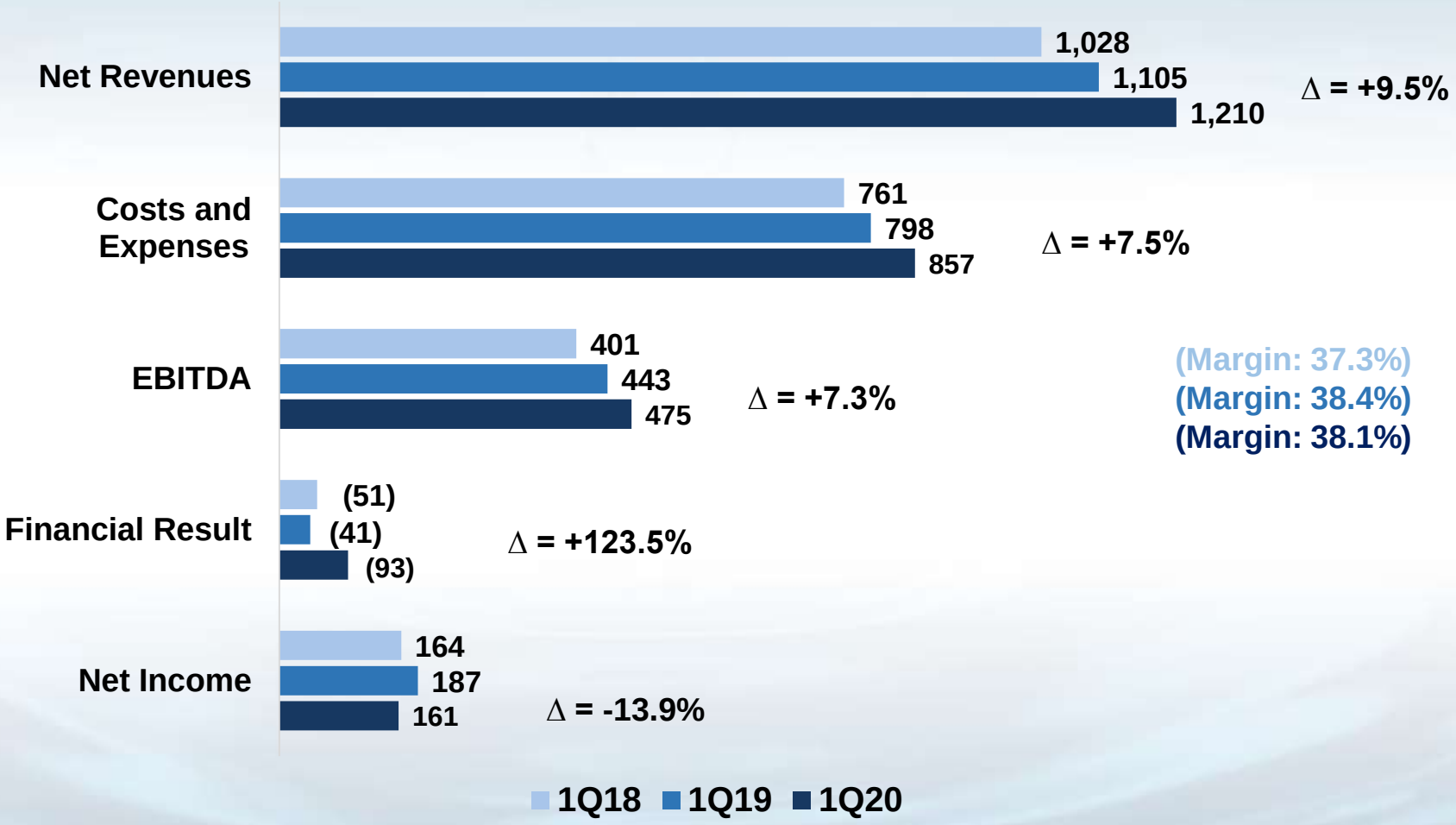
EARNINGS PRESENTATION 1Q20
15 MAY 2020

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FINANCIAL HIGHLIGHTS
Parent Company

(BRL million)

