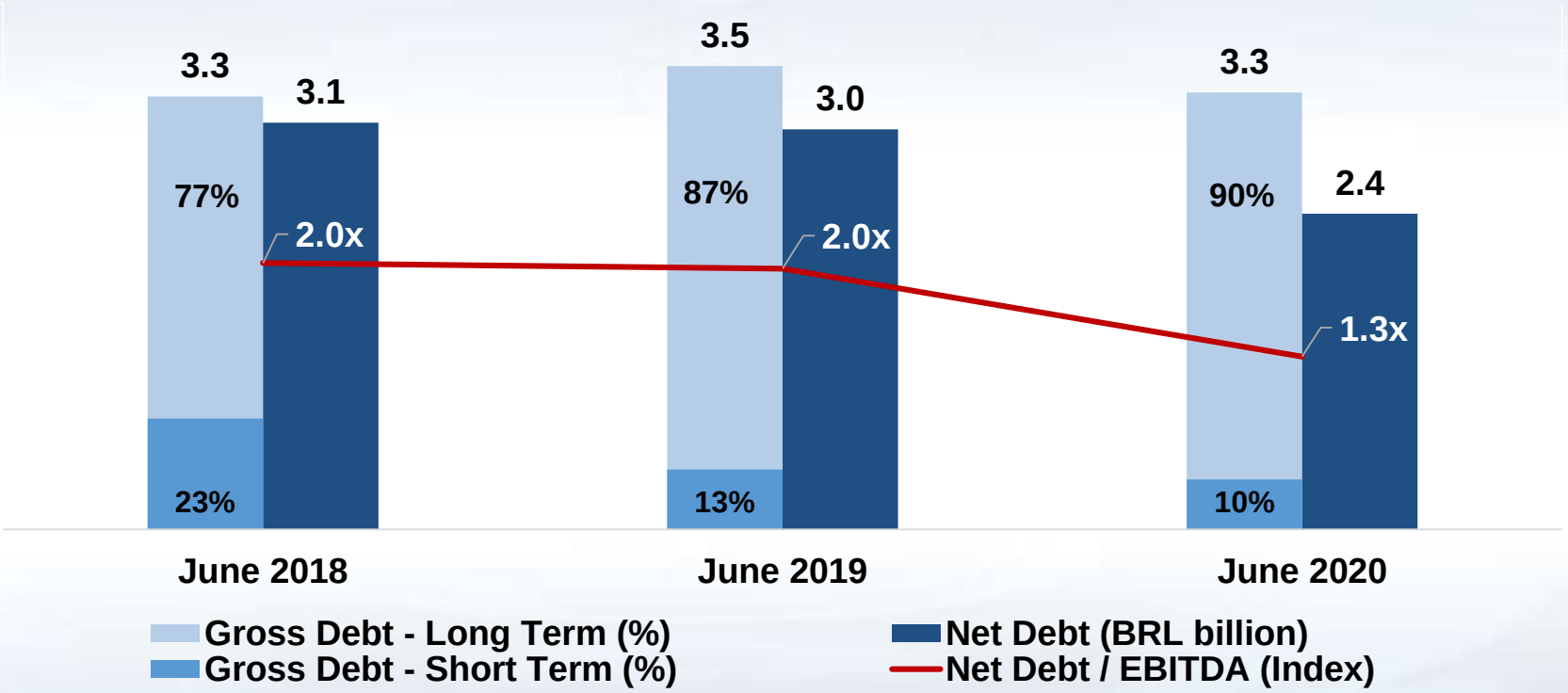
Investment Program 2021-2024 (BRL million)