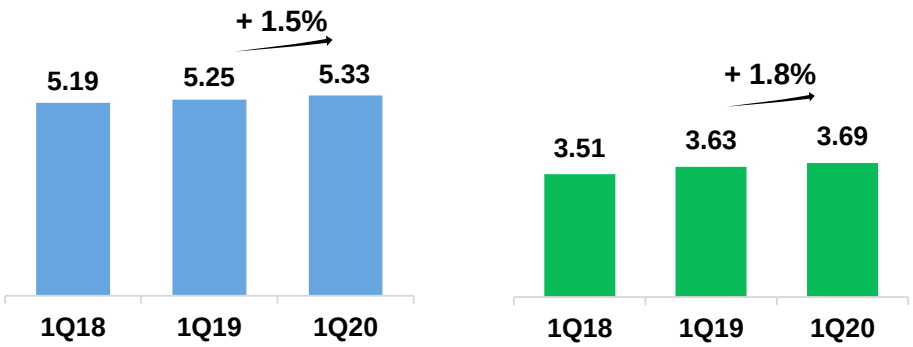


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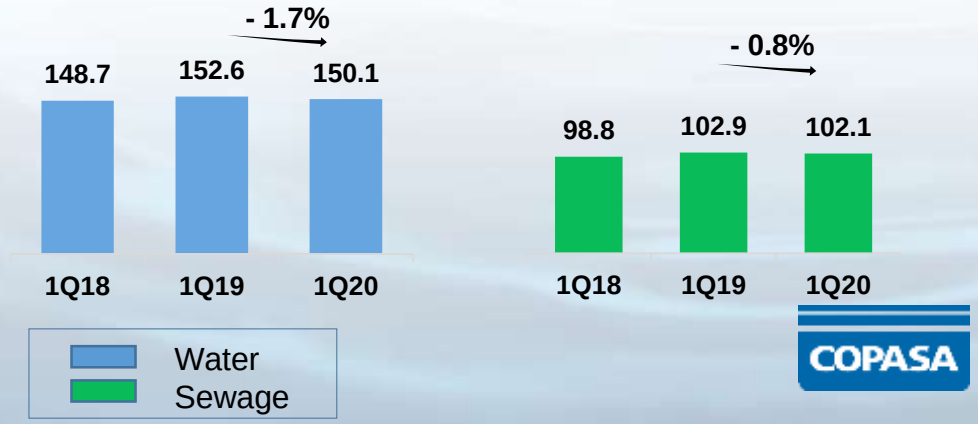
NET REVENUES
Water and Sewage

Net Revenues (BRL million)[1]	1Q18	1Q19	Var (%)	1Q20	Var (%)
Water	666.4	711.4	6.7%	769.2	8.1%
Sewage	360.4	393.2	9.1%	440.0	11.9%
Solid Waste	0.7	0.5	-20.0%	0.5	-4.1%
Water and Sewage	**1,027.5**	**1,105.2**	**7.6%**	**1,209.7**	**9.5%**

Units (Consolidated - Million)



Measured Volume (Consolidated - Million M³)



Other Factors

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

✓**Social Tariff:** upgrade of category based on CadÚnico.

✓**Change in the tariff level** in 5 locations, migration of 57 thousand units from EDC to EDT.

✓**Volume per units:** -2.8% volume per unit of water and sewage.

✓**Deduction of BRL 2.1 million:** invoice exemption to help victims affected by heavy rains.

Comsuption Days

1Q18	1Q19	*Var (%)*	1Q20	*Var (%)*
91.75	91.3	*-0.50%*	91.9	*+0.70%*

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MANAGEABLE COSTS
Parent Company

(BRL million)

Breakdown	1Q18	1Q19		1Q20	
Personnel	313	314	+0.5%	337	+7.3%
Outsourced Services (exclud. non manageable)	100	110	+10.2%	96	-13.3%
Rio Manso PPP	19	20	+10.1%	20	-4.0%
Materials (exclud non manageable)	12	12	-3.7%	12	+0.5%
Provision for Doubtful Accounts	57	50	-11.8%	52	+2.7%
Tariff transfer to municipalities	21	22	+6.4%	34	+49.0%
Sundry Operational Costs	7	6	-10.6%	8	+26.2%
Subtotal	**529.0**	**536.2**	**+1.4%**	**557.6**	**+4.0%**

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NON MANAGEABLE COSTS AND OTHERS
Parent Company

(BRL million)

Breakdown	1Q18	1Q19		1Q20	
Non Manageable Costs					
Electricity	81	114	+41.5%	109	-4.7%
Telecom.	3	3	-5.4%	3	+8.4%
Treatment Chemicals	22	20	-9.5%	29	+44.5%
Fuels and Lubricants	6	6	-0.5%	6	+2.0%
Tax Credits	(26)	(30)	+13.2%	(13)	-56.7%
Subtotal	**86.0**	**113.8**	**+32.4%**	**134.3**	**+18.1%**
Others					
Charge for use of hydric resources	5	3	-46.7%	6	+143.9%
Depreciation and Amortization	142	145	+2.4%	159	+9.6%
Total Costs and Expenses	**761.4**	**797.6**	**+4.7%**	**857.1**	**+7.5%**

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

(BRL million)

OTHER ITEMS	1Q18	1Q19	1Q19 x 1Q18	1Q20	1Q20 x 1Q19
Other Operational Revenues	40.0	38.0	-5.1%	29.3	-22.9%
Other Operational Expenses	(35.5)	(33.1)	-6.6%	(47.2)	42.6%
Employees' Profit Sharing (EPS)	(10.4)	(11.8)	13.7%	(10.2)	-13.9%
Equity Income	(1.2)	(3.4)	181.9%	(9.0)	n.m
TOTAL	**(7.1)**	**(10.4)**	**46.4%**	**(37.1)**	**n.m**

CAPEX
Finished and Projected Investments

Projected Investments for 2020:

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

Finished Investments (BRL million)	1Q20
Water	34
Sewage	39
Others	22
COPASA	**95**
COPANOR	6
COPASA + COPANOR	**101**

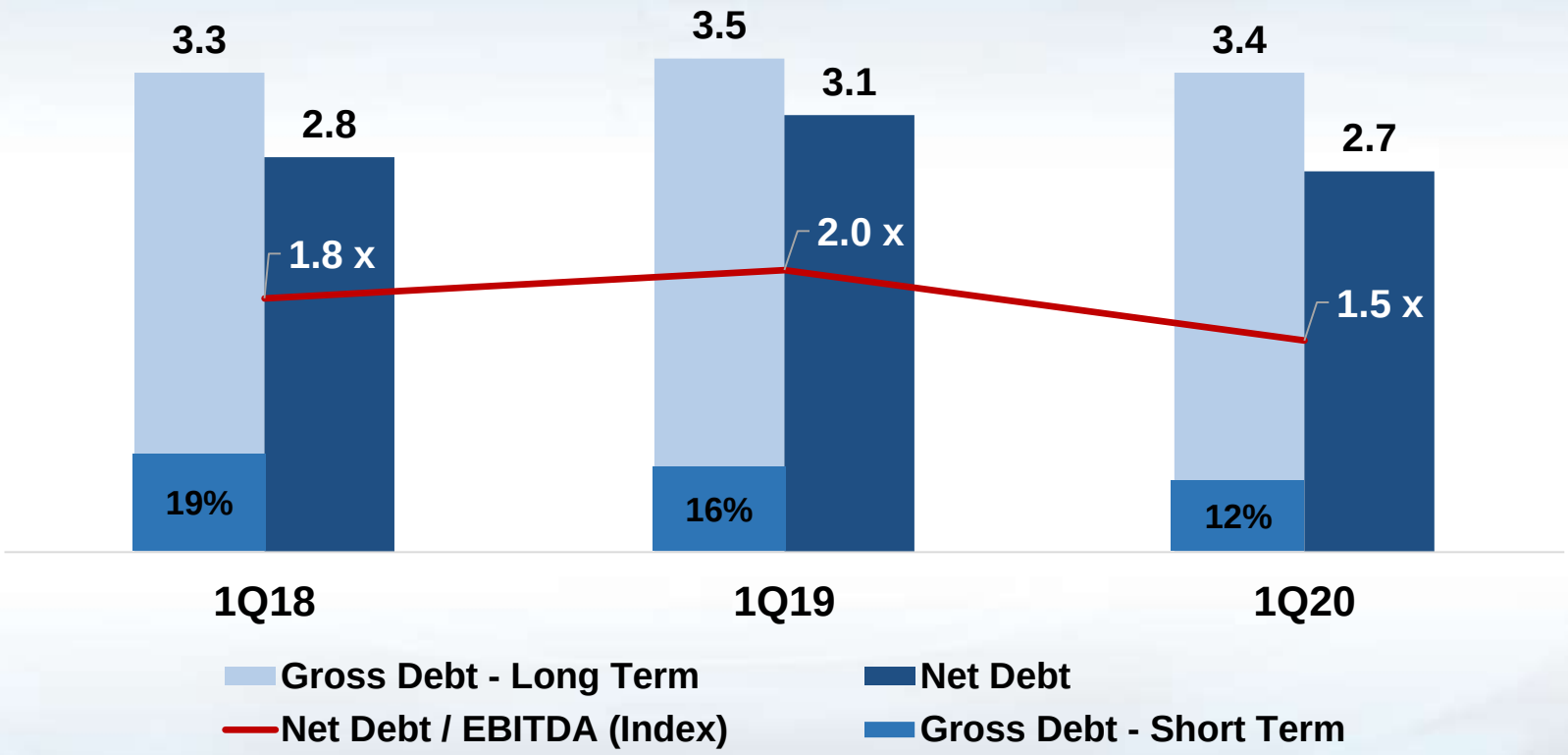
Investment Program 2021-2024 (BRL million)