Year	COPASA	COPANOR
2021	1,250	37
2022	1,250	37
2023	1,250	37
2024	1,250	37

DEBT

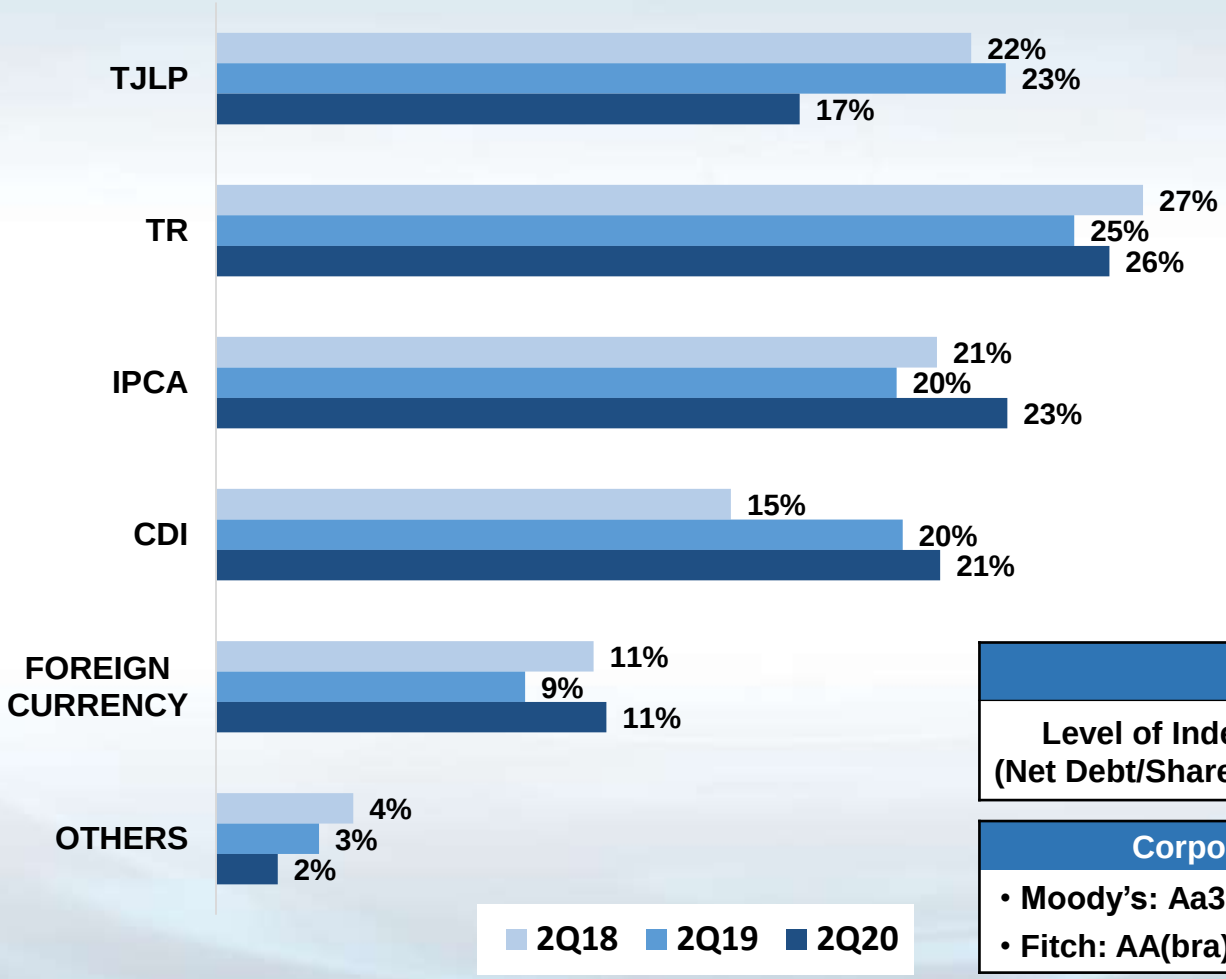
Gross Debt, Net Debt and Leverage

(BRL billion)



Financial Contractual Covenants: COPASA fulfills its obligations in relation to restrictive clauses.

DEBT
Debt by Index and Average Coupon



Average Coupon (LTM)	
2Q18	6.9%
2Q19	7.0%
2Q20	5.6%

	2Q18	2Q19	2Q20
Level of Indebtedness (Net Debt/Shareholders' Eq.)	50.6%	47.0%	34.4%

Corporate Ratings– National Scale

- Moody's: Aa3.br – stable outlook
- Fitch: AA(bra) – stable outlook

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SHAREHOLDERS' COMPENSATION

✓ Dividends Policy:

Regular Dividends: between 25% and 50% of Net Income Adjusted, quarterly declarations.

Extraordinary Dividends: depending on Net Debt / EBITDA (regulatory leverage):

Below 2.0x	Between 2.0 and 2.2x	Above 2.2x
After conducting semiannual studies that indicate that a payment of "Extraordinary Dividends" will not jeopardize the financial health, the Investment Plan or current liquidity, the Board of Directors may propose the payment of "Extraordinary Dividends".	Payout will comply with the "Regular Dividends" criteria.	Mandatory minimum (25%).

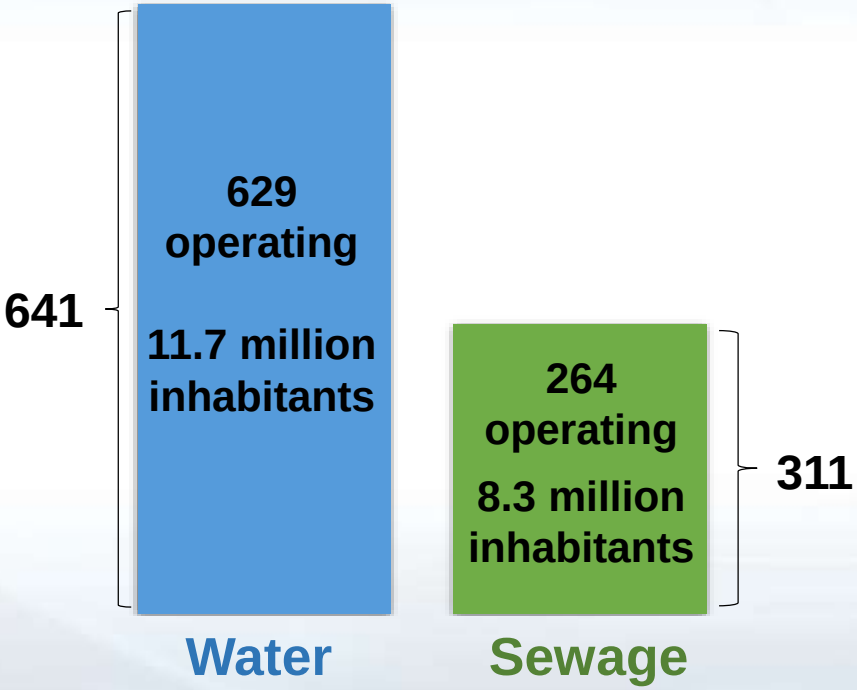
✓ Regular Dividends for 2020:

25% of Net Income Adjusted as Interest on Equity (BoDM 19 March 2020)

Reference	BoDM	Gross Amount (BRL million)	Amount per Share (BRL)	Payment Date
1Q20	20 March 2020	45.47	0.3597	19 May 2020
2Q20	18 June 2020	43.90	0.3473	to be defined

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CONCESSIONS
Consolidated



- **% of revenues from concessions to expire from Jan/2034: 79.2%**

- **Municipalities with concessions to expire between 2020-2022:**
  - **2020 – 7 municipalities – 0.5% of revenues**
  - **2021 – 4 municipalities – 0.1% of revenues**
  - **2022 – 2 municipalities – 2.1% of revenues**