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

DEBT

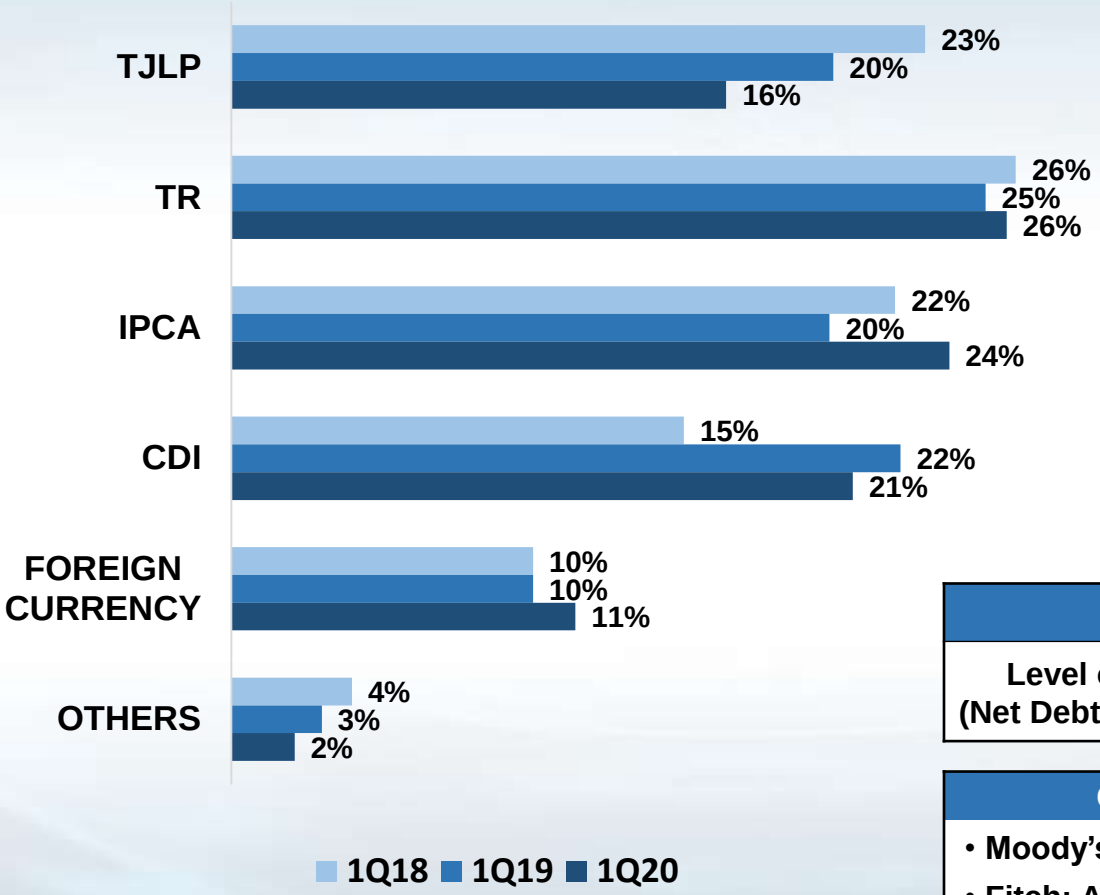
Gross Debt, Net Debt and Leverage

BRL billion



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

DEBT
Debt by Index and Average Coupon



Average Coupon (p.y.)	
1Q18	7.0%
1Q19	6.9%
1Q20	5.9%

	1Q18	1Q19	1Q20
Level of Indebtedness (Net Debt/Shareholders' Eq.)	43.8%	48.4%	39.0%

Corporate Ratings– National Scale

- Moody's: Aa3.br – stable outlook (Jan/2020)
- Fitch: AA(bra) – positive outlook (Jul/2019)

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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):