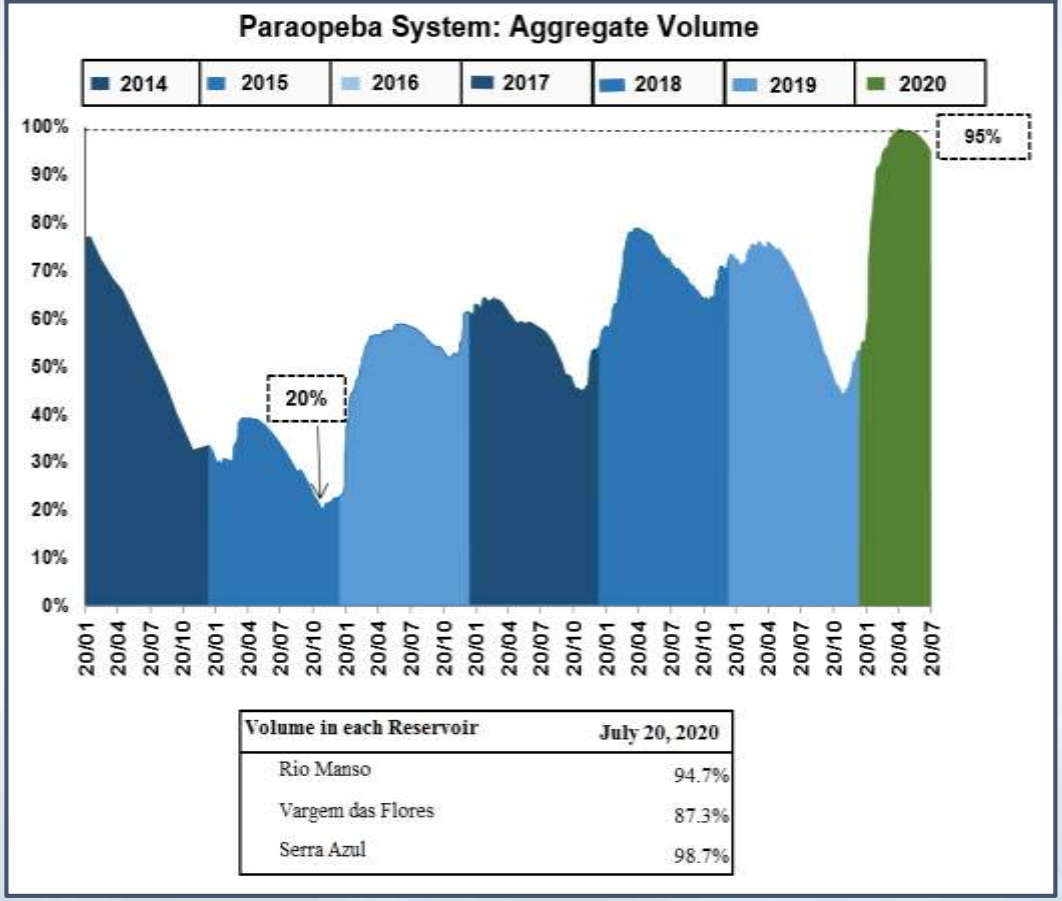
- **Expiration of 10 largest concessions: 52.2% of revenues**
  - **Belo Horizonte – 2034**
  - **Contagem – 2073**
  - **Betim – 2042**
  - **Montes Claros – 2048**
  - **Ribeirão das Neves – 2034**
  - **Ipatinga – 2022**
  - **Divinópolis – 2041**
  - **Santa Luzia – 2050**
  - **Pouso Alegre - 2046**
  - **Varginha – 2047**

- **Expired concessions (Jun/2020): 63 (2.7% of revenues)**

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HYDROLOGICAL SITUATION
Belo Horizonte Metropolitan Area (BHMA)

Paraopeba System: Accrued Volume [1]



Volume in each Reservoir	July 20, 2020
Rio Manso	94.7%
Vargem das Flores	87.3%
Serra Azul	98.7%

das Velhas River System

Information about the system	
Representativeness of BHMA's distributed volume	42%
Water collection grant	8.7 m³/s
Average flow (last 15 days prior to 20 July 2020)	16.7 m³/s
Average flow collected in the last 12 months	6.8 m³/s

1) Responsible for 47% of BHMA's distributed volume.

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Q&A Session

COPASA

DISCLAIMER

Any statements that may be made during this presentation regarding COPASA MG's business prospects, projections and operational and financial goals are premises and expectations of the Company's management, based on information currently available. They involve risks and uncertainties, since they refer to future events, and therefore depend on circumstances that may or may not occur. Changes in macroeconomic policy, legislation or other operating factors may affect the future performance of COPASA MG and lead to results that materially differ from those expressed in such considerations.



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