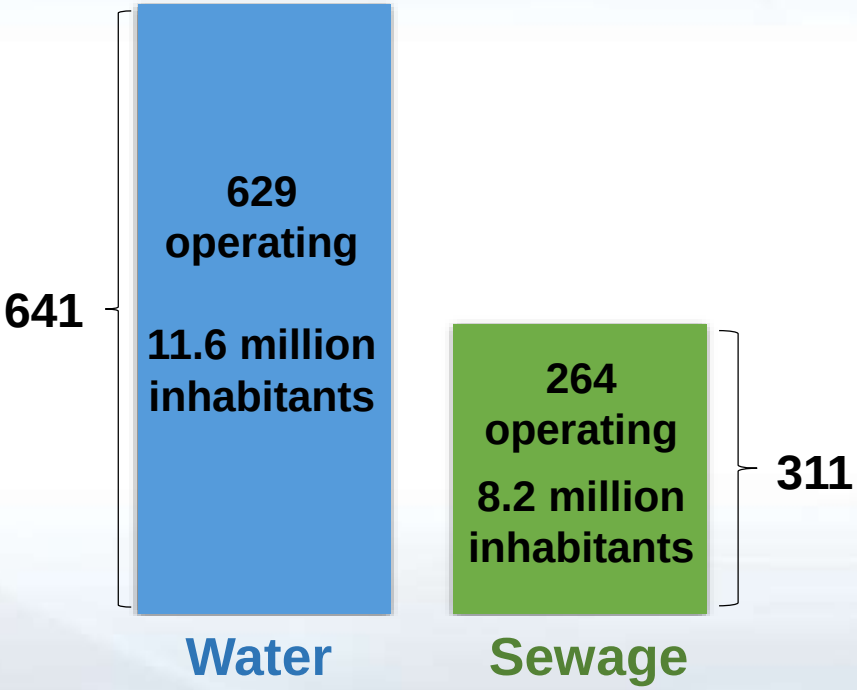
Below 2.0x	Between 2.0 and 2.2x	Above 2.2x
After conducting semiannual studies that indicate that a payment of "Extraordinary Dividends" will not jeopardize the financial health, the Investment Plan or current liquidity, the Board of Directors may propose the payment of "Extraordinary Dividends".	Payout 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

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CONCESSIONS
Consolidated



- **% of revenues from concessions to expire from Jan/2034: 79.5%**

- **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 – 2.2% of revenues**

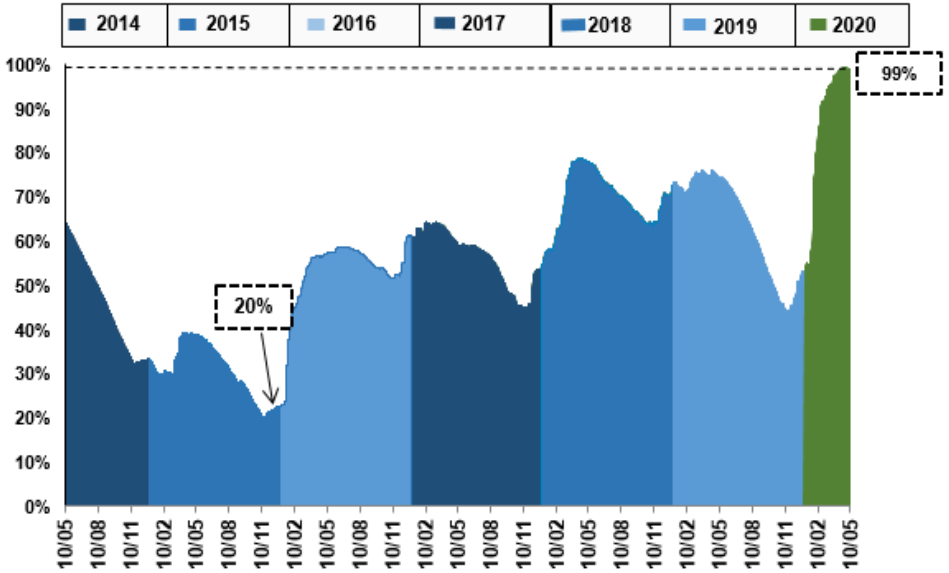
- **Expiration of 10 largest concessions: 52.8% of revenues**
  - **Belo Horizonte – 2034**
  - **Contagem – 2073**
  - **Betim – 2042**
  - **Montes Claros – 2048**
  - **Ipatinga – 2022**
  - **Ribeirão das Neves – 2034**
  - **Divinópolis – 2041**
  - **Pouso Alegre - 2046**
  - **Santa Luzia – 2050**
  - **Varginha – 2047**

- **Expired concessions: 64 (2.7% of revenues)**

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HYDROLOGICAL SITUATION
Belo Horizonte Metropolitan Area (BHMA)

Paraopeba System: Accrued Volume [1]



Volume de cada Reservatório	10.05.2020
Rio Manso	100,0%
Vargem das Flores	97,4%
Serra Azul	100,0%

das Velhas River System

Information about the system	
BHMA population served	42%
Water collection concession	8.7 m³/s
Average flow (last 15 days prior to 10 May 2020)	28.7 m³/s
Average flow used in the last 12 months	6.8 m³/s

1) Responsible for 47% do volume distributed in BHMA.

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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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